



LAWS OF MALAYSIA

Act A1617

FRANCHISE (AMENDMENT) ACT 2020

Date of Royal Assent	20 February 2020
Date of publication in the <i>Gazette</i>	6 March 2020

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LAWS OF MALAYSIA

Act A1617

FRANCHISE (AMENDMENT) ACT 2020

An Act to amend the Franchise Act 1998.

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ENACTED by the Parliament of Malaysia as follows:

Short title and commencement

1. (1) This Act may be cited as the Franchise (Amendment) Act 2020.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

General amendment

2. The Franchise Act 1998 [Act 590], which is referred to as the “principal Act” in this Act, is amended in the national language text—

(a) by substituting for the words “pemberi francais” wherever appearing including in the shoulder notes the word “francaisor”;

- (b) by substituting for the words “pemegang francais” wherever appearing including in the shoulder notes the word “francaisi”;
- (c) by substituting for the words “pemegang subfrancais” wherever appearing the word “subfrancaisi”; and
- (d) by substituting for the words “perunding francais” wherever appearing the words “konsultan francais”.

Amendment of section 4

3. Section 4 of the principal Act is amended—

- (a) in the national language text, by inserting after the definition of “francais” the following definitions:

‘ “francaisi” ertinya seseorang yang kepadanya francais diberikan dan termasuk, melainkan jika dinyatakan selainnya dalam Akta ini—

(a) francaisi induk berkenaan dengan hubungannya dengan francaisor; dan

(b) subfrancaisi berkenaan dengan hubungannya dengan francaisi induk;

“francaisi induk” ertinya seseorang yang diberi hak oleh francaisor untuk mensubfrancaiskan kepada orang lain, atas perbelanjaannya sendiri, francais kepunyaan francaisor itu;

“francaisor” ertinya seseorang yang memberikan francais kepada francaisi dan termasuk francaisi induk berkenaan dengan hubungannya dengan subfrancaisi, melainkan jika dinyatakan selainnya dalam Akta ini;’;

- (b) in the national language text, by inserting after the definition of “iklan” the following definition:

‘ “konsultan francais” ertinya seseorang yang memberikan nasihat dan perkhidmatan konsultasi kepada orang lain mengenai pendaftaran perniagaan francais dan pematuhan kepada undang-undang yang berhubungan dengannya;’;

(c) in the national language text, by deleting the definitions of “pemberi francais”, “pemegang francais”, “pemegang francais induk” and “perunding francais”; and

(d) by inserting after the definition of “regulations” the following definitions:

‘ “subfranchise” means a franchise granted by a master franchisee to a subfranchisee for business purposes under this Act;

“subfranchisee” means a subfranchise holder;’.

Amendment of section 6

4. Section 6 of the principal Act is amended—

(a) in subsection (1), by inserting after the word “franchisor” the words “or a foreign person who has obtained an approval to sell a franchise in Malaysia or to any Malaysian citizen under section 54”; and

(b) in subsection (2), by inserting after the word “franchisor” the words “or foreign person”.

Amendment of section 6A

5. Section 6A of the principal Act is amended—

(a) in subsection (1), by substituting for the words “by using the prescribed application form” the words “by submitting the application in such form as may be determined by the Registrar together with the prescribed fee”;

(b) by inserting after subsection (2) the following subsection:

“(2A) Upon approving the application under subsection (1), the Registrar may require the applicant to pay such amount of fee as may be prescribed.”; and

(c) by inserting after subsection (3) the following subsection:

“(4) Any franchisee who fails to comply with this section commits an offence.”.