

Call for comments on franchise industry code

The Department of Trade, Industry and Competition (DTIC) is calling for comments on the discussion document relating to the publication of the Franchise Association of South Africa (Fasa) Industry Code to be submitted to the Department via email before 15 July 2020.



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Welcoming the move after years of lobbying, Vera Valasis, executive director of Fasa, has called on all stakeholders in the franchise industry to take time to read the proposed Franchise Code and respond with their comments and concerns. “Especially in these trying Covid-19 times, the stability, protection and recovery of the franchise industry will be crucial to the survival of our sector and its future growth.”

For many years, Fasa has been calling for the sector to be regulated and worked to develop a world-class alternative dispute resolution process forming part of the Industry Code ('Code') that the Franchise Association has used as a guide to ethical business practices since its inception 40 years ago. The draft Code was accepted by the Consumer Protection Commission and was subsequently published for comment in the Government Gazette.

According to Eugene Honey of Adams & Adams, Fasa’s legal advisor and head of the team responsible for lobbying government, the Consumer Protection Commission subsequently indicated that they were happy with the draft Code document, but indicated that they would prefer for Fasa’s Code of Ethics and Business Practice Guidelines to, in some way, also be incorporated into the Code.

“One of the main objectives of Fasa is to develop and support ethical franchising. As a result, Fasa was only too happy to oblige. What followed was a process of updating, developing and refining the new Code by adding to what was essentially a robust mediation process, additional provisions aimed at imposing on franchisees and franchisors a code of conduct aimed at regulating behaviour within the franchise industry and providing for certain matters not dealt with by the CPA.”

Written input on the discussion document can be emailed to SSasayi@thedtic.gov.za with a copy to vera.valasis@fasa.co.za by no later than 15 July 2020. [View the code here.](#)

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