

PROVISIONS REGULATING COMMERCIAL DISTRIBUTION CONTRACT IN JORDANIAN LAW

Mohammed Khalil Abu Baker¹, Sara Mohammed Al-Arasi², Mohammed Fahmi Al-Ghazwi³

ABSTRACT

The commercial distribution contract, which might be local or international, is regarded one of the most updated methods in trading, selling, and marketing products, commodities, and services for consumers. As this type of contract urgently needs regulating, the study helps in illustrating the contract's aspects, principles, effects, termination and obligations of both producer and distributor, in addition to, liquidation of contractual bond. Through this type of contract is important, yet there is no legal statute to regulate it. Due to this absence, a lot of problems emerge when it is put into practice. Therefore, general laws are applied sometimes, or the law of agents or commercial brokers in others. Consequently, it has become urgent to enact a legislation to regulate rules and provisions of the contract. The researchers came up to certain findings recommending that it is necessary to enact a legislation that regulates terms of this contract with regard to identity, definitions, principles, parties, obligations, party rights, laps of time with consequential effects, liquidating contractual bond pertaining commodities, trade mark, spare parts, customers with whom the distributor used to deal, in addition to other relevant outcomes of the contract.

Keywords: Commercial agency; Commercial distribution contract; Distributor; Franchise contract; Mediation; Producer

1. Introduction

The commercial distribution contract is one the most important methods for trading, selling commodities and services to which the producer's resort to boost amount of production and profit. It also cares for delivering commodities to consumers in an easy and natural way, taking into consideration the consumer's need and supply and demand.

This study unravels that through tackling the issue of commercial contract, one might come to know about the significance of economy's endeavors to seek for new markets, produce more commodities, products, and meet the market's needs, relevant to supply and demand, "in addition to finding a legal way for competition. As a result of the absence of a legal regulatory framework that encourages commercial contracts, a lot of problems among producer, distributor, and consumer, emerge. This issue is interrelated with several laws among which are: commercial contract, law of agents, trade brokers, consumer protection

¹ Faculty of Law, Zaytoonah University, Amman, Jordan. Email: m.abubaker@zuj.edu.jo

² Faculty of Law, Zaytoonah University, Amman, Jordan

³ Faculty of Law, Zaytoonah University, Amman, Jordan

law, and that of legal competition, in addition to, general rules in Jordanian civil law regarding contractual liability.

1.1 Problem of the study

The current study tackles the provisions the Jordanian legislator put down in order to regulate: commercial law, agents and trade broker's law, consumer law, consumer's protection law, competition law, and Jordanian civil law of commercial distribution. In addition, it tackles nature of the law, obligation, parties involving producer and distributor, and the legal system to which this contract is subjected. It also poses a query of whether general rules of Jordanian civil law can be applied as it doesn't include anything relevant to that type of contract? Moreover, the study argues the suitability of Jordanian legislation to the relevant contract, the legal provisions to resort to and the impact of the contract being not legally registered.

1.2 Objectives of the study

They study aims to achieve several objectives among which are the following:

- 1- To unveil the significance of commercial distribution contract regarding: concept, conditions, characteristics, registering, obligations of each party, producer, and distributor, besides consequential impacts of contract termination.
- 2- To check if the Jordanian legislator has tackled such a kind of contract or not and what he should do to regulate such kind of contracts. He didn't deal with commercial law, law of agents and trade brokers, consumer protection law, competition law, or civil law.

1.3 Significance of the study

The significance of this study lies in investigating one of the most important issues in the area of distribution contracts which is an essential mechanism for developing economy through consolidating this type of contracts concerning products and services. In addition, it assures the need for legislators to enact rules and regulations to control practices resulting from the relation between producer and distributor in order to protect the consumer. As for the empirical aspect of the issue, enacting such a legislation regulating and balancing the relation between the producer and the distributor to serve the consumer. The legislation to be enacted should clarify contract principles, conditions, impacts, and termination. It is noteworthy that the Jordanian legislator never put down specific rules to control such things for the relevant rules concerned with commercial agency contract, brokership, and consumer protection law proved to be insufficient.

1.4 Limitations of the study

The current study is limited to the commercial distribution contract in the Jordanian commercial law and the laws of agents and trade brokers, in addition to flaws of

competitions, consumer protection, Jordanian civil law and rules controlling it. In addition, it investigated some specialized legislations in certain countries that regulate provisions of the contract.

