

(TRANSLATION)

**Alwaqai Aliraqiya**

## **The Official Iraqi Gazette of the Republic of Iraq**

- Accreditation Law of the Iraqi Authority No (78) for the year 2017.
- Law for the Regulation of Commercial Agency No (79) for the year 2017.
- Law No (80) for the year 2017, Law of First Amendment for the Amnesty Law No (27) for the year 2016.
- Statement of the Financial Position and the Statement of the Comprehensive Income for the Central Bank of Iraq on 31/12/2016.
- Statement of Correction issued by the Diwan Presidency of the Republic.

**In the Name of the People**  
**The Presidency**

Decision No. (36)

Based on what passed in the House of Representatives in accordance with the provisions of item (first) of article (61) and item (third) of Article 73 of the Constitution.

The President of the Republic decided on 1/11/2017

The issuance of the following Law:

**No. (79) For the year 2017**  
**Law for**  
**The Regulation of Commercial Agency**

**Article 1**

The following expressions shall have the meanings indicated next to them for the objectives of this Law:

First: the Minister: Minister of Trade

Second: the Registrar: The registrar of companies

Third: Commercial Agency: A contract whereby a natural or legal person is entrusted to sell or distribute goods or products or to provide services within Iraq in the capacity of an agent or a distributor or the owner of a franchise for the principal outside Iraq against a profit or a commission or providing after sale services and maintenance works and supply of spare parts for products and goods that he markets.

Fourth: Commercial agent: The Iraqi natural or legal person who conducts any business of the commercial agency.

Fifth: Principal: the foreign natural or legal person outside Iraq for his interest the commercial agent works.

Sixth: License: The license issued by the registrar to the commercial agent.

**Article 2:**

This legislation aims to:

First: To regulate the work of commercial agency

Second: To regulate the transactions of the departments of the state, the social, mixed and private sectors with natural and legal foreign persons in such a way as to achieve development targets prevent exploitation and secure the interest of national economy.

**Article: 3**

The objectives of this Law shall be achieved by the following means:

First: Obtain a license for exercising commercial agency business;

Second: Record commercial agencies in a special register according to the provisions of this Law;

Third: Monitor the activities of commercial agents

**Article: 4**

First: Applicant for the license shall be required to be:

- a) Iraqi
- b) Fully competent
- c) Not convicted for any felony or misdemeanor of turpitude
- d) Has a commercial office in Iraq for practicing his business
- e) Member of a chamber of commerce in Iraq having a commercial name
- f) Not an employee of or mandated for public service
- g) Has at least one commercial agency contract certified by law

Second: If the applicant of this license is a company then it shall be required, in addition to the conditions stipulated in paragraphs (d), (e) and (g) of item (first) of this article, an Iraqi Company and that its capital owned by Iraqis by (100%) one hundred percent and that its Managing Director shall have the same conditions stipulated in paragraphs (a), (b), (c) (d), and (f) of item (first) of this article.

**Article 5**

First: The applicant for a license shall submit his application to the registrar supported by documents confirming the conditions stipulated in article (4) of this Law.

Second:

- a) The registrar shall decide upon the application within (10) ten working days of the date of its registration in his office and at the end of the period, the application that satisfies the conditions stipulated in this law shall be deemed acceptable, and if the request is rejected explicitly, the decision of refusal must be reasoned.
- b) The applicant, if rejected, may be subject to grievance before the Minister within (30) thirty days from the next day of being notified of the rejection of the application.
- c) The Minister shall decide on the grievance within ten (10) working days from the date of registration in his office. At the end of the period, the grievance shall be deemed rejected. The Minister's decision to reject the application expressly or a judgment may be appealed before the Administrative Court

Third: The Registrar shall issue the license upon fulfillment of the conditions for granting it in accordance with a form prepared for this purpose after paying the legal fees.

#### **Article 6**

The commercial agent shall submit an application to renew his license within the first sixty (60) days of the beginning of the year irrespective of the date of issuance of the license or the date of its last renewal.

#### **Article 7**

First: The license shall be revoked in one of the following cases:

- a) In the absence of any of the conditions stipulated in article (4) of this Law.
- b) Revocation of the registration of the sole commercial agency contract registered in the name of the agent for any of the reasons stipulated in Article (8) of this law and did not provide a new commercial agency during (180) one hundred and eighty days from the date of revocation.
- c) Not renewing the license by the commercial agent after the period stipulated in Article (6) of this law.

Second: The decision to revoke the license shall be subject to grievance before the Minister within (30) thirty days from the next date of being notified of the revocation of his license.

Third: The Minister shall decide on the grievance within ten (10) working days from the date of registration in his office. At the end of the period, the grievance shall be deemed rejected. The Minister's decision to reject the application expressly or a judgment may be appealed before the Administrative Court

### Article 8

The contract of a commercial agency shall be revoked when one of the following conditions is met:

First: If it found out that the registration of the commercial agency contract was based on incorrect data or documents.

