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Abstract

Reflections on Exclusivity and Termination of Commercial Agency in Jordan: The Intertwining of Domestic Regulation and International Trade Law

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The Jordanian Law of Commercial Agents and Intermediaries No. 28 of 2001 covers all forms of sale contracts through intermediaries. This law provides express restrictions and protective provisions on the conduct by local agents of internal commercial agency activities. However, these statutory protections are granted only to registered agencies conducted by national agents.

The Jordanian legislation does not regulate the issue of agency exclusivity, which can constitute a restraint of trade and leads to a state of market monopolization.

Courts in Jordan have exclusive jurisdiction in settling disputes arising out of agency agreements. However, this exclusive jurisdiction does not cover unregistered commercial agencies, which are treated as enforceable commercial contracts under the general provisions prescribed in the Commercial Code. Under Jordanian law, the principal cannot terminate the agency agreement at any time, but he can decide not to renew it upon the expiry of its date without justified grounds.

Certain statutory protections provided by the Jordanian law raise barriers to entry to their national markets. This statutory policy violates the specific commitments made by Jordan with respect to market access and national treatment established by the GATS.

Keywords: agency termination, commercial agency, exclusivity, GATS, Jordan, monopolization

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