2. Literature Review

In this part of the study the researchers will outline the relevant literature as follows:

[Qandaly \(2018\)](#) in his dissertations entitled “Distribution contracts”, he illustrated distribution regulations, its dual nature, fundamental distribution, its tools, and the transitional distribution contract in Algeria as a model ([Ambikai & Ishan, 2016](#); [As & Purba, 2017](#); [Lawyer, 2017](#)).

This study differs from the preceding one as it discusses provisions of the commercial distribution contract that is different from its transitional counterpart; it also differs in discussing the provisions of the contract in Jordanian legislation.

[Bin Zeidan \(2017\)](#) in his dissertation entitled “Distribution contract withing the framework of competition law”, he tried to apply competition law on distribution contracts of law network of Algeria, franchise contract, characterization expansion of fields of distribution contracts via competition council.

The current study, unlike the previous one, discusses principles and conditions of the contract and termination in provisions in Jordanian legislation.

In his M.A Thesis entitled “Legal regulation of agent commercial distribution in Palestine” Al-Kharoubi (2017) elaborated on the identity of the contract, its concept, conditions, and impacts on commercial distribution in Palestinian legislation. The current study differs from the preceding one by focusing on commercial distribution in Jordanian legislation.

In his dissertation entitled “The law applicable to international commercial contract” Shweiri, Khalid (2009) elaborated on the international commercial contract and freedom of parties to opt for the applicable law.

The current study differs from the previous relevant one in focusing on its counterpart from the perspective of Jordanian legislation.

3. Study Methodology

In this study, the researchers adopted the descriptive analytical method as it is the most propitious one for the induction of legal provisions.

These were analyzed by the researchers in order to adopt an opinion they came up to from findings of the study to fill the gaps obstructing this type of contract.

3.1 Study division

The researchers divided this study into two subjects: the first tackles identity of commercial distribution contract which was subdivided into two requisites: the first deals with the concept and characteristics of such a type of contract, and the second tackles conditions and registration.

In the second topic, the researchers discussed the consequences of terminating agent contract. The topic was also subdivided into requisites: the first deals with producer's and distributor's obligations, while the second tackles contract termination, causes and consequence.

3.1.1 First subject: Concept characteristics and principles of commercial distribution contract

This type of contract is one of those that accelerate development of economy and trade. It is designed to regulate transactions between producer and distributor in relevance to commodity distribution, product selling and services.

As for its concept, the commercial distribution contract, being a type of commercial agency, obligates identifying and distinguishing it from other similar types, in addition to, listing its characteristics which will be discussed in this part of the study.

3.1.2 Legal concept of commercial distribution contract

The Jordanian legislator in article (2) of trade agency law specified the agent, commercial broker, brokerage and consumer protection.

As for the commercial client, he is the person who represents his agent in the kingdom as he is his distributor against a certain payment or commission.

The same article defines commercial broker to be the person whose job is to mediate in trade between two parties: a producer, distributor or an exporter registered outside the kingdom and paid for concluding or facilitating commercial transactions, without being a part of the contract or attached to any party.

Commercial brokerage, as defined by the article, is the mediation the person manages between two parties of the contract, or facilitation on commercial transactions with what ensures from them, against a certain wage without shouldering any of its consequences.

As for the law of protecting Jordanian consumer, item (2) of the article defines the supplier to be the regular or moral person from public or private sector who practices the activity of selling, trading or manufacturing commodities for himself or for others. It also includes whoever puts his name or trade mark on the commodity he sells.

From the preceding legislation, one notices that there is some sort of commercial distribution contract according to which the distributor works. In origin it is not more than commercial brokerage.

Jurists differed on the nomenclature of commercial distribution contract. Some called it "commercial representation". Others like [Qalubi \(1992\)](#) called it exclusive representation, which in article (2) of the Jordanian law, is called the transitional distribution contract.

Jurisprudence regards it to be a modern contractual method according to which the producer, one of the contract parties, gives the second party the right to distribute the products and services and to market them against a certain amount of money the distributor is accountable to repay to the producer (Qalubi).

3.1.3 Distinguishing commercial distribution contract from others

Though this type shares some qualities with other similar contracts, yet it is distinct from: commercial agency contract, broker contract, supplier, and franchise.

Through the two contracts, the agency and the distribution, are both distribution ones, yet they differ in legal structure and stature of contractors.

The Jordanian legislator defined the commercial agency contract as a contract between the client and the agent according to which the latter is bound to import products of his clients distribute them, sell them and offer trade service inside the kingdom on his own or in lieu of the agent.

