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## **STC – Franchise Assessment**

**Case Number: FCA 22**

**Date: JUNE 2013**

**Complaint:** There was an initial allegation of anti-competitive provisions of the Franchise agreement between the Seychelles Trading Company (STC) and its Franchise outlets which prompted an investigation and eventual amendments to their current Franchise agreement. The Seychelles Trading Company applied to the Fair Trading Commission for guidance as stipulated under the Fair Trading Commission Act 2009, Section 14 in relation to the terms and conditions of its new Franchise Agreement.

**Commission's Assessment:** The Competition Department analysed the complaint lodged as well as all evidence obtained. Following the assessment, the Competition Department is satisfied that the agreement is not a franchise as the basic elements required for a franchise agreement are not included within the current agreement.

**Conclusion:** The Commission concluded that the agreement appears to be more suitable as a Distributors Agreement rather than a franchise agreement. Recommendations included voluntary undertaking by STC to amend the Franchise agreement into a Distributors Agreement, remove all Franchises signs affixed to premises and provide proof of prices negotiated with the Government on basic goods under the government policy.