



International Distribution Institute

THE IDI WEBSITE

IDI is an association founded in 2004 by Prof. Fabio Bortolotti, Silvia Bortolotti, Prof. Didier Ferrier, Klaus Meyer Swantee and Erwin Gärtner which deals with matters involving international distribution law (commercial agency, distributorship, franchising, etc...).

The main purpose of the IDI association is to set up, develop and keep updated **a website (www.idiproject.com)** on international distribution, where those who are engaged in establishing distribution networks and in drafting, negotiating and managing distribution contracts:

- can find all the **legal information and materials** useful for their activity, and
- can exchange views and **share experiences** with other people specialized in the same field.

The term «**International Distribution**» intends to cover **all types of agreements** regarding the cross-border distribution of goods or services, and in particular:

- **commercial agency** (including sales representatives and similar agreements);
- **distributorship** (concessionaires, exclusive importers, and the like);
- **franchising, selective distribution**, etc.;
- **occasional intermediaries**, brokers and similar contracts.

THE SERVICES OFFERED

The **main services** provided through the IDI website are the following:

- **Legislation** of more than 140 Countries on distribution and related matters;
- High quality **model contracts**, also translated in more than 24 languages;
- Detailed **country reports** on agency, distribution and franchising of more than 60 Countries drafted by highly qualified Country Experts;
- Three **special reports** on EU Antitrust Law, Applicable Law and Jurisdiction, Q&A on Covid-19 and international contracts;
- About 100 abstracts of international **arbitral awards** regarding distribution issued by national and international arbitral institutions;
- **EU rules and EU case law**, with about 200 texts of judgements and decisions issued by the EU Court of Justice and the EU Commission;
- **International Conventions**;

- Over 600 references to **articles and books**;
- **News** on matters concerning distribution (legislation, national case law, international conventions, initiatives of international bodies, court and arbitration cases, etc.);
- **CVs** of IDI Country Experts.

In addition, IDI organizes each year an **Annual Conference** on topical issues regarding international distribution, attended by people from all over the world.

The **2021 Annual Conference** will be held **online, between May and June, 2021**. The main topics will be:

- Applicable law, jurisdiction and arbitration
- Managing an arbitration procedure under the IDArb arbitration rules
- Recent trends in franchisee's protection among different jurisdictions
- IP protection in distribution contracts
- New developments affecting distribution: Brexit, internet sales, EU antitrust

DOCUMENTS AND TOOLS

Legislation

The aim of IDI is to provide the laws on distribution for all countries of the world and keep them updated.

This means that also for countries not covered yet by a country expert, IDI can provide information about the respective legislation regarding distribution, possibly with full texts.

The legislation section of the IDI website covers **more than 140 countries**. Almost **600 laws** are available in English, or other commonly used languages (i.e. French, German, Spanish etc.) concerning commercial agents, distributors, franchising as well as other related matters (i.e. applicable law, jurisdiction and arbitration).

IDI Model Contracts

The model contracts are one of the **most innovative aspects** of IDI, which makes it radically different from other similar tools.

The basic idea is to provide for the two major contracts used in international distribution (i.e. commercial agency and distributorship), a **uniform model** that can be used **world-wide** (with the additions and adaptations suggested by the country reports for specific countries). This is an important step forward if we consider the

widespread use of models influenced by a particular national law and drafted according to the local traditions of a specific country.

Although our starting point is a «universal» model, the basic idea is that this uniform model should be **adapted to the legislations of the various countries** to the extent necessary to comply with the local law.

Therefore, country experts are required to indicate which clauses of such models do not conform to their national law and to propose alternative solutions. This means that users will have, for each country covered by an IDI expert, the necessary information for drafting a contract that follows the familiar scheme of the «universal» model, but contains at the same time the necessary adaptations to warrant compliance with the law of such country.

In order to be easily adapted to the needs of the parties, the IDI models have been prepared in three different versions: one in favour of one party, the other in favour of the other party and a third one which tries to offer more balanced solutions.

IDI has, for the agency and distributorship contracts, **three models** with a different balance:

- Principal/Supplier-friendly
- Agent/Distributor-friendly
- Balanced.

This solution is in conformity with the purpose of IDI, i.e. to offer support to all those who are engaged in the field of distribution, without distinguishing on which side. Since it is normal that each party tries to work out contracts which adequately protect its own interests, it appears appropriate to give each side a model that takes into account its position, together with a balanced model for those who prefer to use a more neutral text.