Thus, the agent's duty is to conclude contracts for purchasing and selling, or to offer services on his own for producers, manufactures, traders or trader proxies (Hamdi, 2017). This agent might be a normal or moral person. According to what preceded, the agent can sign contracts in proxy of his client.

But the commercial distribution contract differs from the agent counterpart of which the researchers list down the following:

- 1- The distributor sells and buys commodities for himself, thus the customer deals with him, not with the producer therefore, he is held accountable.
- 2- The distributor benefits from the marginal profit between buying and selling prices.

Regarding the broker contract, the Jordanian legislator defines it in article (2) to be "a person mediating between the two parties of the contracts to facilitate transactions without shouldering any consequences". Some of the differences between the two types of contract can be outlined in the following:

- 1- The agent mediates to conclude contracts between parties in which he is not a party, while in the distribution counterpart he is.
- 2- The distributor bears consequences of his acts and gains money from the difference between purchasing and selling prices, while the agent doesn't.

The distribution contract also differs from that of the supplier defined in article (2) to be: "The normal or moral person from a public or private sector who practices trading for himself or for somebody else regarding commodity distribution, trading, manufacturing, or providing service to the customer."

Thus, according to the preceding definition, the distributor and his role is implied in that of the supplier which includes distribution.

When compared to the franchise contract, the franchise binds the two parties for mutual commitments. It is similar to distribution contract as it regulates the process of distribution or service.

But, still the franchise contract is singled out as it involves transmuting knowledge regulating future relations. The franchise contract is more inclusive than the distribution one because, in addition, it gives the right to the other party to utilize the trademark and offer services to the consumer. It thus incorporates a triad: selling, right to utilize the trademark, in addition to technical knowledge.

3.2 Characteristics of distribution contract

Here are some of the characteristics of this type of contract:

- 1- It is a **consual** contract in the sense that it becomes effective the minute the two parties agree to it in compliance with principles of discretion and flawlessness.
- 2- It is a contract which was never specified by the legislator. Therefore, the general contractual rules apply to it.
- 3- It is binding for both parties, so it can't be unilaterally terminated.
- 4- It is a time-type contract, as time is essential and counts high.
- 5- It is a compensatory contract in which one of the two contracting parties is paid against what he offers to the other party as manifested in the producer- distributor relationship.

3.3 Principles of commercial distribution contract

The following general principles should be present to hold this contract. These are: consent, subject, reason, necessary, eligibility of both agent and client on which the researchers elaborate as follows:

1. Consent: It is important that the will of the two parties meet, regarding acceptance and confirmation for the contract to hold. Article (5) of the Jordanian law pertaining agents and brokers, stipulates that "Nobody is allowed to practice trade agency or trade brokership in the kingdom unless registered in trade agents register or that of brokers".
2. Dealing with the subject of commercial distribution contract. One of the conditions of the contract is its feasibility. If it is not, then it is considered void. Article (159) of Jordanian civil law stipulates that "if the subject in itself is impossible at the time the contract signed, then it counts void. The subjects need to be known and specific. Article (834) of Jordanian civil law stipulates that agency to be correct, the deputized thing should be known and have a proxy. The contract subject should also be deployable, legal, and matchable with the general order and morals.
3. Reason behind commercial distribution contract. Both distributor and producer should explain the purpose behind writing this contract. It should be correct, accessible, complies with general order and morals, and of legal benefit for the parties.

3.4 The second subject: Legal nature of commercial distribution contract

Jurists differed in characterizing commercial distribution contract ascribing it to any specific category. Thus, the Jordanian legislator didn't include it in any category as manifested in article (2) of Jordanian law (1) for the protection of consumer.

In addition, the Jordanian legislator in article (2) of agents and brokers law considered it part of the duties of the commercial agent and commercial agency.

The researchers found out that though the distribution contract is a form of commercial agency, yet it has certain specific qualities outlined as follows:

- 1- The contract concluded between the original client and the agent is independent from agency. It is similar to the relation between seller and buyer in which the distributor is entitled to distribute services, sell products for himself in an area agreed upon with the client.

- 2- The distributor can work independently for himself, away from the clients and can specify the customers with whom he deals.
- 3- The distributor has the right to utilize product or service commercials and have enough stock of commodities.

Thus, the commercial distribution contract is one of the forms of commercial agency contracts but without an independent legal entity. Therefore, it can't be developed as law. It, here, meets with economy based on services, selling and purchasing products, in addition to maintenance that is taken care of by the distributor who has enough knowledge about the product.

