Distribution Law Center
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TEGOS LAW FIRM

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Q&A on Distribution Agreements

Part I: Legislative framework

Q1. Please specify the legislative framework generally applicable to the conclusion and execution of distribution agreements (a)? Please include a link to the official publication of the applicable rules (e.g., relevant link to the Official Gazette) (b) and, if available, to the English translation of the legislative framework (c).

a. Legislative framework:

The Law on Competition of the Republic of Lithuania.

The Civil Code of the Republic of Lithuania (the "Civil Code")

The Law on Prohibition of Unfair Practices of Retail Companies of the Republic of Lithuania

The Law on Prohibition of Unfair Trading Practices in the Agricultural and Food Supply Chain of the Republic of Lithuania

b. Link(s) to official publication:

The Lithuanian version of the Law on Competition of the Republic of Lithuania is accessible via this link.

The Lithuanian version of the Civil Code of the Republic of Lithuania is accessible via this link.

The Lithuanian version of the Law on Prohibition of Unfair Practices of Retail Companies of the Republic of Lithuania is accessible via this link.

The Lithuanian version of the Law on Prohibition of Unfair Trading Practices in the Agricultural and Food Supply Chain of the Republic of Lithuania is accessible via this link.

c. Link(s) to English translation:

Please note that all English translations provided below are not of the version of the law currently in force:

The English version of the Law on Competition of the Republic of Lithuania is accessible via this link

The English version of the Civil Code of the Republic of Lithuania: is accessible via this link.

The English version of the Law on Prohibition of Unfair Practices of Retail Companies of the Republic of Lithuania is accessible via this link.

Q2. Other than for agency agreements pursuant to Directive 86/653 (EEC) on the coordination of the laws of the Member States relating to self-employed commercial agents, are there specific rules depending on the distribution format (e.g. franchising, exclusive distribution)?

No.

Q3. Other than general contract law and competition law, are there other rules which may generally restrict the parties when drafting and concluding distribution agreements (e.g., rules in relation to unfair contract terms in B2B contracts, specific requirements in the context of a prohibition of abuse of economic dependence)?

Yes.

If yes, which general rules apply (a)? Where available, please also include a link to the official publication of the applicable rules (b) and to the English translation of the regulatory framework (c).

a. General rules

The Lithuanian legislator has established certain regulations in relation to unfair activities of retail companies and unfair activities in the agricultural and food supply sector, as well as general prohibited unfair market practices. These regulations are incorporated in separate laws.

1. Unfair activities of retail companies (Law on Prohibition of Unfair Practices of Retail Companies of the Republic of Lithuania)

The Law on Prohibition of Unfair Practices of Retail Companies of the Republic of Lithuania regulates the actions of the retailers having significant market power. On 1 November 2021 amendments of the Law entered into force under which the Law is not applicable to relations between retailers having significant market power and suppliers whose aggregate income during the last financial year exceeds EUR 350 million. The Law does not explicitly state the reasoning on such exemption but, according to the Law, the goal of the Law is to ensure the balance of interests between suppliers and retailers having significant market power. Therefore, it could be that the legislator included such exemption because the relation between such retailer and such supplier is already balanced due to their equally significant market power.

The Law sets out the actions, including contractual agreements, which are prohibited for retailers having significant market power. The Law states that retailers having significant market power shall not require the suppliers:

- to pay directly or indirectly or remunerate in any other way for consent to start trading the supplier’s goods;
- to compensate for the lost or smaller-than-expected income of the retailer from the sale of goods received from the supplier;
- to compensate for the operational costs of the retailer related to equipping new stores or renovating the old ones;
- to acquire goods, services or assets from third parties specified by the retailer;

- to tie the prices of goods supplied to the retailer as well as the supply conditions to the supplier's prices of goods and supply conditions applied to third parties;
- to change the basic supply procedures or goods specifications without notifying the supplier thereof within the time limit specified in the agreement, which may not be shorter than ten days;
- to accept unsold food products, without payment for such products, except for non-perishable packaged food products if they are safe, high-quality and at least 1/3 of time before their expiration date remains or they have no expiration date and there is a prior agreement in relation to their return;
- to pay directly or indirectly a part of the costs of sales promotion carried out by the retailer or together with it or to compensate for such costs in any other way, except for the cases where there is a written agreement between the retailer and the supplier regarding the amount of costs to be paid and sales promotion activities to be applied;
- to pay directly or indirectly or to compensate for the arrangement of goods, except for the cases where there is a written agreement between the retailer and the supplier regarding payment for the arrangement of goods;
- to grant commercial discounts on goods, pay directly or indirectly or otherwise compensate a retailer for what has not been agreed in writing, by e-mail or other electronic means.

