

Law for the Regulation of Commercial Agency No. (51) For 2000

Legislation Title: Law for the Regulation of Commercial Agency No. 51 for 2000

Category: Iraqi Law

Article 1

Legislation no. 51

Year legislated: 2000

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This legislation aims to regulate the work of commercial agency exercised in Iraq by an agent for the benefit of a natural or legal person from abroad; and regulate the transactions of the departments of the state, the social, mixed and private sectors and the unions with natural and legal, Arab and foreign persons in such a way as to achieve development targets, prevent exploitation and secure the interest of national economy.

Article 2

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 3

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

First—Commercial agency: All commercial business conducted in Iraq by a person in the capacity of an agent for a natural or legal person from outside Iraq, whether it is a commercial agency, agency by commission or any other agency stipulated in the laws for trade, companies and transport.

Second—Commercial agent: The natural or legal person who conducts any business of the commercial agency stipulated in item (first) of this article.

Third—Registrar: The registrar of companies

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

Article 4

First—In granting the license to the agent he shall be required to be:

a- Iraqi and residing in Iraq;

b- Fully competent and over the age of twenty five;

c- Not convicted for any crime 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- Of settled loyalty to the homeland;

g- Not an employee of or mandated for public service.

Second—The Minister of Commerce may exempt temporarily the applicant of this license from the conditions stipulated in paragraphs (d, e) of item (first) of this

article, provided the conditions shall be completed within a period determined by the Minister.

Third—If the applicant is a company, it shall be required, in addition to the conditions stipulated in paragraphs (d, e) of item (first) of this article, to be Iraqi and all of its capital owned by Iraqis.

Fourth—Registration of more than three agencies for the one natural or legal person shall not be allowed; all agencies in excess of the number mentioned shall be cancelled according to the concerned commercial agent.

Article 5

First—The applicant for a license shall submit an application to the registrar for obtaining the license to practice the business of the commercial agency attached with documents confirming the conditions stipulated in article (4) of this Law

Second—The registrar shall decide upon the application within (30) thirty days of the date of submittal. The applicant, if rejected, may object before the Minister within (30) thirty days from the next day of being notified of the rejection of the application. The Minister's resolution in this matter shall be conclusive.

Third—When accepting the application the registrar shall issue the license, which shall contain its serial number, the name of the commercial agent, his photograph or the photograph of the authorised director if it was a company.

Article 6

First—The commercial agent shall submit an application to renew his license every two years within (60) sixty days of expiry irrespective of the date of granting or previous renewal.

Second—If the renewal application was not submitted within the period stipulated in item (first) of this article, the registrar shall impose a fine of (1000) one thousand dinars for each day of delay for a period not exceeding (60) sixty days.

Third—If the agent delayed license renewal beyond the period stipulated in item (second) of this article, the registrar shall revoke the license. The commercial agent may object before the Minister within (30) thirty days from the day following the date of his notification thereof. The Minister's resolution in this matter shall be conclusive.

Fourth—License shall not be granted to the agent except after payment of due charges and fines.

Fifth—When an agent's license is revoked, if he does not obtain a new license within (180) one hundred and eighty days of revocation thereof, the revocation entails, ipso jure, the revocation of all of his agencies registered according to the provisions of this Law without prejudice to his due obligations prior to revoking the license.

Article 7

First—The registrar shall revoke the agent's license in one of the following cases:

- a- In the absence of any of the conditions stipulated in article (4) of this Law;

b- Not submitting a commercial agency authenticated according to law within (90) ninety days of the date of obtaining the license

Second—The agent may object to the registrar's decision before the Minister within (30) thirty days from the date of being notified of the revocation of his license. The Minister's resolution for this matter shall be conclusive.

Article 8

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. Stakeholders may object before the Minister within (30) thirty days of the date of being notified of the registrar's decision. The Minister's resolution in this matter shall be conclusive.

Article 9

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

Article 10

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, provided it shall be presented to the registrar or his nominee when opened to confirm the number of pages and stamp each page 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.

Second—The commercial agent shall note down in the special book the amount of commission he earned, noting the amount transferred to Iraq through licensed banks and the ratio to the sums of contracted deals, the completed commercial transactions on behalf of his client, and stating the names of all stakeholders and their complete addresses

Third—The commercial agent shall submit to the registrar a statement in two copies within (60) sixty days of the beginning of the year of the commercial business he undertook during the previous year, provided it shall include the total sums earned by him from practicing commercial agency business in detail, and how much he actually received; the parties that transferred to him such sums; the sums, documents, and bank certificates endorsing that. The registrar may accept the statement after the lapse of the period mentioned within (90) ninety days of its expiry if the delay was caused by a legal excuse.

Fourth—The agent may import materials allowed to be imported in exchange of the complete sums of commission earned by him or for part thereof and return the remaining currencies to Iraq.

Article 11

The agent shall be allowed to deal with all types of commodities without specifying the commodity specialisation according to the directives issued to this effect.

Article 12

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

Article 13

First—The Arab or Foreign company desiring to select its agent in Iraq may submit an application to the registrar.

Second—The registrar shall provide the Arab or foreign company with names of licensed commercial agents for selecting a commercial agent from them in order to represent them in Iraq.

Article 14

First—Departments of the state and social sector shall be prohibited from dealing with commercial agents irrespective of their assumed names whether they were natural or legal persons. They shall deal directly with Arab or foreign companies.

Second—If it became impossible for departments of the state and social sector to deal directly with Arab and foreign companies, they shall apply for the approval of a central authority for dealing through licensed commercial agents.

Article 15

Anyone exercising the business of commercial agency before obtaining a license or not having registered all his agencies or acted contrary to the provisions of article (14) of this Law shall be penalised with temporary imprisonment. If the violator was a legal person, his legal representative shall be penalised with the same penalty, taking into account provisions of article (80) of the Penal Code No. (111) for 1969.

Article 16

Anyone mandated to public service, who deliberately conducted commercial agency business for the conclusion of a contract with departments of the state or social sector shall be penalised with a life imprisonment sentence.

Article 17

Any employee at the departments of the state or social sector who acts contrary to provisions of article (14) of this Law shall be penalised with a life imprisonment sentence.

Article 18

First—A fine not less than (10000) ten thousand dinars and not more than (100000) one hundred thousand dinars shall be the penalty of each agent who:

- a- Did not keep a book for noting down the sums of commissions earned according to provisions of item (second) of article 10 of this Law.
- b- Did not submit a statement within the period stipulated in item (third) of article (10) of this Law.
- c- Did not submit data pertaining to his imports from commission sums earned, with a statement of the commissions stipulated in item (third) of article (10) of this Law.

Second—The penalty shall be imprisonment when committing again any of the actions stipulated in item (first) of this article.

Article 19

The 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

The Minister of Commerce may exempt from the provisions of this Law any departments of the state or social sector when dealing in their capacity as commercial agent in a statement published in the publication of the department of company registration.

Article 21

First—The following charges shall be collected from the agent:

- a- (25000) twenty five thousand dinars for license issue;
- b- (15000) fifteen thousand dinars for registering the commercial agency;
- c- (10000) ten thousand dinars for license renewal.

Article 22

First—The Law for the Regulation of Commercial Agency No. (26) for 1994 shall be revoked.

Second—Scientific offices for promoting licensed medications shall be exempted from this Law according to the provisions of the Revolutionary Council resolution no. (60) for 1998.

Article 23

the Minister of Commerce may 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.

Saddam Hussain

President of the Revolutionary Council