For example, decree number 21/2009 of Qatar court of cassation stipulates that to hold the distribution contract as a commercial agency one, it should have two partners distinguished with:

- 1- The contract should be trade confined where the producer or wholesale dealer authorizes a local distributor to be the sole seller in a certain area.
- 2- The distributor can do that in proxy of his client against a certain profit, commission, or payment.

In this case, the agent acts in the name of producers or traders. Any contract that doesn't include these two factors can't be a commercial agency contract.

Article (178) of the new Egyptian commercial law stipulates that "contracts agent can practice agency duties and manage its commercial activities and be solely responsible for expenditures needed for such activities".

From what preceded, one can notice that the commercial distribution contract is one form of commercial agency ones, but characterized by certain qualities that distinguish it from: agency contracts, brokerage and commissioning. Due to the absence of regulatory rules for this contract, general laws are henceforth applied.

3.5 Second subject: Effects of commercial distribution contract.

Item (10) article (5) of Jordanian law, pertaining agents and commercial brokers, stipulates that: "pursuant to provisions of this law, no party of any non-registered agency enjoys any privilege the law granted to the client or agent; but still others can sue them as a non-registered agency once proved in existence.

The purpose behind registering such an agency is to protect rights of the two parties involved and rights of others. Rights and obligations of producer and distributor will be tackled in the first requisite and termination of the commercial distribution contract in the second.

3.5.1 First requisite: The method of terminating commercial distribution contract

The researchers in this requisite tackle obligations and rights of both producer and distributor and their effects on others.

The obligations and rights are:

- 1- Producer obligations

These are outlined in the following:

A- To implement the contract

The producer, in compliance with terms of the contract, is committed to supply the distributor with the commodities, products, and services agreed upon throughout contract period and to secure flow of products and needed services to maintain sustainability.

B- To sell the product specified in the contract

The producer is committed to restrict the sale of the product in the geographic area agreed upon. [Qalubi \(1992\)](#) mentioned that “The agent is committed to purchase from the client a certain percentage of the product through a certain period of time. In return, the client is obliged to hand in the commodities in the amounts, schedules, and prices agreed upon at the suitable time and place.”

C- To transmute knowledge and provide information

The producer is committed to provide basic information, technological and commercial consultations pertaining the product, and to supply the distributor with placards, spare parts and services after sale. Such a thing might be registered in the contract.

D- To secure product quality

The producer is committed to secure a good quality of commodities and service for the distributor who sells them to consumers. The producer is also held accountable for any manufacturing defects. He is also committed to hand in good products with the specifications accepted by the country in which they will be sold and to indemnify the consumer if they don't meet such specifications ([Fawzi, 2006](#)).

E- To pay commission to the distributor

The producer is committed to pay the distributor the agreed upon commission or profit as it is a compensatory contract. Article (55) of the Jordanian trade law stipulates that “any commercial commitment intended to perform any service, can never be for free. If the two parties didn't assign any payment or commission against that service, the creditor deserves the wage assigned for that job”.

3.5.2 Client's rights

These rights are outlined as follows:

- 1- Catch the price from the agent.

The client has the right to get the price from the agent at times stipulated upon in the contract.

- 2- Agent's commitment to purchase the product from the client, exclusively.
- 3- Not to compete with the client or conclude any contract with others to sell or distribute any competitive product against that of the client.
- 4- Keep trade secrets of the product, subject of commercial distribution contract, confidential.

3.5.3 Distributor commitments

The contract obligates the distributor, being a party, to abide by:

- 1- To purchase products, services, and commodities of the producer. The distributor is committed to do that in compliance with whatever was agreed upon in the contract. The commodities, services, and products are usually specified monthly, seasonally, or annually.
- 2- To exclusively commit himself to be provided by the producer. In compliance with the concept of the commercial distribution contract, the producer gives the right to distribute his product exclusively to one distributor who at the same time pledges not to purchase any other product to compete with that of his client. The distributor also commits himself to buy only the producer's products, but he can distribute any other products dissimilar to those stipulated upon in the contract.
- 3- To keep the product's secrets confidential. The distributor is obliged to keep secrets of the product, whether those were commercial, industrial, or confidential and should never be unveiled. [Keelani \(2014\)](#) pointed out that "confidentiality is a value of knowledge about capital, and such a value diminishes or vanishes once divulged to the public."
- 4- Reselling products. The distributor is committed to sell or distribute the products or commodities and to protect trademark name. He is also committed to achieve the target agreed upon. He is entitled, as well, to make use of producer's placards and means of marketing.
- 5- Return payment. The distributor is committed to pay for the products he receives in compliance with provision of the contract. The payment might be paid in toto or in periodic cash.