Second: If the commercial agent or the principal requested the revocation of the contract provided that the revocation is not intended to prejudice the interests of either party.

Third: If it found out that the foreign company has breached its obligations to Iraq, and has been listed in the blacklist.

Fourth: Ninety (90) days after the Registrar has notified the Commercial Agent of the expiry of the contract.

Fifth: The revocation of the commercial agent license and failure to obtain a new license within one hundred eight (180) days from the date of its revocation.

### Article 9

First: The registrar may decide to consider any commercial activity conducted in Iraq by a natural or legal person, based on legal evidence, a commercial agency subject to the provisions of this Law in a statement to be published in one daily newspaper and in the bulletin.

Second: Each stakeholder may object the registrar's decision stipulated in item (first) of this article within fifteen (15) from the date of the last publication.

Third: The registrar shall decide on the objection within ten (10) days from the date of registration in his office and his decision shall be reasoned and shall be considered, at the end of the period mentioned, a refusal of the objection.

Fourth: The registrar decision to refuse the objection shall be subject to appeal before Administrative judiciary Court.

**Article 10**

The agent shall submit to the registrar an application for the registration of all of his commercial agencies on behalf of foreign natural and legal persons after the completion of authentication thereof according to law.

**Article 11**

First: The agent shall keep a special book, devoid of any striking off, scratching out, filling in or gap not required by the principles of commercial bookkeeping, where he shall note down the amount of profit or commission he earned, noting the amount transferred to Iraq with the mediation of the authorized bodies and its ratio to the sums of contracted deals, the completed commercial transactions on behalf of his client.

Second: The agent shall present the book stipulated in item (first) of this article to the Companies Registration Department – Commercial Agency Section when opened to confirm the number of its pages and stamp each page of it at the end of each year to authenticate the number of pages used before the end of the year and to indicate its closure on the last page and submit it to the General Commission for Tax at the end of each fiscal year.

**Article 12**

The commercial agent is prohibited from dealing with legally prohibited goods and commodities.

**Article 13**

The entry of goods, commodities or products or services of a foreign company is prohibited by the Ministry of Commerce - the General Company for Fairs and Commercial Services of Iraq and the Ministry of Finance - General Customs Authority for the purpose of trading only through its authorized commercial agent who registered in his name the commercial agency contract for that company within the area of activity of the Agent in Iraq.

**Article 14**

The contract of the agencies provided by the commercial agent is conditioned that its shall be for companies producing or manufacturing goods and services, or through the original company owned by the company producing or manufacturing goods or providing services that is officially authorized to grant sub-agencies in Iraq. The terms of registration of the commercial agency contract shall be determined by instructions issued by the Minister.

**Article 15**

The registrar shall have the power to monitor and supervise the agent's business and send his nominee to audit his books.

**Article 16**

The contract of the Agency, which is submitted to the Registrar, shall be the official contract between the parties and approved by the governmental authorities and the courts.

**Article 17**

The following charges shall be collected from the agent:

First: (500000) five hundred thousand dinars for granting a license

Second: (250000) two hundred fifty thousand dinars for license renewal.

Third: (500000) five hundred thousand dinars for registering the commercial agency

**Article 18**

First: Anyone exercising the business of commercial agency without obtaining a license or not having registered all his agencies shall be penalized by a fine not less than (15000000) fifteen million dinars.

Second: Each agent-acted contrary to the provisions of article (11) of this Law shall be penalized by a fine not less than (5000000) five million dinars.

Third: Each employee or mandated to public service who deliberately conducted commercial agency business shall be punished by imprisonment for a period not less than three years.

**Article 19**

The commercial agent licensed before the enforcement of this Law shall adapt his status according to provisions therein within one year of the enforcement thereof; otherwise his license shall be considered revoked.

**Article 20**

It is not permissible for the principal to terminate the contract of the agency or not to renew it unless there is a reason for its termination or not renewal. And the Agency contract may be terminated by consent between the agent and the principal or according to a complete agreement between the parties, according to which the arbitration proceedings and authority and the applicable law shall be determined.

**Article 21**

Excluded from the provisions of this law are scientific offices for the advertising of medicines licensed in accordance with the law.

**Article 22**

The Law for the Regulation of Commercial Agency No. 51 of 2000 shall be revoked and the instructions issued thereunder shall remain effective so as not to conflict with the provisions of this Law until the issuance of what replaces or cancels them.

**Article 23**

The Minister shall issue directives to facilitate the enforcement of provisions of this Law.

**Article 24**

This Law shall be enforced from the date of its publication in the official gazette

Fouad Masoum  
President of the Republic

**The whereas clauses**

To regulate the work of commercial agency and keeping pace with economic development and to guarantee the rights of the Iraqi agent and allowed for his dealings with the public sector similar to the private sector and not to restrict him by a certain number of commercial agencies. This law was enacted