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## DZP Tax and legal alerts

# The Code of Good Practice for the Franchise Market has been adopted!

The Code of Good Practice for the Franchise Market (the "Code") is a joint initiative of franchisees and franchisors as well as industry organisations and experts. It is aimed to develop such practices for the franchised activity as are in the interest of both franchisees and franchisers.

Subscribing to the Code and committing to follow it is voluntary and its provisions are binding for the Signatories of the Code, who are entitled to invoke the fact of having subscribed to the Code, including, in particular, to publish information about complying with its provisions.

Both franchisors and organisations of franchisees may subscribe to the Code.

Importantly, the effect of one party to a franchise agreement subscribing to the Code is that the other party to the franchise agreement can invoke the provisions of the Code to the extent of the obligations assumed by the Code Signatory.

### What does the Code regulate?

- Basic principles of establishing cooperation within a franchise network
- Information provided to franchise candidates and franchisees
- Basic requirements regarding the franchise agreement and its scope
- Basic principles of cooperation within a franchise network
- Obligations of franchisees
- Good practices for controlling franchisees' activities
- Principles of terminating cooperation in the franchise network, including termination of the franchise agreement
- Liability of franchisors
- Principles of franchisees reporting irregularities
- Rules of subscribing to the Code

Additionally, the Code emphasises that parties to a franchise agreement are not business units that are related to each other, but separate business entities operating under a common brand. A signatory of the Code should adjust its activity to the standards and rules adopted in the Code within six months after subscribing to the Code. The Code may also be followed by entities which have not subscribed to it, but are interested in applying the principles and standards adopted on the market.

#### How can we help you?

The law firm Domański Zakrzewski Palinka has an interdisciplinary team of advisers, who support business development by, among other things, getting involved in building franchise networks and adapting existing franchise models to market challenges, changing regulations and the Code. If you are interested in detailed information about the Code or our assistance in subscribing to the Code or adjusting your activity to its standards, please do not hesitate to contact us



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I advise on corporate and M&A law and provide day-to-day services in the field of corporate law. I advise on building and developing franchise networks. I have experience of numerous restructuring projects, at both analytical and implementation stages, and in due diligence exercises and M&A transactions carried out especially for companies from the pharmacy, pharmaceutical and medical sectors.



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I specialise in competition law, consumer protection law, pharmaceutical law and regulations on dietary supplements. I advise clients on structuring their distribution policies, trade relations, and pricing and discount policies with special focus on counteracting anti-competitive arrangements, abuse of a dominant position and acts of unfair competition. I support businesses planning to create a franchise network or modify an existing model.