3.5.4 Implication for others

One of the qualities of the commercial distribution contract is that it is an independent one in which the client is responsible to the consumer and the distributor to others in the following:

- 1- The commitment to the consumer to shoulder the responsibility regarding any manufacturing defect, but the implications of the contract are restricted to the supplier.
- 2- Commitment after-sale service: The distributors is committed to secure spare parts and maintenance center as stipulated upon in article (11) in Jordanian law for agents and trade brokers. "one of the commitments of the producer of supplier undertaken in the contract is to secure spare parts and to erect necessary maintenance centers and provide the consumer with technological counseling.
- 3- Selling the commodity at the price agreed upon between the producer and distributor to ensure market competition and to protect the consumer in order to encourage him to keep buying the commodities with good quality.

3.6 Effects of terminating commercial distribution contract

3.6.1 Contract termination

The contract may, according to general rules, may terminate because of the following:

1- Breaching commitments of one party to the contract

When any of the parties breaches terms of the contract, the other party has the right to ask for termination of the contract. This is one of the general rules stipulated upon in article (246) of Jordanian civil law. Termination might be caused by one party realising himself from his commitments. For example, when the supplier declines from supplying the distributor with commodities, or not paying the distributor with the agreed upon commission or profit. The contract might also be breached by the distributor who might not pay commodity price or keep secrets of the supplier.

2- Lapse of time

Distribution contracted are usually signed for a specific period of time on which the two parties agree. The contract expires when this period lapses. The Jordanian legislator gave the right to the distributor to ask the supplier for indemnity in case the latter terminates the contract before the due time once that distributor didn't commit any mistake. As long as time period of the contract is specified, then no compensation is eligible for not renewing that contract. In article (189), the Egyptian legislator in the new Egyptian commercial law gave the right for the distributor to be indemnified even though the contract is time limited and not renewed by the supplier. The article reads: "If the contract is time limited and the client doesn't intend to renew it at expiration, the agent has the right for indemnity the judge estimates even though the agreement was different". The Egyptian legislator justified that for the distributor being active in commodity promotion, customer's increase, and his success."

3- Disappearance of legal identity

The commercial distribution contract relies on persona considerations. There should be distinctions between the two parties for being an actual person or a moral one, besides the type of the corporation whether it was personal, financial, or individual in order to determine the implications resulting from contract termination are manifested in the following:

- 1- Whenever the distributor or the producer who has an individual corporation dies, becomes insolvent bankrupt, or his firm is liquidated in compliance with terms of law, his contract is transferred to his inheritors.
- 2- If the personality of any of the two parties was moral, in cases of death inheritors become entitled to enjoy the deceased rights.
- 3- In cases of insolvency, bankruptcy, liquidation, or corporate closure, the moral personality terminates for it is the subject to consider. Thus, the contract terminates and every victim has the right for compensation.

According to what preceded, the distribution contract expires for the corporate was liquidated and both distributor and moral persons were considered actually dead.

4- Dissolving the distribution contract

According to article (244) of Jordanian civil law, the contract and the contractual bond can be dissolved pending on agreement of the two parties.

According to article (241) of Jordanian civil law, to dissolve the contract, it should exist and can be dissolved before the due time or while effective pending on the two parties agreement. “If the contract is correct, contractors can’t amend or breach it except via agreement litigation, or in compliance with a provision in the law.” (article 24).

5- Force majeure and emergency circumstances

Force majeure might hamper implementing the contract and meeting the obligations of both producer and distributor. Article (24) of Jordanian civil law stipulates that “In a binding contract, wherever any majeure force makes contract implementation impossible, the contract will be automatically dissolved. If the impossibility, was partial, its counterpart is considered dissolved. Similarly, time impossibility in on-going contracts allows the creditor to terminate the contract pending information the debtor.”

As for emergency circumstances, the Jordanian legislator in article (205) specified the effects resulting from such circumstances. The article stipulates that “if general unexpected circumstances occur and implementing the contractual obligation became semi-impossible endangering the debtor with great losses, the court after weighing interest of the two parties, has the to mitigate the burden to a reasonable level for any agreement on disputed debt is considered void”.

