

Registration of commercial agencies in Iraq

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The Commercial Agency business forms an integral part of the Iraqi commercial industry, as the Commercial Agents practicing at various levels pay a big part in building the necessary bridges of communication between foreign suppliers and Iraqi importers.

Additionally, these agents contribute greatly towards making sure that the required raw materials and production requirements for the private industrial and trading sectors are provided for. Furthermore, it is important to note the importance of the existence of such business structures, due to the nature and character of the current global economy.

In terms of the definitions of commercial agency and commercial agent, Article 3 of the Commercial Agents Law No. (51) for the year 2000 (the "Law") defines the Commercial Agency as "every business which is practiced in Iraq by an agent on behalf of a natural person or corporate body abroad whether it is a commercial agency, a commission agency, or any other commercial agency provided for by the laws of commerce, companies, and transportation". Furthermore, Article (3) of the Law further states that a commercial agent includes any natural person or corporate body who practices any commercial agency business provided for by the Law.

Article 8 of the Law provides that "the Registrar may decide to regard any commercial activity carried out in Iraq by a natural or judicial person and on the basis of legal evidence, as a commercial agency subject to the provisions of this law.

Under the Law, a commercial agent must be licensed as a commercial agent by the Companies' Registrar of the Ministry of Trade, provided that he satisfies the following requirements:

(a) If natural person:

- to be an Iraqi and resident in Iraq;
- legally competent and to be 25 years of age or over;
- not be convicted of a crime, affecting honour;
- to have allegiance to the country; and
- to not be a civil servant or entrusted with a public service.

(b) If judicial person:

- to be Iraqi and for all its shareholders to be Iraqi;
- to have a commercial office in Iraq to practice his work; and
- to be affiliated with one of the Chambers of Commerce in Iraq and to have a trade name.

Procedures for obtaining the license of the commercial agency

In terms of the procedures necessary for obtaining a commercial agency in Iraq, the Law states that any person or entity wishing to obtain the status of a commercial agency shall submit a written request to the Department of Commercial Agencies in the Registrar of Companies supported with the documents included hereto bellow. Further, the Law has entrusted the Registrar of Companies officials with the responsibility of checking the documents submitted as well as attending to the competent authorities (such as the Ministry of Interior and the Ministry of National Security Affairs) in order to obtain the approval of granting the commercial agency license to the applicant.

What are the required documents for obtaining a license to practice acts of the Commercial Agency Business?

By virtue the provisions of the Article 4 of the Law, some of the required documents for obtaining the license to practice activities of commercial agency are as follows:

1. A Commercial Agency Agreement with an Arab or Foreign company from outside Iraq certified and authenticated, according to the law;
2. Chamber of Commerce identification (Type of Business: Commercial Agencies);
3. All personal documents/identity card of the commercial agent (or the General Manager of the company);
4. If the applicant is a judicial entity, additional documents are required to be submitted with the application as follows:
 - Certificate of Incorporation for the company;
 - Articles of Association of the company certified by the competent authorities; and
 - Minutes of the Founding General Assembly Resolutions appointing the General Manager of the company and certified by the competent authorities.

Conclusion:

The Commercial Agents Law No, 51 for the year 2000 allows for a wide definition when it comes to commercial agencies and commercial agents in Iraq. Amongst many things, this contributes to the development of the commercial sector in Iraq and opens the door for the expansion of the Iraqi markets both locally and internationally.