



**Australian
Competition &
Consumer
Commission**

Our Ref: 53104
Contact Officer: John Rouw
Contact Number: (03) 9290 1402

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5 December 2013

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Dear Ms Theodore

Third line forcing notification N97119 lodged by Sushi Sushi Franchising Pty Ltd

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 25 November 2013. The notification has been placed on the ACCC's public register.

Sushi Sushi Franchising Pty Ltd (SSF) proposes to supply its services as franchisor to SSF franchisees on the condition that franchisees purchase all ingredients, food products, beverages, packaging, cleaning products, fitout and equipment, information technology, communication services and uniforms from suppliers approved by SSF.

Legal protection conferred by the notification will commence on 9 December 2013.

On the basis of the information that you have provided it is not intended that further action be taken in this matter at this stage.

As with any notification, please note that the ACCC may act to remove the legal protection provided by the notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

This assessment has been made on the basis that SSF will disclose all relevant terms and conditions to current and prospective franchisees. In particular I note that SSF is required to comply with the disclosure requirements of the Franchising Code of Conduct in relation to the notified arrangement. Among other things, these specify that a franchisor must provide information to franchisees in its disclosure document about:

- any restrictions on acquisition of goods or services by the franchisee from other sources

- whether the franchisor or an associate will receive a rebate or other financial benefit from the supply of goods or services to franchisees, including the name of the business providing the rebate or financial benefit and
- whether any such rebate or financial benefit is shared directly or indirectly with franchisees.

More generally I would note that the Franchising Code of Conduct also requires disclosure of:

- ownership by a franchisor or an associate of a franchisor of an interest in any supplier from which the franchisee may be required to acquire goods or services
- any restrictions by a franchisor on the goods or services that a franchisee may supply and
- any restrictions on the persons to whom a franchisee may supply goods or services.

A copy of this letter has been placed on the ACCC's public register. If you wish to discuss this matter, please contact John Rouw on (03) 9290 1402.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Richard Chadwick', with a long horizontal stroke extending to the right.

Dr Richard Chadwick
General Manager
Adjudication Branch