However, even in the «un-balanced» models the attempt has been made to **avoid too extreme solutions**, believing that even contracts favouring one of the parties should not go beyond certain limits of fairness. Of course, the three types of model are available together so that the differences can be easily seen by the users. This can also help parties to better understand the position of the other party and the reasons for certain proposals, and thus to look for acceptable alternatives.

Since the purpose of the extended agency and distributorship models is also that of serving as a guide for drafting contracts and for making sure that the country reports deal with all major issues of the contract, the models are **necessarily long and detailed**. They tend to deal with all substantial issues while in an individual context many of these issues may not be relevant in the specific case.

Consequently, the «long forms» should mainly be used by experienced professionals **as a basis for drafting a «tailor-made» contract** through the choice of clauses and alternatives which better correspond to their needs. In order to help the users,

many clauses have comments explaining the respective clause and suggesting possible alternatives.

For parties who wish to have a **ready-made contract** or, at least, a model that requires the smallest possible number of adaptations, IDI has worked out a series of **short forms**. These forms are by definition incomplete, because they deal only with the major issues. However, they can be a very useful tool for those who do not want to work out a detailed contract covering all aspects of the relationship and prefer to focus only on the essential issues.

The models are written **in English**, but the short form balanced agency and distribution models are also available in more than 24 different languages: for instance, **Arabic, Chinese, Dutch, French, German, Hungarian, Italian, Polish, Portuguese, Russian, Spanish, Turkish**.

The model contracts currently available in the IDI website are those on **commercial agency, distributorship and occasional intermediary**.

As regards **franchising**, considering that these contracts are rather different from case to case, the IDI Council will decide if IDI should prepare a model or a guide with suggested clauses.

Country Reports

The information section for each country («Country report») is based on a «**country report form**» containing a precise list of questions the country expert must answer. All the questions contained in the report form are repeated in the country report itself (in red).

The establishment of a very **complete and precise report form** for each type of contract is another very important characteristic of IDI. Our purpose is to determine in advance which are the issues to be treated, in order to avoid purely theoretical questions and to make sure that all important aspects are dealt with. In order to make the approach as actual as possible, the reports have a close link with the respective model contract, i.e. the expert is asked to check the various issues in relation with the model clauses.

The report forms are currently updated and improved **with the cooperation of the country experts**, who indicate possible missing issues or unclear questions.

At present, the IDI website publishes country reports on **commercial agency, distribution** and **franchising** contracts for more than **60 different countries**, but the number of the countries covered is constantly increasing.

Special Reports

There are some issues of a more general nature which must be treated independently from the country reports, in order to avoid to have them repeated for each country.

This is why we have prepared a general report on «**Choice of law and jurisdiction in distribution**» which deals with the problems of applicable law and jurisdiction/arbitration in general terms, trying to give a general overview of the problems encountered when choosing the applicable law and jurisdiction.

A similar report has been made with respect to the **antitrust rules of the EU** in the field of distribution.

In addition, IDI has drafted a **Q&A** Paper, dealing with the most frequently asked questions concerning the impact of **COVID-19** on **distribution/supply, franchising and agency contracts**.

Arbitration case law

The IDI website makes available about **100 abstracts of international arbitral awards** issued in the field of distribution by several national and international arbitral institutions.

EU section

The IDI website provides the main sources of **hard law** and **soft law** enacted by the European institutions in the field of distribution.

Some of these rules, such as the EU Regulations, are directly applicable within the territory of the European Union. Other rules, particularly the EC 653/86 Directive on commercial agents, have been implemented by each Member State.

Between the sources of "soft law", the European Code for Franchising can be found in this section of the IDI website.

In addition, the EU section contains a **database**, with the **main decisions of the EU Court of Justice, Tribunal of First Instance and EU Commission** on distribution agreements (and also on **antitrust** issues regarding distribution contracts). You will find in this database not only the reference, but also **the text of each judgment or decision**.

International Conventions and model laws

The main international **conventions** and **model laws** regarding commercial agency, franchising, applicable law, jurisdiction, arbitration and recognition of foreign judgments are available in the IDI website, together with the relevant **status of ratification**, constantly up-to-date.

Bibliography

More than 600 references to articles and books on commercial agency, distribution, franchising and similar contracts are contained in the bibliography database.

Reference is made to the main international legal reviews.

It is possible to search bibliography references in the databases by author, title, country (when domestic laws are concerned) or type of contract (e.g. commercial agency or occasional intermediary).

IDI COUNTRY EXPERTS

In order to give to IDI members the highest information on distribution law worldwide, IDI has built up during the years an **extended network of experts** in the most important countries of the world.

