

**No (8) of the Year 2002 on
Organization of Business of
Commercial Agents**

We, Hamad bin Khalifa Al Thani, Emir of the State of Qatar
Having examined the amended provisional statute, particularly,
Articles (23), (34) and (51) hereof,
the Commercial and Civil Terms under Law No (16) of the year
1971 amended by Law No (10) of the year 1982.
and Law No (4) of the year 1986 on organization of business of
Commercial Agents,
Law No (13) of the year 2000 on organization of Foreign Capital
Investment in Economic Activities,
The Emiri Order No (1) of the year 2002 amending the structure of
the Cabinet of Ministries,
Proposal made by Ministry of Economy & Commerce,
Draft resolution submitted by the Cabinet of Ministries, and
After consultation with Advisory Council,
We have decided the following :

**Chapter One
Definitions
Article (1)**

In application of provisions of this law, the following words and
expressions shall have the meanings shown opposite to each of
which unless context indicates otherwise :

The Ministry : Ministry of Economy & Commerce
The Minister : Minister of Economy & Commerce
Concerned : Department of Commercial Affairs.
Department

Fee : Profit commission or the likes

Chapter Two
Commercial Agency Agreement

Article (2)

In application of this law, there shall be regarded as a Commercial Agent he who is exclusively licensed to distribute, sell products and commodities or to deliver certain services within the scope of the agency on behalf of principal against fees.

Article (3)

Agency agreement shall be construed in writing and shall include the following information.

- a) Name of agent, principal and their nationalities.
- b) Commodities and products covered by the agency.
- c) Agent's territory.
- d) Term of agency and renewal details.
- e) Agent's commitment to provide spare parts and to carry out maintenance works in respect to commodities and products included in the Agency wherever applicable.
- f) Any other special term and conditions agreed by both principal and agent provided that they are consistent with provisions of this law.

Article (4)

Merchant registered in the Commercial Register may import commodities covered in the agency even though such commodities have agents. The minister shall set up rules and conditions relevant to principal of reciprocity in regard to countries exporting those commodities.

Article (5)

- 1- The agent is entitled for a commission the amount which shall determined by the Minister and shall not exceed 5 % of value of the commodities and goods imported by others for trading purposes provided that original of such commodities and goods imported by others for trading purposes provided that origin of such commodities and goods shall not be the Agent himself all in accordance with measures procedures, regulations on which Minister's decision shall be issued.
- 2- The agent may refer to principal to claim the commission in accordance with agreement entered into by them if commodities and goods imported by others are for trading purposes and came through the principal.
- 3- Agent shall be entitled for any commission on goods imported for private usage neither he is entitled for any commission on goods and commodities imported by other for re exportation.

Article (6)

Commercial agent shall have privilege in goods and other things which principle forwards, deposits or delivers to agent effective from forwarding or delivery date.

This privilege includes agent's fees and all other amounts accrued by reason of agency whatever such amounts become accrued before delivery of goods or things or during their existence under agents custody. Privilege shall materialize irrespective of whether the debt arises from activities relevant to goods on things which are still under agents custody or from good or things that have been formert delivered, forwarded or deposited to the agent in the event that goods and commodities included in Agents privilege are delivered to a purchaser, then agents privilege transfer into goods and commodities value.

Article (7)

Commercial agent shall have no privilege in goods or things forwarded to, deposited with or delivered to Agent to maintain them unless they are, and have been his custody.

Goods and commodities shall be deemed under Agent's custody in the following cases :

- 1- If goods and commodities are put under agent disposal in the Customer or public depot or in his warehouses, or if agent transports goods and commodities using his own vehicle.
- 2- If Agent possesses goods before their arrival, under a bill of lading or any other transport documents.
- 3- If Agent exports goods and commodities and still holds the bill of lading or any other transport documents.

Article (8)

- a) Unless the two parties agreed on Agency renewal, Agency term shall end on the expiry date set for that end.
- b) The agent may claim compensation from the principal if the principal terminates a fixed term agency for that end.
- c) Notwithstanding any other contradictory agreement and on the expiry of a fixed term agency agreement, the agent has the right to claim compensation from the principal if, in the belief of the agent, his activities have brought about substantial success in the promotion of principal's products and refusal to renew agency has deprived agent from gaining the remunerations arising from that success.

Article (9)

- a) Where an agency contract term is not limited time wise, termination of agency shall only take effect under mutual agreement of both parties. In the event that either party desires to terminate agreement despite opposition of the other party, such termination shall only be effected under

a rule or decision made by the competent authority authorized to settle dispute arising from agency agreement.

- b) Where either party unilaterally terminate an open term agency contract, then the other party has the right to claim compensation for damages he incurred by reason of such terminations.
- c) Notwithstanding any other contradictory agreement and in the event of terminating an open – ended agency agreement, the Agent has the right to claim compensation from the principal if, in the belief of the agent, his activities have brought about substantial success in the promotion of principals products refusal to renew agency has deprived agent from gaining the remunerations arising from that success.

Chapter Three

Regulating the Business of the Commercial Agents

Article (10)

The competent depart of the ministry shall maintain a register to record commercial agents the form of the register shall be approved by a decision issued by the minister.

Article (11)

Engagement in Commercial Agency business is only permitted to those who are registered in the commercial register mentioned in article (10).

He who desires to register his name in said Commercial Register shall have to meet the following requirements.

- 1- He shall be Qatari national. Where the party applying for registration is a company, the capital of which shall to be of Qatari origin.
- 2- He shall not be less than 21 years old.
- 3- The business activity, covered in the agency agreement for which registration is required shall have to be registered in the commercial register.
- 4- Applicant should not have been finally convicted for crime of honor of loyalty unless he had been rehabilitated.

