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Commercial Agency Organization Law

No. (79) Of 2017

قانون تنظيم الوكالة التجارية

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Laws

In the name of people

Presidency council

Resolution (36)

In accordance with what had been approved by the parliament, pursuant to the provisions of Item (First) of Article (61) and Item (Third) of Article (73) of the constitution; the president decided in 1/11/2017 issuing the following law:

No. (79) Of 2017

The Law of the Organization of Commercial Agency

Article 1

For the purpose of this law, the following terms shall mean:

First: The minister: The minister of trade.

Second: The register: The register of companies

Third: Commercial agency: It is a contract under which a natural or legal person is entrusted to sell or distribute commodities, products or provide services inside Iraq as an agent, distributor or concessionaire represents the commercial authorizer outside Iraq for a profit, a commission or provide after sales services, maintenance work and providing spare parts for commodities and products they are marketing.

Fourth: Commercial agent: Iraqi legal or natural person who performs any act of the commercial agency.



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Fifth: The authorizer: The foreign legal or natural person who the agent works for his/ her advantage.

Sixth: The license: certification issued by the register for the commercial agent.

Article 2

This law aims to:

First: Organizing the works of commercial agency.

Second: Organizing the relations of state bodies and public and private sector with the foreign legal and natural persons in a way that accomplishes the aims of development and prevents exploitation, illegal mediations and ensures the interest of national economy.

Article 3

The aims of this law shall be accomplished by the following means:

First: Obtaining a license to practice agency's works

Second: Registering the commercial agencies in special registry in accordance with the provision of this law.

Third: Monitoring the activities of the commercial agents.

Article 4

First: The following conditions must be met by an applicant for a license:

- a. He/ she should be Iraqi person.
- b. Fully qualified.
- c. Has not been convicted of a felony or honor misdemeanor.
- d. Has a commercial office in Iraq to practice his/ her work.



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- e. A Member of one of the chamber of commerce in Iraq and has commercial name.
- f. Not employed or assigned to do a public service.
- g. Has at least one contract of commercial agency certificated according to in accordance with the law.

Second: If the license applicant is a company, it must, in addition to the conditions provided for in Paragraphs (d), (e) and (f) of Item (First) of this article, be Iraqi, and its capital must be (100%) owned by the Iraqis and its authorized director shall meet the same conditions stipulated in paragraphs (a), (b), (c) and (f) of Item (First) of this article.

Article 5

First: The applicant for license shall submit his/ her application to company's registrar supporting with the documents proving that the conditions stipulated for in article (4) of this law are met.

Second:

- a. The register shall decide on the application for license within (10) ten work days from the date of its registration at his/ her office. Upon the end of duration, the application meeting the requirements stipulated in this law shall be acceptable. In case of explicit refusal, it should be reasonable.
- b. This decision to reject the application for registration shall be subject to the complaint before the minister (30) days from the day following the day of receipt of the refusal by the applicant
- c. The minister shall decide on the complaint within (10) ten work days from the date of its registration at his/ her office, the complaint shall be considered rejected upon the expiration of the duration. The minister's decision to reject the application expressly or in a judgment shall be appealable before the administrative court.



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Third: The registrar shall issue the license if the conditions of its granting met in accordance with a model prepared for this purpose after payments of legal fees.

Article 6

The commercial agent shall commit to submit the application of renewing the license annually within (60) first sixty days of the beginning of the year regardless the date of its issuing or the date of its last renewal.

Article 7

First: The license of the commercial agent shall be abolished in one of the following cases:

- a. If it doesn't meet any of the conditions referred to in article (4) of this law.
- b. The abolition of the registration of the contract of the only commercial agency registered in the name of the agent for any of reasons referred to in article (8) of this law and the agent doesn't present a new commercial agency within (180) one hundred and eighty days of the date of abolition.
- c. If the commercial agent does not renew the license upon the expiration from the date stipulated in article (6) of this law.

Second: The decision of abolition of the license shall be subject to complaint within (30) days from the day following the day of notifying the license owner of abolition decision.

Thirdly: The minister shall decide on the complaint within (10) ten work days from the date of its registration at his/ her office and after the end of the terms mentioned, the complaint shall be considered refused. The minister's decision to reject the application expressly or in a judgment shall be appealable before the administrative court.



