

Saskatchewan publishes regulations to The Franchise Disclosure Act



MAY 8, 2025 5 MIN READ

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As written in a previous Osler [Update](#), Saskatchewan's first and only comprehensive franchise statute, *The Franchise Disclosure Act* (the Saskatchewan Act), received royal assent on May 8, 2024. Saskatchewan is the seventh Canadian province to enact franchise legislation, following Alberta, Ontario, Prince Edward Island, New Brunswick, Manitoba and British Columbia (collectively, the Regulated Provinces).

On April 25, 2025, the Saskatchewan Gazette published *The Franchise Disclosure Regulations*, SR 29/2025, the regulations to the Saskatchewan Act (the Saskatchewan Regulations). The Saskatchewan Act and Saskatchewan Regulations will come into force on a currently unknown date to be set by the Lieutenant Governor in Council, likely in late 2025 or early 2026. The provincial Ministry of Justice and Attorney General has indicated that interested parties have until June 15, 2025 to submit comments on the Saskatchewan Regulations.

In good news, franchisors will be pleased to know that the similarity of the Saskatchewan Regulations to existing regulations will mean that having a single, national disclosure document is still feasible, subject to province-specific updates.

Overview of the Saskatchewan Regulations

In keeping with the approach that the Government of Saskatchewan took with the Saskatchewan Act, the Saskatchewan Regulations are generally aligned with the regulations under British Columbia's *Franchises Act* (the B.C. Regulations). In some cases, the Saskatchewan Regulations diverge from the B.C. Regulations and align with the general regulations under Ontario's *Arthur Wishart Act (Franchise Disclosure), 2000* (the Ontario Regulations). At a high level, the Saskatchewan Regulations prescribe that a compliant franchise disclosure document delivered in the province of Saskatchewan must include (among other items):

- upfront risk warnings statements presented to the prospective franchisee at the beginning of the disclosure document
- a description of any dispute resolution procedure
- financial statements of the franchisor (subject to narrow exemptions)
- certain information respecting the franchisor (i.e., business background, length of time in business, profile of directors and officers, history of litigation, etc.)

- certain information respecting the franchise opportunity (i.e., initial fees, cost of establishing, training requirements, termination/renewal terms, etc.)
- certain information respecting the franchise system (i.e., list of current franchisees, lists of former franchisees, etc.)
- a prescribed certificate signed by at least two of the franchisor's authorized directors and officers (or sole director and officer, if applicable), certifying that the disclosure is true and complete, and contains all material facts and required information

Comparison to other provincial franchise legislation

The Saskatchewan Regulations have blended content from the B.C. Regulations and the Ontario Regulations with subtle but important differences, including:

1. **Large investment exemption:** The Saskatchewan Regulations followed the approach taken in the B.C. Regulations to exempt franchisors from the obligation to provide a disclosure document to prospective franchisees if the franchise grant requires a minimum investment of \$5 million. By contrast, the Ontario Regulations only requires a minimum investment threshold of \$3 million in order to fit within this exemption.
2. **Requirement for agent for service:** If a franchisor's principal business address is outside of Saskatchewan and the franchisor is offering a franchise located in Saskatchewan, the franchisor must disclose the name and address of a person authorized to accept service in Saskatchewan on the franchisor's behalf. In this way, the Saskatchewan Regulations have followed the approach taken in Ontario and Manitoba, and diverge from the approach taken in the other Regulated Provinces.
3. **Disclosure of proximity policies and practices:** Similar to some other provinces' regulations, the Saskatchewan Regulations require disclosure in the franchise disclosure document of the franchisor's policy about locating franchises near each other. While the B.C. Regulations do not contain any proximity policy disclosure requirements, Saskatchewan chose to follow Ontario's lead but the Saskatchewan Regulations have broadened the corresponding proximity policy set out in the Ontario Regulations. The Saskatchewan Regulations require franchisors to disclose a description of the franchisor's policies *and practices*, if any, on the proximity between an existing franchise and any of the following:
 - another franchise *of the franchisor or franchisor's associate of the same type as the existing franchise*
 - another distributor using the trademark, trade name, logo or advertising or other commercial symbol that is owned by or licensed to the franchisor or franchisor's associate
 - a franchise owned or operated by the franchisor that distributes similar products or services under a different trademark, trade name or logo
 - a franchise granted by the franchisor that distributes similar products or services under a different trademark, trade name or logoWhile the Ontario Regulations are substantially similar to the Saskatchewan Regulations, the Ontario Regulations do not: (a) extend to the franchisor's

proximity *practices*; (b) clarify that the disclosure obligation extends to franchises of *the same type as the existing franchise*; or (c) make any reference to the *franchisor's associate*.

4. **Risk warnings:** Due to slight differences in wording, national disclosure documents will need to be updated to reflect the specific risk warnings required under the Saskatchewan Regulations.

Next steps

As noted above, the Saskatchewan Act and the Saskatchewan Regulations will come into force on a currently unknown date to be set by the Lieutenant Governor in Council, likely in late 2025 or early 2026. Until then, franchisors should look to ready their franchise disclosure documents so they can hit the ground running and ensure a seamless and compliant transition. While there are significant similarities between the Saskatchewan Act and Saskatchewan Regulations and the equivalent franchise legislation in the Regulated Provinces, there are important differences that need to be considered and incorporated into a franchisor's franchise disclosure document, as needed.

If you have any questions on how the new Saskatchewan Act or Saskatchewan Regulations may impact your franchise system and your franchise documentation, please contact a member of Osler's Franchise Group.