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### Fact Sheet Distribution - Bulgaria (January 2013)

How is a distributor defined under national law?	There is no legal definition of a distributor under Bulgarian law. A distributor can be defined as an independent merchant who buys goods from a manufacturer and sells them to retailers or to customers at its own risk and at its own expense.
How does the definition of a distributor differ from that of a commercial agent?	A commercial agent (a sales representative) is a person, engaged independently and by occupation in assisting the business of another merchant. The commercial agent may be authorised to effect transactions under the name of the merchant or under its own name but at the expense of the merchant (a distributor acts at its own expense).
Is there any specific legislation governing the relationship between a manufacturer and distributor?	There is no specific legislation governing the relationship between a manufacturer and distributor. If there is argument between the two parties, the Bulgarian civil and commercial law shall apply.
How is the duration of a contract normally defined?	The two parties shall determine the duration of the contract which will depend on their own needs and the particular case.
How long is the notice of termination?	The notice of termination is agreed by the parties.
What rights does the distributor have to compensation or indemnity upon termination?	There is no specific legislation governing the rights of the distributor of compensation or indemnity upon termination.
Are there any laws or regulations relating to restraint of trade/restrictive covenants	A manufacturer may give to the distributor the right to determine the prices of the goods, <b>or</b> it may retain its right of control over them. In the second case it is necessary to check the obligatory legal competition rules, especially the determination of obligatory minimal prices (Law on Protection of Competition).
Are any particular formalities required for a distribution agreement to be legally valid and enforceable under national law?	There are no any particular formalities required for a distribution agreement to be legally valid and enforceable under Bulgarian law. It is advisable that such an agreement be signed and in writing.

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