

NOTES for the Short Form Agency Contract for Commercial Agents

IMPORTANT NOTE:

This document is intended to fix an oral agency agreement in written form.
This document is not a substitute for a fully negotiated and properly drafted agreement and does not constitute legal advice, which should be sought in any particular case. Accordingly, no liability is accepted in respect of it by any person or organisation by or through which it may be provided.

A commercial agent is a person who has been granted continuing authority by another person (hereinafter called the „Principal“) to negotiate or conclude transactions, except for transactions involving immovable property, on behalf of and in the name of that principal and who performs this activity on a self-employed and commercial basis.

Commercial Agent:

Identify properly the person or entity contracting with the principal. In many cases confusion arises, for example as to whether the agent is appointed personally as an individual, or whether it is the agent's company which is appointed.

Principal:

Identify carefully the entity or person with which the agent is contracting. Is this, for example, the principal's local subsidiary, or the group holding company. Will the agent act for more than one company?

Appointment of Agent:

The appointment may be on an exclusive, sole or non-exclusive basis.

If the agent is an exclusive agent, the principal guarantees that the principal will not appoint another agent in the territory and also that the principal will not himself sell directly in the agent's territory.

- Where the appointment is on an exclusive basis, the following further paragraph should be added in Section 1 - "The principal agrees not to supply the Products to customers in the Territory other than through the commercial agent."

If the agent is a sole agent, the principal guarantees only that the principal will not appoint another agent in the territory, but retains the right to sell directly in the agent's territory either to specified house accounts or generally in competition with the agent.

- Where the appointment is on a sole basis, the following further paragraph should be added in Section 1 - "The principal agrees not to appoint anyone other than the commercial agent to sell the products to customers in the territory."

If the agent is neither exclusive agent nor sole agent ("non-exclusive agent"), the principal gives no guarantee that the principal will not appoint another agent in the territory, and also retains the right to sell directly in the agent's territory both to specified house accounts and generally in competition with the agent.

Territory: Insert description of territory.

Commission: Insert commission rate.