3.6.2 Impacts of expiry of commercial distribution contract

The contract expires through parties agreement, or force majeure some of which might have impacts and others might not.

The following are the cases for which the contract terminates:

1- Period expiry or dismissal approved by the two parties.

In this case the contract terminates freeing every party from its obligations except those with an extension due to the contract such as supplying the distributor with the spare parts agreed upon in the contract, or not divulging secret’s of the producer during contract period.

2- Force majeure

The contract in this case terminates itself and each party goes its way. Article (261) of Jordanian civil law stipulate that none of them is obligated to social security unless law and accord assures something else.

3- Contract termination due to disappearance of its parties

When any party doesn’t meet its obligations, according to article (246), item (2) of Jordanian civil law dictates indemnity if the case has any requirement. Article (14) of agents and commercial brokers stipulates that: “If the client cancels agency contract before the due time for no mistake or legal cause, the agent has the right to be indemnified for the damage and the profit he lost.”

3.6.3 Compensation and liquidation of contractual bond

1- Compensation

Illegal termination of the commercial distribution contract by any party dictates compensation for damage. Among the cases that obligate compensation is terminating the contract for no legal reason as stipulated in article (14) of agents and commercial brokers. Compensation resulting from this termination will be for the actual loss the agent who suffered from customers' loss, loss of gains, and moral damage. As for the client, he can ask to be compensated for what he did for the agent regarding product promotion, services, and consumer's enthusiasm to buy these products. Based on item (B) of article (16) from agent and commercial brokers law, the liability cases related to damage and compensation expires after three years of contract termination.

2- Liquidating the contractual bond

Though the contractual bond between the producer and distributor terminates for any reason, yet some issues stay suspended and need solution. These include the commodities the distributor purchased from the producer and haven't been sold yet. What about the commodities which couldn't be handled as spare parts? This obligates the producer to supply the distributor with spare parts needed to complete the contracts signed with others.

The researchers see that the stock of commodities left after contract termination need an agreement between the producer and distributor ([Zayadat, 1996](#)). The agreement might be returning the products to the producer, added to them cost price and distributor's profit. As for the spare parts that the distributors don't need any more, they should be also returned to the producer at the cost price and profit. Regarding supplying the distributor with spare parts for the sake of sustainability, this should be stipulated on in the contract to avoid legal problems that won't be solved till the termination date of the contract.

Such things require that the contract should explicitly state them out and agree on the following:

- 1- To restore stock of products.
- 2- To maintain stocks for the distributor
- 3- Restoring the stock
- 4- Determining the value to be restored and the stock as well

Some issues might still be suspended between the producer and distributor which are customers and their future. Such on issue must be agreed upon before signing the contract.

The researchers also see that the contract between the producer and distributor should include things such as liquidating the contractual bond after contract terminates in addition to products, spare parts, trademark, corporate confidentiality, customers linked to the producer's name, and trademark reputation.

4. Conclusion

The researchers concluded that the Jordanian legislator didn't give any attention to the commercial distribution contract, specifically the law of agents and commercial brokers. The distribution issue was included in the law of Jordanian commercial brokers as incorporated in commercial and broker's duties besides the law of protecting Jordanian consumer which defined the supplier. No separate legislation was enacted for this type of contracts which is commercially effective and needs a law to develop it in order to protect rights of contractors.

4.1 Findings

The researchers came up to certain findings which they list as follows:

- 1- The Jordanian legislator didn't enact a law to define, organize, register, or put down any rules and conditions for this type of contract.
- 2- The legislator also never specified or regulated commercial distribution contract, nor did he specify obligations and rights of both producer and distributor. He also didn't specify the contract goals, duration of time, products or services.
- 3- The Jordanian legislator didn't handle impacts of this contract, termination with its consequences, liquidating contractual bonds and the results ensuing from that.
- 4- Due to the absence of rules that regulate this type of contract, both the distributor and producer interpreted everything from the perspective of general law in the commercial agency contract which they had to rely on as well.
- 5- Many problems emerged in the absence of laws pertaining commercial distribution contract. The general laws are unable to absorb this type of contract that has recently appeared and was concerned with capitals and work force that acquaints the producer with the commodities and products needed for customers.

4.2 Recommendations

- 1- The Jordanian legislator need to enact a law concerned with commercial distribution contracts within a legal framework in order to protect rights of contractors and to apply it properly.
- 2- When enacting such a law, the Jordanian legislator need to address legal obligations for each party, contract duration, trademark, commercial secrets, services, and customers using the product, besides effects of contract termination.

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