

International Update

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New Brunswick

On February 1, 2011, New Brunswick became the fourth Canadian province to regulate franchises, joining the ranks of Alberta, Ontario and Prince Edward Island. In addition to passing the *Franchises Act*, S.N.B. 2007, c. F-23.5 (N.B.), New Brunswick issued a regulation governing franchise disclosure, the *Disclosure Document Regulation-Franchises Act*, N.B. Reg. 2010-92. While many of the disclosure requirements in this regulation are similar to those of the other Canadian provinces, there are differences, some of which more closely align with the North American Securities Administrators Association's (NASAA) 2008 Registration and Disclosure Guidelines. The disclosure requirements that more closely align with NASAA include attaching the Table of Contents for any operating manual to the disclosure document or including a statement as to the location in New Brunswick where the manuals are available for inspection; and including a description of all of the franchisor's policies and practices relating to Internet sales or other distance sales. Additionally, New Brunswick expressly permits the delivery of the disclosure document by electronic means. If the disclosure document comprises more than one file, however, the franchisor also must include an index of all such files in the disclosure document.

Russia

On July 6, 2010, legislation was introduced to modify several provisions of the Russian Civil Code. These legislative changes could be significant for franchisors. Currently, franchise agreements must be registered with Rospatent, the Russian Patent Office. The registration process is complicated, time consuming and expensive. The proposed legislation would allow franchise agreements to become effective without registration under certain conditions. Among other

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changes, the proposed law would eliminate a franchisor's joint and several direct liability for its franchisee's actions and clarify that Russian law permits resale price maintenance in franchised systems.