

Under Section 5(7) of the Act, there are a number of exemptions from the requirement to deliver a Disclosure Document as follows:

- Grants of additional franchises to existing Franchisees, provided that the additional franchise is substantially the same as the existing franchise and there has been no material change from the date that the existing franchise agreement was entered into;
- Grants to directors or officers of Franchisor;
- Grants of a franchise where the total sales relating to the franchise do not exceed a certain percentage of the total sales of the business (currently prescribed to be 20%) (sometimes known as “fractional franchises”);
- Renewals or extensions of a franchise agreement where there has been no interruption in the operation of the business and there has been no material change since the franchise agreement or latest renewal or extension of the agreement was entered into;
- Grants by Franchisee, for Franchisee's own account, where the grant is not effected by or through Franchisor;
- Exemptions also exist with respect to grants where:
 - Franchisee’s total annual investment to acquire and operate the franchise is below \$5,000;
 - the franchise agreement is not valid for more than one year (and does not involve the payment of a non-refundable franchise fee); or
 - Franchisee will invest more than \$5,000,000 in one year in the acquisition and operation of the franchise.