

# Commission Agents in Italy

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## What does commission Agent mean ?

**A Commission Agent is a commercial intermediary , a self employed business person ( possibly a firm ) who solicits business in the Principal's name and gets paid by getting a commission , i.e. a percentage % of the cashed price of goods sold by his principal on the solicited business**

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**Are there commission agents in the EU ?**

**Regarding consumer electronics ,  
Commission Agents are generally not employed in most EU countries because of the local market structure : actually as in most EU countries there are **only a few big distributors / sales outlets covering the whole territory** , Producers / Importers of CE are managing their business by data transmission and by way of their salesmen ( employees )**

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**Are there commission agents in Italy ?**

**The Italian sales structure ( consumer electronics ) is still featured by a large number of small dealers and medium size shops ( up to some 35% - 40% of total ) .**

**Therefore sales networks in Italy are still largely made up by Commission Agents ( also called “ Sales Representatives or Sales Rep.s “ ) .**

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## Key points

- Even though Commission Agents are self employed business persons , they are ruled by a protective legislation and by a National Collective Contract which to an extent protect them as if they were **regular employees** ( like salesmen ) ;
- The Italian legislation on Commission agents is a mandatory one : **even in the case of principals having offices outside Italy** , the contractual relationship with agents in Italy shall be ruled by the Italian legislation and the Italian labour courts shall have exclusive jurisdiction

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## Key points

Very roughly speaking , there are 3 main differences between Commission Agents and regular employees in Italy :

(1) Unlike employees , **Agents can be dismissed without any “ just cause “ or penalty to pay** ( = more flexibility )

(2) **Agents are not getting any fixed salary but a commission** ( = more incentive )

(3) **Agents are entitled to a termination indemnity** whose method of calculation is still largely debated and rather uncertain ( = more risk for principals )

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## Pro's and Con's - Conclusion

It may be convenient in forming a sales network in Italy to avail of Commission Agents in order (1) to enjoy of more flexibility ( to quickly catch up with an evolving market ) and (2) to maximise effectiveness and commitment of the sales force .

Care should be taken however in managing the contractual relationship with Agents ( a proper advice in drafting and administrating the agency contracts is needed ) .

Finally , it should be given for granted that a certain degree of litigation with dismissed Agents shall however arise and have to be faced .