

CODE OF VIRGINIA
TITLE 59.1 – TRADE AND COMMERCE
CHAPTER 37 – CONTRACTS; INDEPENDENT SALES REPRESENTATIVES

Section 59.1-455

Definitions.

As used in this chapter, unless the context requires a different meaning:

"Commission" means compensation accruing to a sales representative for payment by a principal, the rate of which is expressed as a percentage of the total dollar amount of orders or sales or as a specified amount per order or per sale.

"Principal" means a person who manufactures, produces, imports or distributes a product for wholesale and who contracts with a sales representative to solicit orders or sales for such product and compensates the sales representative, in whole or in part, by commission.

"Sales representative" means a person other than an employee who contracts with a principal to solicit wholesale orders or sales and who is compensated, in whole or in part, by commission, but shall not include a person who purchases exclusively for his own account for resale.

(1993, c. 736.)

Section 59.1-456

Contracts between principals and sales representatives.

When a principal contracts with a sales representative to solicit wholesale orders within this Commonwealth, such contract shall (i) be in writing, (ii) disclose the method by which the commission is to be computed and paid, (iii) disclose the territory of the sales representative and whether such territory is exclusive, (iv) be signed by the principal and the sales representative, and (v) be provided to the sales representative.

(1993, c. 736.)

Section 59.1-457

Payment of sales commission.

- A. Every sales representative shall be paid the earned commission and all other compensation earned or payable in accordance with the terms of the contract.
- B. When a contract between a principal and a sales representative is terminated, for any reason, except by mutual agreement, all earned commissions shall be paid within a period specified in the contract, but in no event shall such period exceed thirty days from the date of termination or, in the case of orders processed subsequent to termination, thirty days from shipment. Such commission and other compensation shall be paid to the sales representative at the usual place of payment unless the sales representative requests that the commission be sent to him through regular mail. If the commission is sent through regular mail, it is deemed to have been paid for purposes of this subsection on the date that it is postmarked.

(1993, c. 736.)

Section 59.1-458.

Waiver prohibited.

Any provision of any agreement intending to waive the rights of any party to any provision of this chapter shall be void.

(1993, c. 736.)

Section 59.1-459

Absence of contract not affirmative defense.

The failure to execute a contract as required by § 59.1-456 shall not constitute an affirmative defense in any action relating to the provisions of this chapter.

(1993, c. 736.)

<https://law.lis.virginia.gov/vacode/title59.1/chapter37/>