Article (12)

Application for registration shall be submitted on the form prepared registration in Commercial Agent Register. Application shall include all supporting document along with a copy of agency agreement translated in to Arabic if that terms to be necessary.

Article (13)

Agency registration shall be renewed periodically every 2 years and within two months effective from agency expiry date.

Article (14)

- a) The competent department shall have to make a decision on registration or application forms within 30 days effective from application date.

- b) The competent department may reject registration or renewal application provided that such refusal must be based on reasonable grounds.

The department shall notify applicant giving him a copy of rejection decision through registered mail within 30 days effective from date of decision issue.

- c) Applicant may appeal against decision of rejection to the Minister within 30 days effective from date of notification. The minister shall decide on the appeal within 30 days effective from date of appeal submission if the 30 days period expires without a reply, this will be implicitly signify rejection of appeal.

Article (15)

The minister shall issue to those who are registered in the Commercial Register a certificate in confirmation of that registration. However ministry shall have the right to annual registration of agent register in the commercial register whenever agent fails to meet any of registration condition or if registration on appears to have been based false date or document. In such case, the ministry shall have notify agent on cancellation of his registration by registered mail, agent may appeal to minister within 30 days from the date of notification receipt the Minister shall decide on the appeal within days effective from date of appeal submission. If the 30 days period expires without a reply, this will be implicitly signify rejection of appeal.

Article (16)

The application of this law, any commercial agency in registered in the Commercial Agents. Register shall not be accorded for by the same token, no compliant from defaulting party in respect to unregistered agreement shall be entertained.

Article (17)

- a) Where the principal terminates the agency agreement with legal grounds, competent authority may decided not to import goods or products for which agency is given.
- b) Filing a judicial case or resolving to arbitration and the likes shall not prevent entry of goods commodities, and services included in the agency agreement. However, the Minister may order prevention of goods, commodities and services included in the agency agreement. If the principal terminates the open ended agency agreement in violation of item "an of Article (9)" hereof, or if prevention shall be in the public interest.

Article (18)

Where a new agent acquires and Commercial Agency, this new agent shall have to purchase from the former agent all products and commodities covered by the agency as long as such goods are usable at the market price or at the cost price which ever is lesser plus 5%of price or cost price on the maximum unless it is otherwise agreed between the two parties. The new agent and the principal shall be responsible for any third party liabilities undertaken by former Agent and arising from Agency contract.

Article (19)

Commercial Agents and principal undertaken to provide and make available all spare parts need by consumers and maintain maintenance workshop for commodities included in the agency agreement at reasonable prices.

Agents shall have to maintain purchase invoices and all documents pertaining to shipping, transport, insurance and customs expenses and fees.

Article (20)

The Commercial Agent or his legal representative acting on his behalf or his successors in case of his passing away, upon expiry of agency agreement under whatsoever reason, shall submit an application accompanied with supporting documents to cross out agent's name from register within 30 days effective from the date of which reason for agency termination materializes, where the ministry finds that there is a reason that causes termination of agency agreement, ministry may effect such cancellation after notifying concerned party on the same by registered mail requesting him to show up at the ministry within a thirty days period to hear his comment in respect to reason causing cancellation. In the event that notify party fails to show up at the designated place and time, ministry shall again notify the same party, same means, to show up at the ministry within another 30 days period in the event that notify party fails to show up for the second time, the ministry may automatically cross out the registration.

These provisions shall not be prejudice agent or his successors right to claim reasonable compensation wherever applicable.

Chapter (4)

Penalties

Article (21)

Without prejudice to any other server penalty stipulated by any other law, anyone breaching provisions of articles (18), (19) and (20) hereof shall be subject to any imprisonment not exceeding 6 six months and a fine not exceeding QR. 10,000 or one of these two penalties. In case of reoccurring breach the maximum limit of

penalty shall be doubled in addition to a possible verdict ordering closure of places where agency business is exercised.

Article (22)

Without prejudice any other server penalty stipulated by any other law, he who alleges or claim, contrary to the reality, in this business communication, printed materials or in the media that he is a commercial agent, shall be subject to an imprisonment not exceeding 3 months and a fine not exceeding QR. 5,000/- or one of these two penalties.

Article (23)

Courts of the State of Qatar shall settle any dispute that may arise in connection with implementation of Agency Contract unless there is an agreement stating otherwise.

Article (24)

Arbitration decision on settlement of disputes arising in connection with Agency contract shall be deemed final.

Chapter Five

Article (25)

Closing Provisions

The Ministry shall issue the bylaws and decisions needed for the implementation of provisions of this law, the following in particular :

- 1- Determine fees of registration, renewals, adjustment of statements, certificates and cancellation of registration to be effected in the register of Commercial Agents.
- 2- Specify documents needed for registration.
- 3- Prepare application forms, register statements and copies of certificates.

4- Regulate work progress, register keeping and review.

Article (26)

Ministry staff designated by the Minister shall have the capacity of judicial police in seizing and proving crimes committed in violation of Provisions of Articles (18, 19, 20, 22) and executive decisions hereof. To achieve that end, Ministry staff shall have access to shops and institutions in order to inspect and examine the documents and files.

Article (27)

This law annuals law No (4) of the year 1986 mentioned above and any other provision in consistent with provisions of this law.

Article (28)

All competent authorities, each within its own competent, shall execute this law which shall come into force after 60 days effective from the date of its publication in the official gazette.

Hamad Bin Khalifa Al Thani
Emir of the State of Qatar

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