

2860.1100 REGISTRATION REQUIREMENT.

Subpart 1. **Order of registration.** An effective order of registration shall authorize the offer, grant, or sale of one or more franchises provided that the initial contracts or agreements under which they are offered are substantially identical in their terms or provisions. Whenever the franchisor offers, grants, or sells more than one franchise and the resulting contracts or agreements vary substantially in their terms or provisions, separate franchises shall be deemed to have been offered, granted, or sold and separate registrations shall be required.

Subp. 2. **Substantial variations.** For the purpose of this part, substantial variation in the contract or agreement shall relate to different products, services, fees charged, duties imposed, obligations incurred, or investments required to be made by the contract or agreement.

However, variation of terms or provisions within a contract or agreement designed to recognize individual differences in time, geography, market, volume, size, or costs for goods, materials, and supplies incurred by the franchisor shall not be considered as substantially varying the contract or agreement so as to constitute a new franchise offering.

Subp. 3. **Duty to register.** When a franchisor offers area franchises in the state of Minnesota, it shall be the primary responsibility of the franchisor to register the area franchise to be offered. It shall further be the primary responsibility of the franchisor to register the franchise or subfranchise to be offered whenever any obligations or duties exist or fees are transmitted, directly or indirectly, between the franchisor and the franchisee or subfranchisee.

Subp. 4. **Extension or renewal of franchise.** There need be no registration in effect prior to the extension or renewal of an existing franchise or the grant of an additional franchise to an existing franchisee unless the extended, renewed, or additional franchise varies substantially from the franchise that is presently possessed by the franchisee. However, no person, as a condition of the extension or renewal or the grant of such additional franchises, may require a franchisee to conform to any franchise contract or agreement the provisions of which are "unfair and inequitable" as those terms are defined within these rules.

Statutory Authority: *MS s 80C.18*

Published Electronically: *September 14, 2007*