Each country expert provides IDI with all the main information about agency, distribution and franchising in his/her country by writing country reports (see above, the Country Reports Section) on the related matter and by keeping updated the legislation page of his/her own country.

IDARB – IDI ARBITRATION PROJECT

IDArb has been created in 2016 with the aim of **facilitating arbitration for disputes in the field of international distribution** (intended in the wide sense of the term, including agency, distributorship, franchising, selective distribution, etc.).

The main objectives of IDArb are the following:

- 1 Establishing and managing a **list of arbitrators** having a specific experience in one or more fields of distribution law. In fact, it is very important for parties having a dispute in this field, to be judged by arbitrators who "know the business" and who can consequently have an in-depth understanding of the disputed issues. This is particularly important when a sole arbitrator is to be appointed, a situation arising frequently in case of smaller disputes, especially in the field of distribution (e.g. agreements with agents or franchisees).
- 2 Tailoring an **expedited and cost-effective arbitration procedure**, managed by SCAI under the Swiss Rules of Arbitration, specially adapted for small disputes in the field of distribution, for which at present the recourse to international arbitration is considered to be inappropriate.

These two initiatives are separate and independent from each other: the expedited procedure is meant for small disputes and will be managed under the Swiss Rules; the list of arbitrators with specific experience in distribution matters is available for any type of arbitration (ad hoc or institutional). Of course, the availability of a list

of specialized arbitrators will be a useful tool for selecting a sole arbitrator within the expedited procedure, but the main purpose of the list is to facilitate the selection of arbitrators for any type of procedure.

MONTHLY NEWSLETTER

An important service provided through the IDI website is the survey of information (**«news»**) regarding distribution: new laws, case-law, conventions, etc.

News can be found in the home page of the website as well as in the respective archive and in a monthly newsletter, sent by e-mail to IDI members (subscribers and Country Experts) and to other practitioners willing to be always up-to-date on distribution issues.

CONFERENCES & SEMINARS

IDI organizes each year an **Annual Conference** on topical issues regarding international distribution, attended by people from all over the world.

All the main information about the **upcoming conference** of the current year and all the information (i.e. program and topics discussed) of all the past events organized by IDI can be found in the relevant section of the IDI website.

Furthermore, everybody will be free to contact IDI team in order to **organize seminars** on specific themes related to distribution laws around the world. To that aim, programs and discussed topics of the past seminars organized by IDI can be consulted and downloaded in the same section.

The **2021 Annual Conference** will be held **online between May and June, 2021**. The main topics will be:

- Applicable law, jurisdiction and arbitration
- Managing an arbitration procedure under the IDArb arbitration rules
- Recent trends in franchisee's protection among different jurisdictions
- IP protection in distribution contracts
- New developments affecting distribution: Brexit, internet sales, EU antitrust

TERMS AND CONDITIONS FOR SUBSCRIPTION

All information and documents provided through the IDI website are available against payment of an **annual membership fee**.

The 2021 membership fee is € 900.

Italian subscribers have to add 22% VAT to their payment.

Subscription to the website is expressly restricted to the personal use of the member only. The annual fee for **additional members** within the same premises of the same organisation (i.e. having same address and VAT code as first member), is **€ 300** (plus 22% VAT if they are in Italy).

Besides having access to all the contents of the IDI website, subscribers become ordinary **members of the International Distribution Institute Association** (the relevant Memorandum and Articles of the Association are available in the IDI website) and thus can participate to the annual meeting and are given the opportunity to express their views and discuss them with the Council Members and the Country Experts.

FUTURE IMPROVEMENTS

The IDI Project is a **work in progress**. While the general information about the laws regarding distribution already covers a very large number of countries, the country reports – prepared by experts of each country – have been limited to a number of selected countries and are gradually extended to further jurisdictions, with the purpose to cover within some years all countries of major importance.

Besides the updating of all the information contained in the website, our aim is to add each year new services and information, such as, for instance, answers to frequently asked questions (FAQ), on line legal advice on specific requests, etc.

SUMMARY OF BASIC INFORMATION

SUBSCRIPTION TO THE IDI WEBSITE (www.idproject.com)

Membership fee € 900

Additional member fee € 300

For more information, please visit the IDI website under "[**Sign up**](#)"

REGISTRATION TO THE IDI ANNUAL CONFERENCE

Non IDI Member fee € 550

IDI Member fee € 450

Single session fee € 150

For more information, please visit the IDI website under "[**Conference**](#)"