

***In the name of the people
Presidency of the Republic***

Based on the decision of the parliament and approved by the President of the Republic based on the provisions of clause (first) of the Article (61) and the clause (third) of the article (73) of the Constitution the following law was issued .

No. () for the year 2017

*Law of
Organization of the commercial agency*

Article 1: for the purposes of this Law the following terms mean what is set out towards them :

First: - the Minister: - Minister of commerce

Second: The Registrar: - registrar of companies

Third: - the Commercial Agency is a contract under which entrusted to a natural or moral (legal) person selling or distributing goods or products or providing services inside Iraq as an agent or distributor or owner of franchise for the principal outside Iraq for a profit or commission and doing after sales services and maintenance works and supplying spare parts for the products and goods which he markets.

fourth: - the Commercial Agent: - the Iraqi natural or mora(legal) person who carry out any business of commercial agencies businesses.

Fifth: the principal (who grants the agency) The foreigner natural or moral (legal) person from outside Iraq who the commercial agent works to his benefit.

sixthly: - The license: - The certificate which the registrar issue to the commercial agent.

Article 2 -This law aims to:

First organize the work of commercial agency.

Second: Organizing the dealing of State, public, mixed and private sectors with foreign natural and moral persons in a way that achieves the objectives of development goals and prevents illegal exploitation and mediation and insures the interest of , national economy.

Article -3- The objectives of this law are achieved by the following means:

First: get a license to practice the business of the commercial agency.

Second: Registration of the commercial agencies in a special record according to the provisions of this law.

Third: Monitoring activity of commercial agents.

Article4- First, it is required for who requires the license to be:

A-Iraqi

B- fully qualified.

C-Not condemned to a crime or misdemeanor affecting the honor

D-Has a commercial office in Iraq to practice his business.

E-Belong to one of the chambers of commerce in Iraq and has a commercial name.

F- Not employee or in charge of public service.

G- He has commercial agency contract at least one approved according to the law.

Second: if who is requesting the license is accompany it is required in addition to the stipulated conditions in the clauses (D), (E) and (G) from the item first of this article that the company to be Iraqi and its capital is owned by the Iraqis at percentage not less than 100% hundred percent and the same conditions to be available in the managing director which are stipulated in the paragraphs (A), (B), (C) and (F) of item (first) in this article.

Article 5 –first: who requires the license to submit his request to the registrar of the companies together with the following documents which prove the availability of the conditions stipulated in article (4) of this law.

Second- A- the registrar decide about the license request within (10) ten working days from the date of registering in his office and upon end of the period the request which meet the conditions stated in this law is considered acceptable .and incase rejecting the request frankly the decision of rejection must be reasoned.

B - The rejection decision of the registration request to be subject to grievance in front of the Minister within a period of 30 days from the day following the date of informing the applicant of the request about rejecting his request.

C- The Minister decide about the grievance within a period of ten (10) working days from the date of registration in his office and upon end of the period, the grievance is considered rejected and the decision of the Minister' about rejection of the request explicitly or judgment subject to appeal in front of the administrative court.

Third: the registrar issues the license when the conditions for granting them are met according to a form arranged for this purpose after payment of legal fees.

Article -6- the commercial agent is committed to submit a request to renew his license yearly within the first (60) sixty days from the beginning of the year regardless of the date of issue of the license or the date of the last renew.

Article -7- first- the license of the commercial agent is canceled in one of the following cases :-

a- Loss of any of the conditions stipulated in article (4) of this law .

b- Cancellation of registration of the only commercial agency contract which is registered in the name of the agent for any of the reasons stipulated in article

(8) of this law and did not submit new commercial agency within (180) one hundred eighty days from the date of cancellation .

c- The commercial agent not renewing the license after passing of the period stipulated in article (6) of this law.

Second: the decision of cancellation of the license is subject to grievance in front of the minister within a period of (30) days from the day following the date of informing the owner of the license with the decision of cancellation.

Third: the minister decide about the grievance within a period of (10) ten working days from the date of register in his office and upon end of the period the grievance is considered rejected and the decision of the minister to reject the application explicitly or a judgment subject to appeal in front of the administrative court.

Article 8- *the registration of the commercial agency contract is cancelled upon one of the following cases:*

First- if it appeared that the registration of the commercial agency contract was based on not correct data or documents.

Second- if the commercial agent or the one who gave the agency requested the cancellation of the contract provided that the cancellation is not in order to harm the interests of both parties.

