

Extrait du eff-franchise

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Introduction to European Code of Ethics : an example of Self Regulation

- Regulation -

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eff-franchise

[European Code of Ethics for Franchising](#)

The principle of SELF-REGULATION applied to the franchise business relationship

A Word of Introduction :

Since its foundation in 1972, the European Franchise Federation has promoted its **European Code of Ethics for Franchising**.

Its purpose is to promote **a self-regulatory set of ethical standards** by which the actors of the industry themselves define the means by which to protect its practice from behaviour which could otherwise be detrimental to its image and ultimately to its business development.

The Code of Ethics has proved itself fundamentally useful not only to self-regulate the practice of franchising on the markets in Europe, but by doing so, has guaranteed the EFF a forceful and credible role in its dealings as the federating representative of franchising with both national and European authorities.

In the 1980 s, the EU and the European Court of Justice recognised the EFF s Code as an example of its kind, both in its definition of franchising as in its responsible practice of this mode of distribution.

By virtue of their membership, every member association of the EFF, and in turn, each of their respective franchisor members, commits itself to the respect and promotion of the principles laid down in this Code.

Evolution of the Code

The EFF and its governing bodies amend the Code when necessary to mirror the maturity of an ever-evolving sector, as well as to integrate the growing body of ethical principles that may be adopted by national associations as they adapt to the evolution of franchising on their respective markets which could prove of benefit for the other national markets.

Percolated upwards into the EFF Code, this evolutionary process stands as a written testimony to the on-going and forward thinking evolution that the EFF and its member associations bring to franchising as it develops in Europe.

The EFF Code has served as one of the sources of the [Principles of Ethics](#) adopted by the [World Franchise Council](#).

The Possibility of having national interpretations (“national annexes”) to the Code

There is only one standard version of the Code. It is to this version that each of the national association member adheres to when joining the EFF. No member association may unilaterally modify or refuse to accept the integrity of this version.

However, each national franchise association is permitted to build up alongside of it, its own body of national provisions founded on the necessities of franchising and the franchise community in that country.

This is what we call the [“national annexes”](#) to the Code.

These annexes may not contradict nor minimise the scope and terms of the European Code. They add to the body of ethical standards applicable to franchising.

An association would wish see reflected in their annexes to the EFF Code value changes brought to the practice of franchising in a particular national context and which that association wishes to see respected by their franchise members. Such annexes, where they exist, generally reflect principles born from the lessons drawn from the jurisprudence or legislation on franchising in that country.

Before being adopted at a national level, the proposed annexes must be submitted for commentary to the EFF s governing bodies.

Not every EFF member franchise association has a set of annexes. Some associations may simply transpose and adopt existing annexes for their own use. Where such annexes exist, they can be downloaded in their national language from their association web site.

Self Regulation in relation to Statutory Regulation

In the long-standing market economies governed by Civil Codes, there is very limited franchise specific legislation.

Franchising, which is not usually distinguished from commerce in general in national economic statistics, is governed in each EU country by the many laws that usually govern mainstream commercial and distribution contracts. These include the general principles of contractual and civil law, specific commercial regulations, IPR protection laws, fiscal and social laws, etc. as well as national or European jurisprudence.

Within the EU Member States, there is no legislation specific to the franchise contractual relationship.

This fact merits attention in light of the legislation specific to the franchise relationship that exists in Australia, Canada, the US and in many countries that have emerged from strictly planned economies.

As mentioned above, the **EFF s Code of Ethics for franchising** has been recognised as an industry reference both by the European Commission, the European Court of Justice, and in franchise jurisprudence in countries like France and Germany.

Pre-contractual disclosure legislation in the EU

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To date, five 5 EU Member States that have adopted what we call “pre-contractual disclosure obligation” laws which relate to information that must be disclosed between the parties to a future franchise contract.

For more detail, click here[[link to Pre-contractual Disclosure laws in the EU](#)].