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Article 8

The registration of the commercial agency contract shall be abolished for one of the following cases:

- First: If the registration of the commercial agency contract turns out that was based on invalid documents or information.
- Second: If the commercial agent or the authorizer requests cancelling the contract provided that the cancellation shall not intent to prejudice the interests of the either party.
- Third: If it turns out that the authorized foreign company breached obligations to Iraq and it has included in blacklisting.
- Fourth: Passing (90) ninety days after the registrar's notification to the commercial agent of the expiry of the contract period.
- Fifth: The cancelation of the license of the commercial agent and not obtaining new license within (180) one hundred and eighty days from the date of its abolition.

Article 9

- First: The register may consider any commercial activity carried out by legal or natural person in Iraq, in accordance with legal proofs, as a commercial agency subject to the provisions of this law; by an announcement shall be published in one of the daily newspaper and bulletin.
- Second: Every interested person shall have the right to object the decision of the register stipulated in Item (First) of this article within (15) fifteen days from the date of last publishing
- Third: The objection shall be decided on by the register within (10) ten days from the date of its registration at his/ her office, and his/ her decision must be justifiable, and upon the expiration of the said period, the objection shall be considered as rejected.



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Fourth: The registrar decision to reject the objection shall be appealable before the administrative court.

Article 10

The agent shall present a application to the registrar to register all his/ her commercial agencies for foreign legal and natural persons after completion of its ratification in accordance with the law.

Article 11

First: The agent shall keep a special book which shall be free from any write-off, scratch or note not required by the principles of business bookkeeping, where the amount of profit or commission achieved shall be recorded therein, indicating the amount transferred from it to Iraq by the mediation of the authorized parties and their proportion of the amounts of deals concluded and the commercial transactions for the account of his/ her authorizer

Second: The agent shall present the book mentioned in Item (First) of this article to the company's registration directorate/ commercial agencies department upon its keeping to register the number of its pages with sealing each page at the end of each year to certify the numbers of used pages before the end of the year and referring to its closing in the last page of it and present it to the general tax body at the end of each financial year.

Article 12

The commercial agent shall be prohibited from dealing with legally prohibited goods and materials.



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Article 13

The entry of goods, products or providing services by foreign companies through the Ministry Of Commerce/ The General Company For Exhibitions and Commercial services of Iraq and the Ministry of Finance/ General Authority Of Custom for the purpose of trading shall be prohibited except through its authorized commercial agent who registered in his/ her name a commercial agency contract of that company within the area of the agent's activity in Iraq.

Article 14

Contracts of agencies provided by the commercial agent must be from productive companies manufacturing goods and services, or through the original company owned by the company producing or manufacturing the goods or providing the services and which is officially authorized to grant sub-agencies in Iraq .The terms of registration of the commercial agency contract shall be determined by the instructions issued by the minister.

Article 15

The register may inspect and supervise the acts of the agent and may send his/ her representative to scrutinize the agent's business books.

Article 16

The contract of the agency presented to the register shall be the formal contract between two parties adopted one before governmental authorities and courts.



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Article 17

The following fees shall be collected from the commercial agent:

First: (500,000) five hundred thousand IDs for granting license.

Second: (250,000) two hundred fifty thousand IDs for license renewal.

Third: (500,000) five hundred thousand IDs for registering the contract of commercial agency.

Article 18

First: Anyone engages with an act of commercial agency without license or did not register all his/ her agencies shall be punished with fine of (15,000,000) fifteen millions IDs.

Second: Any agent acts in breach of article (11) of this law shall be punished with a fine of (5,000,000) five millions IDs.

Third: Any employee or person assigned to do a public service engages purposely in the works of commercial agency shall be punished with a penalty of imprisonment at least three years.

Article 19

The licensed commercial agent shall adapt his/ her conditions in accordance with the provisions of this law within one year from the date of its validity, otherwise his/ her license shall be considered as abolished.

Article 20

The authorizer may not terminate or not to renew contract of the agency unless there is reason justifying such termination or not renewing. The contract of agency may be terminated consensually between the agent and authorizer or in accordance with



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agreement concluded the between two parties to identify the procedures of arbitration, its direction and the law that must be implemented.

Article 21

The scientific offices for drug publicity licensed in accordance with the law shall be excluded from the provisions of this law.

Article 22

The Law of Commercial Agency Organization no. (51) Of 2000 shall be repealed and the instruction issued in accordance with the law shall be valid unless it contradicts the provisions of this law until such time as they are replaced or repealed.

Article 23

The minister shall publish instruction to facilitate the execution of this law.

Article 24

This law shall be valid from the date of its publishing in Iraqi gazette.

Fu'ad Ma'sum,
President of the Republic