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### Fact Sheet Agency- Lithuania (April, 2013)

How is an agent defined under national law?	A commercial agent is an independent person (individual or legal) whose basic business activity is to act as intermediary for a principal in conclusion of contracts or conclusion of contracts in principal's name and at the latter's expense.
How is the normal duration of a contract normally defined?	A contract between a commercial agent and a principal may be for a fixed period or for an indefinite period.  Where a contract has been concluded for a fixed period and where upon the expiry of the given period the parties continue to exercise their rights and discharge their duties, the contract shall be considered renewed for an indefinite period on the same conditions.
How long is the notice of termination?	The minimum notice of termination for an agency contract for indefinite period is as follows: - a month before – the contract valid for 1 year; - 2 months before – the contract valid for no more than 2 years; - 3 months before – the contract valid for no more than 3 years; - 4 months before – the contract was valid for more than 3 years. The parties may agree on longer notice periods.  Each party has the right to terminate a fixed period contract before the expiry of its term where there are compelling reasons to do so.
What rights does the agent have to compensation or indemnity upon termination?	A commercial agent is entitled to compensation if the parties have not agreed that at the end of the contract, the agent is entitled to damage remuneration. A commercial agent is entitled to compensation if: 1. upon the termination of the contract the principal has considerable profit from the business relations with clients who were found by the commercial agent or with who, because of the commercial agent, the amount of principal's business has increased significantly, <i>and</i> 2. taking into consideration all circumstances, compensation would be in line with the principle of justice.
Are there any laws or regulations relating to restraint of trade/ restrictive covenants?	A commercial agent and a principal may provide in the contract that upon expiry of the contract the commercial agent will not compete with the principal for no more than two years. The given provision may be agreed upon in writing.  Where a contract provides for the prohibition of competition a commercial agent has the right to compensation for all the period of the prohibition thereof.
Are any particular formalities required for an agency agreement to be legally valid and enforceable under national law?	None other than the normal formalities required in respect of offer and acceptance.

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