



Mason Sier Turnbull Seminar

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FRANCHISING IN NEW ZEALAND

Stewart Germann

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- NZ is one of the most deregulated countries in the world to conduct small to medium sized business
- No specific legislation controlling franchising
- Franchise Association of New Zealand (FANZ) requires Code of Practice and Code of Ethics compliance

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- Over 300 franchise systems turning over in excess of NZ\$10 billion annually and employing over 70,000 people
- Franchising is firmly established with such brands as McDonald's, Fastway Couriers, Bakers Delight, Dymocks, The \$2 Shop, All Seasons Flowers, Action International, BB Espresso, Bedpost, Video Ezy, The Cheesecake Shop, CleanTastic

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- NZ has a double taxation treaty with Australia - 10% non-resident withholding tax must be deducted on money repatriated
- Australian franchise systems wishing to enter NZ must have their franchise agreements amended
- Amendments to franchise agreements normally involve restraint of trade clause, NZ legislation, governing law, dispute resolution, PPSR clause.

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- Existing Australian disclosure document can be used for initial entry to NZ
- Australian franchisors should either appoint master franchisee for the whole of NZ or undertake direct franchising
- Joint venture in NZ?

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- Intellectual Property protection is essential, especially trade mark registration
- NZ has no business name registry -
I recommend forming a NZ company with your trade name in it, as well as registered trade mark(s)
- FANZ has a strong influence on franchising

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- No pending franchising legislation but in the future probably inevitable that NZ will have mandatory disclosure like Australia
- NZ Commerce Commission as opposed to ACCC

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- SGL undertakes international franchising for clients in UK, USA, Canada, Singapore as well as Australia
- Stewart Germann won the inaugural Service Provider of the Year 2004 at FANZ Franchise Awards November 2004
- SGL has had a strong affiliation with Mason Sier Turnbull for many years

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