Third- if appeared that the foreign company has breached its obligations to Iraq and listed in the black list.

Fourth – passing (90) ninety days for the notice of the registrar to the commercial agent concerning the end of the contract period.

Fifth – cancellation of the commercial agent license and not getting new license within (180) one hundred eighty days from the date of cancellation.

Article 9- *first the registrar may decide to consider any commercial activity done by natural or moral (legal) person in Iraq based on the legal evidences as commercial agency subject to the provisions of this law according to published statement in one daily newspaper and the newsletter.*

Second- any interested party may reject the registrar decision stipulated in item (first) of this article within (15) fifteen days from the date of last publication.

Third- the registrar decides on the objection within (10) ten days from the date of registration in his office and his decision to be reasoned and in the end of the mentioned period a rejection of the objection.

Fourth – the decision of the registrar issued for rejection of the objection is subject to appeal in front of administrative court.

Article 10- *the agent submit a request to the registrar to register all his commercial agencies on foreign natural and moral persons after completion of ratification them according to the law.*

Article 11- *first – the agent holds a notebook that is free from any deleting or scratch or annotation or space not required by commercial book keeping record in it the amount of profit or commission which earned to him, stating the amount which is transferred to Iraq with mediation of the authorized parties and its percentage to the amounts of the deals and what was done by commercial operation for the account of his client.*

Second – the agent present the notebook stipulated in item (first) of this article to the office of companies registrar –the commercial agencies department when opening for the number of pages and stamp each page at the end of each year to ratify the number used pages before the end of the year and to indicate closing at the end of last page of it and to submit to the general tax authority at the end of each fiscal year.

Article -12 – *the commercial agent is prohibited from dealing with materials and goods which are legally prohibited.*

Article 13- *it's prohibited the entry of goods or products or providing service foreign companies by ministry of commerce – the Iraqi general company for exhibitions and commercial services and ministry of finance the general authority for customs for the purpose of trading except by its commercial agent who is licensed, who registered at his name a contract of commercial agency of that company within the area of the agent's activity in Iraq.*

Article 14- *it is required in the agencies contracts submitted by the commercial agent to be for producing companies or manufacturer of goods and service or by the original company owned by the producing company or the manufacturer of goods or which submit services and which is authorized officially to grant branch agencies in Iraq and specify the conditions of registration of commercial agency contract with instructions issued by the minister.*

Article 15- *the registrar has control and supervision on the agent works and to send a delegate by him to audit his books.*

Article 16- *the agency contract which is submitted to the registrar is the official contract between the two parties and which is accredited in front of the government authorities and the courts.*

Article 17- *collected from the commercial agent the following fees:*

First – 500000 five hundred thousand dinars for granting the license

Second- 250000 two hundred and fifty thousand dinars for renewal of the license.

Third - 500000 five hundred thousand dinars for registration of the commercial agency contract.

Article 18- *first: anyone who carries out a work of commercial agency without obtaining a license and not register all his agencies shall be punished with a fine of (15000000) fifteen million dinars.*

Second – any agent who worked contrary to the provisions of article (11) of this law shall be punished with a fine of (5,000,000) five million dinars.

Third – every employee or a person in charge of public service who intentionally carried out works of commercial agency shall be punished by imprisonment for a period not less than three years.

Article 19- *the licensed commercial agent adjusts his conditions according to the provisions of this law within one year from the date of its entry into force and otherwise his license is considered canceled.*

Article 20- *it is not permissible for the principal to terminate the agency contract or non-renewal unless there is a reason justifies termination or non-renewal and may terminate the agency contract by mutual agreement between the dealer and the principal or according to agreement between the two parties by which the arbitration procedures to be determined, its destination and the applicable law.*

Article 21- *excluded from the provisions of this law are the scientific offices for pharmaceutical advertising which are licensed according to the law .*

Article 22- *the law regulating the commercial agency number (51) for the year 2000 cancelled, and the instruction issued by it remain in force in a manner not inconsistent with the provisions of this law until the issuance what replaces them or cancel.*

Article 23- *the minister issue instructions to facilitate implementation of provisions of this law.*

Article 24- *this law is Implemented from the date of its publication in the official gazette .*

The reasons

For the purpose of organization of the commercial agency works and keep pace with the economic development and to ensure the rights of the Iraqi agent and allow the way for his dealing with the public sector like the private sector and not restrict with specified number of commercial agencies .

This law was legislated

(Approved by Iraqi Parliament on Nov. 13, 2017)

