

This is an English translation.

The original Icelandic text, as published in the Law Gazette (Stjórnartíðindi), is the authoritative text. Should there be discrepancy between this translation and the authoritative text, the latter prevails.

Section I.

Validity and Definitions

Art. 1

The present Act applies to commission sales transactions occurring between Iceland and other States. In the Act a commission salesman denotes a self-employed intermediary having continuing authority to negotiate the purchase or sale of goods and services rendered in that connection on behalf of another party - a principal - in accordance with an agreement between them.

In the interpretation of the present Act a party is not considered a commission salesman if he is on account of his work commissioned to obligate the firm or Company for which he works or of which he is an owner, or a partner

authorized to conclude binding obligations for his partners. A probate administrator of a bankruptcy estate is not either considered a commission salesman in the interpretation of the present Act.

Art. 2

The present Act does not extend to unpaid commission salesmen or to commission salesmen while working at auction markets.

The Minister may by means of Regulations exempt specific sectors of commission sales transactions from the provisions of the present Act when the individuals concerned discharge commission salesmanship as a job on the side.

Section II

Rights and Obligations in Commission Sales Transactions.

Art. 3

A commission salesman shall safeguard his principal's interests conscientiously and honestly. In particular a commission salesman shall:-

a. make applicable efforts to negotiate and establish

transactions,

b. communicate to the principal all available information of importance,

c. comply with legitimate instructions from his principal.

Art. 4

A principal shall in his entire dealings with a commission salesman conduct himself conscientiously and honestly. A principal shall in particular:-

a. furnish a commission salesman with requisite data,

b. grant a commission salesman necessary information concerning the commission sales agreement, specifically so advising him within normal time-limits if he can foresee that the business will be considerably less than the commission salesman may be assumed to have provided for.

A principal shall also advise a commission salesman within normal time limits in case he contemplate approving, rejecting or ceasing transactions which have been established by the latter.

Art. 5

The provisions of Arts. 3 and 4 may not be derogated from.

Section III

Remuneration

Art. 6

In case there be not at hand an accord concerning remuneration between the parties a commission salesman shall be entitled to the remuneration that commission salesmen appointed for the goods or services to which his agreement extends are customarily paid in the area where he works. If there is no such customary practice the commission salesman shall be entitled to normal remuneration having regard for the transaction in question. That part of the remuneration which varies with the number or value of business contracts shall be deemed to be commission according to the present Act.

The provisions of Arts. 7 - 12 will apply only if a commission salesman's remuneration is in part or in full in the form of commission.

Art. 7

A commission salesman shall be entitled to commission on

transactions which were concluded during the period of validity of the commission sales agreement where the transactions have been established in direct continuation of his work, or where the transactions are established with a third party with whom he has previously had comparable business.

A commission salesman shall also be entitled to commission on transactions concluded during the period of validity of a commission sales agreement in case such business has been concluded in a geographical area or with a group of customers he has been charged with serving and if the business has been concluded with a customer from this area or of this group.

Art. 8

A commission salesman shall be entitled to commission on transactions concluded after a commission sales agreement is invalidated if the transaction may mainly be attributed to his work while the commission sales agreement still remains in force and the business has been entered into within a reasonable period after the agreement's term is completed.