The Lithuanian Competition Authority monitors compliance with the Law and, in the event of violation of the prohibition, the fine imposed may be up to 0,7% of the company's turnover. Note that the retailers having significant market power also are liable under the Law on Prohibition of Unfair Trading Practices in the Agricultural and Food Supply Chain of the Republic of Lithuania. The calculation of the fines is made under the rules indicated in the Law on Prohibition of Unfair Practices of Retail Companies of the Republic of Lithuania, including, calculation of the base fine amount (which is calculated based on turnover), the base fine amount is adjusted based on nature, duration and scope of the infringement, the base fine amount is increased or decreased based on aggravating and mitigating circumstances.

2. Unfair activities in the agricultural and food supply sector (Law on Prohibition of Unfair Trading Practices in the Agricultural and Food Supply Chain of the Republic of Lithuania)

The Law on Prohibition of Unfair Trading Practices in the Agricultural and Food Supply Chain of the Republic of Lithuania, which entered into force on 1 November 2021, identifies the groups of suppliers and buyers of agricultural and food products, a list of prohibited unfair trading practices in the agricultural and food supply chain and a ban on such unfair trading practices. The goal is to protect the suppliers which have weaker negotiation power compared to the buyer.

One of the main prohibitions is that of late payments to the suppliers based on the respective 30 and 60 days

terms set by the laws. In addition, it is prohibited for the buyer to:

- cancel orders for perishable products shortly in advance (30 days is always considered an unfair period);
- to unilaterally change the terms of the agreement regarding the frequency, method, place, time, volume, quality standards, payment terms, prices, certain services provided to the supplier;
- require unrelated payments, including for product defects, losses not due to the supplier's fault;
- buy products without a written agreement;
- illegally obtain, use or disclose the supplier's trade secrets;
- require the supplier to reimburse the costs of dealing with consumer complaints when the supplier is not at fault.

Also, without prior written agreement, it is prohibited for the buyer to:

- return the products without paying for those unsold products or disposing of them;
- require payment of a fee for the storage of products at the buyer’s place, demonstration or inclusion in supply lists or supply to the market;
- demand the costs of applying discounts (when selling through sales promotion measures), advertising, marketing and renovation of sales premises.

The Law is monitored by the Agency on Rural Business and Market Development. The fine imposed might be up to 0,7% of the company’s turnover, except for the infringements related to elate payments to the supplier for which the fine might be up to 20% from overdue debt.

3. Unfair market practice (Art. 15 Law on Competition of the Republic of Lithuania)

According to Art. 15 Law on Competition of the Republic of Lithuania, undertakings are prohibited from actions contrary to fair business practices and good usages if such actions may negatively impact the other undertakings’ ability to compete.

Such actions include those related to unauthorized use of the mark identical with or similar to the undertakings’ name or trademark. Unfair practice is also imitating the product or product packaging of another undertaking and copying the shape, color or other distinguishing features of that product or product packaging.

Unfair actions also include misleading other undertakings by providing incorrect or unreasonable information about quantity, quality, components, characteristics, manufacturing place or means, price of its or other undertakings’ goods or risks related to the usage of such goods, as well as the provision of incorrect or unsubstantiated information about its managing personnel, qualifications of employees, the legal, financial or

other position of an undertaking if it could have a damaging effect for the other undertaking.

The list of unfair practices also includes the usage, transfer and disclosure of the other undertakings' trade secrets without prior consent as well as the receipt of such trade secrets from unauthorized parties, for the purpose to compete, by seeking the benefit for itself or by seeking to harm the other undertaking. Undertakings are also prohibited from proposing that the employees of the competing undertaking terminate their employment agreements or refrain from performing all or part of their work-related duties, seeking self-benefit or inflicting damage on that undertaking.

b. Link(s) to official publication:

The Lithuanian version of the Law on Prohibition of Unfair Practices of Retail Companies of the Republic of Lithuania is accessible via this link.

