



Franchise Council of Aust (FCA) Code of Ethics

1. Members of FCA (Franchising Council of Aust) shall abide by all relevant State and Federal laws.
2. No member shall offer, sell or promote the sale of any franchise, product or service by means of any explicit or implied representation which is likely to have a tendency to deceive or mislead prospective purchasers of such franchise, produce or service.
3. No member shall imitate the trademark, trade name corporate name, slogan, or other mark of identification of another business in any manner or form that would have the tendency or capacity to mislead or deceive.
4. The "pyramid" distribution system is inimical to prospective investors and to the franchise system of distribution and no member shall engage in any form of "pyramid" distribution.
5. When promoting a franchise any reference, directly or indirectly, to performance records, figures or data respecting income or earnings of franchisees shall be noted as projections based on available data, and if necessary, to avoid deception, accurately qualified as to geographical area and time periods covered.
6. The investment requirements of a franchise shall be as detailed as necessary to avoid being misleading in any way and shall be specific with respect to whether the stated amount is a partial or the full cost of the franchise, the items paid for by the stated amount, financing requirements and other related costs.
7. Full and accurate written disclosure of all information considered material to the franchise relationship shall be given to prospective franchisees at least seven (7) days prior to the execution of any binding agreement.
8. All matters material to the franchise relationship shall be contained in one or more written agreement, which shall clearly set forth the terms of the relationship and the respective rights and obligations of the parties.
9. **A franchisor shall select and accept only those franchisees who, upon reasonable investigation, appear to possess the basic skills, education, personal qualities, and financial resources adequate to perform and fulfill the needs and requirements of the franchise.**
10. The franchisor shall encourage and/or provide training designed to help franchisees improve their abilities to conduct their franchises.
11. A franchisor shall provide reasonable guidance over the business activities of franchisees for the purpose of maintaining the integrity of the entire franchise system for the benefit of all parties having an interest in it.
12. Fairness shall characterise all dealings between a franchisor and its franchisees. To the extent reasonably appropriate under the circumstances, a franchisor shall give notice to its franchisee of any contractual breach and grant reasonable time to remedy default.
13. A franchisor should be conveniently accessible and responsive to communications from franchisees, and provide a mechanism by which ideas may be exchanged and areas of concern discussed for the purpose of improving mutual understanding and re-affirming mutually of interest.
14. A franchisor shall make every effort to resolve complaints, grievances and disputes with its franchisees with good faith and good will through fair and reasonable direct communication and negotiation. Failing this, consideration should be given to mediation or arbitration.
15. An affiliate member will:
 - (a) recognise and practice the Code of Ethics adopted by all member categories;
 - (b) advise franchisors or prospective franchisor to similarly adopt and adhere to the Code of Ethics;
 - (c) advise in writing any client involved, or wishing to become involved in franchising, or any personal, financial or other material circumstances which exist or may exist and which may effect the relationship with the client;
 - (d) respect the confidentiality of all information concerning a client's franchise business and not disclose or permit disclosure of any such information without the client's written consent.
 - (e) Adopt the highest standards of competency and integrity in all matters pertaining to franchising;
 - (f) Support the integrity of established franchise systems and not act in any way which may prejudice a system.