

BROKER AGREEMENT TEMPLATE: TYPES AND MAIN CLAUSES

A Broker Agreement is a type of contract used mainly in international trade that sets forth the terms and conditions under which a Broker will either:

- find interested buyers for goods and/or services being sold by a Seller, or
- find goods and/or services for a Buyer to purchase.

The Broker's role may be limited to just introducing a buyer and a seller, or may be more involved in the transaction between the parties and may consist of assisting with the negotiation of the final deal. In either situation, the introduction and potential transaction stem directly from the Broker's assistance, which entitles the Broker to financial compensation. This Agreement outlines the specifics of this relationship and the circumstances under which the Broker will receive a fee for their services.

In countries such as United States, a Broker Agreement is also known as a Finder's Fee Agreement or a Referral Agreement.

WHEN TO USE A BROKER AGREEMENT

In trade transactions, companies should use an [International Broker Agreement](#) if:

- A Broker has knowledge and contacts in a particular field and is able to introduce a buyer or seller of goods and/or services to each other
- Someone running a business wishes to sell goods and/or services but is unable to reach out and market to find clients and customers, so would like to pay a broker to do that work instead
- Someone wants to purchase a good and/or service but does not know where to look or whom to speak with, so would like to pay a Broker to find that good and/or service for them

In situations where a real estate agent wishes to sell real property to a buyer on behalf of a client, a [Real Estate Agent Agreement](#) should be used instead of a Broker Agreement.

By signing a written Agreement, all Parties will have their interests protected and both the Broker and Buyer/Seller can be confident that they will receive their desired compensation or outcome from the deal.

HOW TO USE A BROKER AGREEMENT: MAIN CLAUSES

This Broker Agreement can be created by a Broker, a Buyer, or a Seller. The document includes various clauses and provisions to meet the Parties' needs between them.

The Agreement allows the Parties to specify how much the Broker will be paid for a making an introduction or facilitating a successful final deal. The Agreement includes the following important details that will guide the business relationship:

- Who is requesting the Broker's services and whether they are a buyer or a seller.
- Whether the Broker will be finding interested buyers or sellers of goods, services, or both goods and services.
- Necessary licenses and qualifications for the Broker to operate in compliance with country or industry regulations.
- The level of the Broker's involvement in negotiating the final business deal

DUTIES OF THE BROKER

Alternative A. This Agreement contemplates the Broker only making an introduction.

Alternative B. This Agreement contemplates the Broker making an introduction. Besides making an introduction, the Broker shall take part in the transaction between the parties, with the Seller having the right of final approval of the deal.

- Duration of the Agreement and the circumstances under which the Agreement will be automatically terminated
- Whether payment of the Broker's fee depends on the success of a transaction after they make the introduction
- How the Broker's fees will be determined and paid. The Broker's remuneration could be established either as a percentage on the sales or purchases made effectively or as a fixed amount per seller or buyer referred, irrespective of the value of the resulting commercial transaction.

FEES AND PAYMENT

Alternative A. The Broker's fee shall be calculated as [*insert number, usually between 3 and 10*] % of the net value of the goods sold by the Seller as a direct result of an introduction by the Broker. Net value shall exclude [*Insert cost concepts such as packaging, transport and insurance, VAT, etc.*]

Alternative B. The Broker's fee shall be a fee of (.....) [*insert amount and currency in numbers and letters*] per buyer referred, irrespective of the value of the resulting sale of the products.

TYPES OF BROKER AGREEMENT

There are two types of Broker Agreement:

- **Broker Agreement (Between Seller and Broker):** to be used when a company (the Seller) hires a broker to identify and negotiate with clients in foreign markets, either in a single country, several countries or worldwide (Territory). In other words, the Broker's client and the party responsible for the payment of the broker's fees is the selling company.
- **Broker Agreement (Between Buyer and Broker):** this document is to be used when a company (the Buyer) hires a broker to identify and negotiate with providers in foreign markets, either in a single country, several countries or worldwide (Territory). Herein, the Broker's client and the party responsible for the payment of the broker's fees is the buying company.

Both types of Agreements are very similar in terms of structure and content, although they differ in certain aspects given the fact that in one case the broker is an intermediary for export transactions and in the other for import transactions.



To obtain the model of a Broker Agreement click on:
[**INTERNATIONAL BROKER AGREEMENT**](#)

MODEL CONTRACTS

INTERNATIONAL CONTRACTS (ENGLISH, SPANISH, FRENCH, GERMAN & PORTUGUESE)

- International Sale Contract
- International Distribution Contract
- International Commercial Agency Contract
- International Sales Representative Agreement
- Intermediary Contract for Trade Operations
- International Joint Venture Contract
- International Strategic Alliance Agreement
- International Franchise Contract
- International Services Contract
- International Consulting Contract
- International Technology Transfer Agreement
- International Trademark License Agreement
- International Supply Contract
- International Manufacturing Contract
- International Buying Agent Contract
- Logistics Services Contract
- Export Contract
- Confidentiality Agreement
- Expatriate Contract of Employment
- Memorandum of Understanding for International Distribution
- Memorandum of Understanding for Joint Venture
- **Pack 10 Contracts in English**
- **Pack All Contracts in English**

BUSINESS CONTRACTS (ENGLISH, SPANISH, FRENCH, GERMAN & PORTUGUESE)

- Distribution Contract
- Commercial Agency Contract
- Sales Representative Agreement
- Commission Contract
- Joint Venture Contract
- Services Provider Contract
- Consulting Contract
- Strategic Alliance Agreement
- Franchise Contract
- Supply Contract
- **Pack 12 Commercial Contracts (Premium)**

CHINA CONTRACTS (ENGLISH-CHINESE DUAL VERSION)

- Distribution Contract China
- Agency Contract China
- Commission Contract China
- Supply Contract China
- Manufacturing Contract China
- Confidentiality Contract China
- Memorandum of Understanding for Distribution Contract China
- Memorandum of Understanding for Joint Venture China

LETTERS OF INTENT (ENGLISH & SPANISH)

- Letter of Intent for International Sale
- Letter of Intent for International Distribution
- Letter of Intent for International Joint Venture
- **Pack 3 Letters on Intent**

LETTERS FOR EXPORTERS (ENGLISH & SPANISH) LETTERS FOR IMPORTERS

- Presentation to potential client
- Proposal for agent/distributor
- Proposal to form a strategic alliance
- Invitation to a trade fair
- Making a commercial offer
- Preparation of a contract
- Reminder of payment pending
- **Pack 15 Letters for Exporters**
- Request for information to an overseas supplier
- Offering as agent/distributor
- Reply to proposal for strategic alliance
- Making contact after a trade fair
- Renegotiation of a contract
- Complaint about delivery of faulty goods
- **Pack 15 Letters for Importers**
- **Pack 30 Letters for Exporters and Importers**