The Lithuanian version of the Law on Prohibition of Unfair Trading Practices in the Agricultural and Food Supply Chain of the Republic of Lithuania is accessible via this link.

The Lithuanian version of the Law on Competition of the Republic of Lithuania is accessible via this link

c. Link(s) to English translation:

The English version of the Law on Prohibition of Unfair Practices of Retail Companies of the Republic of Lithuania (please note that the English translation provided is not of the version of the law currently in force) is accessible via this link.

The English version of the Law on Prohibition of Unfair Trading Practices in the Agricultural and Food Supply Chain of the Republic of Lithuania not available.

The English version of the Law on Competition of the Republic of Lithuania (please note that the English translation provided is not of the version of the law currently in force) is accessible via this link.

Part 2: Pre-contractual phase

Q4. Are there mandatory provisions in relation to the disclosure of pre-contractual information prior to concluding and/or executing distribution agreements?

Yes.

If yes, which mandatory provisions apply (a) and which information must be disclosed (b)? Where available, please also include a link to the official publication of the applicable rules (c) and, if available, to the English translation of the regulatory framework (d).

a. Mandatory provisions:

Art. 6.163 Civil Code;

Art. 6.185 Civil Code;

Art. 6.186 Civil Code.

b. Information to be disclosed:

Art. 6.163 Civil Code sets out the general obligations, rights and liabilities of the parties during the pre-contractual stage of relations, including the obligation of the parties to disclose to the other party all the information known to it that has a major impact on the conclusion of the agreement, as well as the obligation to act in good faith. This Article also states that a party who enters into contract negotiations or negotiates unfairly must compensate the other party for the damage caused. Negotiations shall be deemed to be initiated or negotiated in bad faith when the negotiating party has no intention of concluding the agreements or carries out other actions that do not meet the criteria of good faith.

Art. 6.185 Civil Code regulates the cases where one of the parties uses standard clauses in the agreement between the parties. According to this Article, the standard clauses are obligatory to the other party only in case the other party had a chance to get familiar with such clauses. In B2B relations, this obligation is considered to be fulfilled if the party provides such standard clauses in writing to the other party prior or during the conclusion of the agreement. This obligation is also fulfilled if prior to the conclusion of the agreement the party informs the other party that the agreement will be concluded under the standard clauses and informs where such clauses may be found or offers to the other party to send a copy of the standard clauses. According to Art. 6.186 Civil Code, the unexpected (surprise) standard clauses (i.e. the clauses which could not be reasonably expected by the party to be in the agreement) are null if the party did not properly disclose them to the other party.

c. Link(s) to official publication:

The Lithuanian version of the Civil Code of the Republic of Lithuania is accessible via this link.

d. Link(s) to English translation:

The English version of the Civil Code of the Republic of Lithuania (please note that the English translation provided is not of the version of the law currently in force) is accessible via this link.

Q5. Is there a standstill obligation linked to the requirements imposed for the pre-contractual phase?

Yes.

If yes, what does this standstill obligation entail (how long, specific procedural requirements, etc.)?

According to Art. 6.165 Civil Code, if the parties have entered into the preliminary agreement, the preliminary agreement shall include the term for conclusion of the main agreement. If the term is not set under the agreement, the main agreement shall be concluded within one year from the conclusion of the preliminary

agreement.

Q6. Does the relevant regulatory framework impose sanctions if the pre-contractual obligations are not (fully) respected?

Yes.

If yes, which sanctions apply (e.g., nullity of contract, penalty payment)?

According to Art. 6.163 Civil Code, a party who enters into contract negotiations or negotiates unfairly must compensate the other party for the damage caused.

According to Art. 6.186 Civil Code, the unexpected (surprise) standard clauses (i.e. the clauses which could not be reasonably expected by the party to be in the agreement) are null if the party did not properly disclose them to the other party.

According to Art. 6.164 Civil Code, if one party provides confidential information to the other party during the negotiations, the other party, upon learning or receiving this information, must not disclose or use it for its own purposes in an unlawful manner, whether or not the agreement has been concluded. The party in breach of this obligation must compensate the other party for the damage caused.

Q7. Can a party be held liable if it terminates the pre-contractual negotiations?

Yes.

