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Fact Sheet Agency – Slovenia (March 2012)

How is an agent defined under national law?	A commercial agent is defined as “a natural or legal person which independently and with a view to profit pursues agency as its registered activity”. With the agency contract the commercial agent undertakes continuing effort for the third parties to conclude contracts on the sale or the purchase of goods with his principal and that he will negotiate on behalf of the principal, or negotiate and conclude such transactions on behalf of and in the name of that principal.
How is the normal duration of a contract normally defined?	The duration of the contract is normally defined as follows: 1. A fixed period – the contract is terminated with expiration of the fixed term or by notice thereafter before the expiration of the fixed term (because of the failure of one party to carry out all or part of his obligations; where exceptional circumstances arise). An agency contract for a fixed period which continues to be performed by both parties after that period has expired is converted into an agency contract for an indefinite period. 2. An indefinite period terminable by notice or terminable immediately (because of the failure of one party to carry out all or part of his obligations; where exceptional circumstances arise).
How long is the notice of termination?	Minimum notice periods depend on the duration of the contract and are one month for each commenced year of the duration of the contract and six months for the sixth and subsequent years. The parties may agree longer notice periods.
What rights does the agent have to compensation or indemnity upon termination?	A commercial agent is entitled to indemnity after the termination of the contract. The grant of indemnity does not prevent the commercial agent from seeking damages.
Are there any laws or regulations relating to restraint of trade/restrictive covenants	A restraint of trade clause is valid only if and to the extent that: - it is concluded in writing; and - it relates to the geographical area or the group of customers and the geographical area entrusted to the commercial agent and to the kind of goods covered by his agency under the contract. A restraint of trade clause is valid for not more than two years after termination of the agency contract.



	<p>If the agency contract is terminated due to the reasons on the part of the principal, a restraint of trade clause is binding for the commercial agent only:</p> <ul style="list-style-type: none">- If the principal pays an indemnity to the commercial agent and- if the principal in the period of validity of the restraint of trade clause pays to the commercial agent a monthly compensation in the amount which equals the average monthly amount of commission in the last five years of the duration of the contract (or for the duration of the contract if the contract lasted less than five years). <p>If the commercial agent terminated the agency contract due to the principal's faulty act the commercial agent can in one month after the termination of the contract communicate to the principal with a written statement that he will not take the restraint of trade clause into consideration.</p>
<p>Are any particular formalities required for an agency agreement to be legally valid and enforceable under national law?</p>	<p>None save for normal rules in relation to offer and acceptance.</p>

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