

## 29 C.F.R. § 794.117

---

### Effect of franchises and other arrangements.

---

Whether a franchise or other contractual arrangement affects the status of the enterprise as “an independently owned and controlled \* \* \* enterprise,” depends upon all the facts including the terms of the agreements and arrangements between the parties as well as the other relationships that have been established. The term “franchise” is not susceptible of precise definition. While it is clear that in every franchise a business surrenders some rights, it is equally clear that every franchise does not necessarily deprive an enterprise of its character as an independently owned and operated business. This matter was the subject of legislative consideration in connection with other provisions of the 1961 amendments to the Act. The Senate Report on the amendments, in discussing the effects of franchises and similar arrangements on the scope of the “enterprise” under section 3(r) of the Act, stated as follows:

This document is only available to subscribers. Please [log in](#) or [purchase access](#).

[Purchase Login](#)