



DISCLAIMER: The contents of this text do not constitute legal advice and are not meant to be complete or exhaustive. Although Warwick Legal Network tries to ensure the information is accurate and up-to-date, all users should seek legal advice before taking or refraining from taking any action. Neither Warwick Legal Network nor its members are liable or accept liability for any loss which may arise from possible errors in the text or from the reliance on information contained in this text.

Franchising Fact Sheet - Ukraine (2012, August)

1. How is franchising defined under national law?	Franchising, or commercial concession, is a legal relationship whereby a franchisor provides to a franchisee, for a payment, the set of its rights, that is, the right to use intellectual property (trade marks, inventions, commercial secrets, etc), commercial experience and business reputation, to be used in accordance with franchisor's requirements and for the purpose of goods production and/or services rendering.
2. Are there any pre-contract disclosure requirements?	The law does not determine any disclosure requirements at the stage of negotiations. However according to the contract the franchisor shall transfer technical and commercial documents to the franchisee and provide him with the relevant information necessary in order to use the granted rights.
3. Does the franchisor have any liability for claims against the franchisee?	The franchisor is subsidiary liable for claims against the franchisee regarding quality, and jointly liable for claims submitted against the franchisee as a manufacturer of goods.
4. When can the franchisor terminate the franchise agreement?	Termination notice should not be less than 6 months for franchise agreements where the term is not defined.
5. Are any particular formalities required for a franchise agreement to be legally valid and enforceable under national law?	A franchise agreement must be in writing. The contracting parties have the right to refer to the franchising agreement in their relationships with the third parties only after it is registered by a state registrar who registered the franchisor.
6. Does a foreign franchisor have to establish a subsidiary or branch in the country?	No. In case of a foreign franchisor the franchise agreement should be registered by a state registrar who registered the franchisee.
7. Are there any other relevant requirements/provisions?	Franchisor's right to determine a price of goods/services or maximum/minimum price limit shall be null and void.

Contact: Svetlana Kovalska, Partner, Karpov & Stifutin Attorneys at law,
svetlana@vkarpov.com.ua