

Romanian Franchise Registry - a way towards transparency?

On 5 November 2019, the National Franchise Register (the "Register") was set up. The purpose of the Register is to provide more visibility on franchise businesses and advise potential franchisees on the reliability of the potential franchisor and the key aspects of the business.

The Register will contain information regarding franchise business models and will be available to any interested person.

At this stage, registration is optional for franchisors. However, the Romanian Franchise Association may request that a franchisor register in this Register. If such a case, registration will become mandatory (that said, we note that there is no sanction for failing to comply with such request).

The Register will be kept electronically and will contain information regarding opening of new franchise units, data on franchise management, litigation history, the initial amount to be invested by the franchisee, mutual obligations of the parties, copies of the franchisor's financial result in the previous year, changes/updates of information or deletions.

The Register aims to facilitate monitoring of businesses in the franchise system, while increasing the level on information available to potential franchisees.

From a practical point of view, it is expected that the Register would assist the franchisee in making responsible business decisions based on a more advanced information system, which will mitigate financial risks associated with insufficient knowledge of the relevant franchise.

It will be interesting to see if this Register reaches its purpose, whether the franchisees will opt to access it and how the franchise system will be improved as a result.

For further information please contact [Cristina Popescu](#), Senior Counsel and Head of CEE Insurance Practice Group .