If yes, on what grounds (a); under what conditions (b); and what consequences are generally linked to such liability (c)?

a. Grounds for pre-contractual liability:

Art. 6.163 Civil Code

Art. 6.165 Civil Code

b. Conditions for pre-contractual liability:

Any party is in principle free to terminate pre-contractual negotiations, but it is required to negotiate in good faith. According to Art. 6.163 Civil Code, negotiations shall be deemed to be initiated or negotiated in bad faith when the negotiating party has no intention of concluding the agreement or carries out other actions that do not meet the criteria of good faith.

According to Art. 6.165 Civil Code, pre-contractual liability applies if the parties have entered into the preliminary agreement and the party unreasonably avoids or refuses to conclude the main agreement.

c. Consequences of pre-contractual liability:

According to Art. 6.163 Civil Code, a party who enters into contract negotiations or negotiates unfairly must

compensate the other party for the damage caused. The Law does not specify what damages could be claimed, therefore it could be any damages, including positive damages or loss of profit. In case of dispute, the court would decide to what damages the party is entitled to.

According to Art. 6.165 Civil Code, if the parties have entered into the preliminary agreement and the party unreasonably avoids or refuses to conclude the main agreement, the other party shall compensate the other party for the damage caused. The Law does not specify what damages could be claimed, therefore it could be any damages, including positive damages or loss of profit. In case of dispute, the court would decide to what damages the party is entitled to.

Q8. Are there other relevant rules and/or restrictions that apply during pre-contractual negotiations between supplier and distributor?

No.

Part 3: Contractual phase

A. Form of distribution agreements

Q9. Must a distribution agreement be executed in writing to be valid and enforceable?

Only in certain instances.

If only in certain instances, please explain when a written agreement is required.

According to Art. 1.73 Civil Code, the agreement on sale-purchase of goods by installment and preliminary agreements shall be concluded in writing.

According to Part 1 (8) Art. 3 Law on Prohibition of Unfair Practices of Retail Companies of the Republic of Lithuania, the buyer is prohibited to request from the supplier to pay directly or indirectly a part of the costs of sales promotion carried out by the retailer or together with it or to compensate for such costs in any other way, except for the cases where there is a written agreement between the retailer and the supplier regarding the amount of costs to be paid and sales promotion activities to be applied. Also, the buyer is prohibited to pay directly or indirectly or to compensate for the arrangement of goods, except for the cases where there is a written agreement between the retailer and the supplier regarding payment for the arrangement of goods. The buyer is also prohibited to grant commercial discounts on goods, pay directly or indirectly or otherwise compensate a retailer for what has not been agreed in writing, by e-mail or other electronic means.

According to Part 4 (5) Art. 4 Law on Prohibition of Unfair Trading Practices in the Agricultural and Food Supply Chain of the Republic of Lithuania, the unfair practice is prohibited in case the buyer buys agricultural and food

products without a written agreement with the supplier (except in certain cases).

Q10. Are there any (other) requirements as to the form of the distribution agreement for it to be valid and enforceable?

No.

B. Content of distribution agreements

Q11. Other than restrictions imposed by EU competition law (including Regulation (EU) 330/2010), do specific rules and/or restrictions apply in distribution agreements with respect to

- the territory in which or the customers to whom the goods/services will be sold;
- an exclusivity granted to the distributor;
- (exclusive) sourcing/purchasing obligations;
- resale prices;
- non-compete clauses?

No.

Q12. Do specific rules and/or restrutions apply in distribution agreements with respect to

- obligations of the supplier vis-à-vis the distributor, including in relation to the remuneration of the distributor;
- obligations of the distributor vis-à-vis the supplier or vice versa;
- a non-solicitation clause during and/or after the term of the distribution agreement;
- minimum sales quota imposed on the distributor;
- specific sector rules?

Specific sector rules, obligations of the supplier vis-à-vis the distributor, including in relation to the remuneration of the distributor, obligations of the distributor vis-à-vis the supplier or vice versa.

If yes, what do these specific rules and/or restrictions entail?

See, answers stated in the Q3.

C. Term and termination

1. Term

Q13. Is an oral or written distribution agreement that does not specify the term always considered to be an agreement of indefinite duration?

Yes.

Q14. Does a distribution agreement of definite duration that is continued after its expiry turn into a distribution agreement of indefinite duration?

No.

2. Termination

Termination for convenience (irrespective of any default or exceptional circumstance) of distribution agreements of definite duration

Q15. Can a distribution agreement of definite duration be terminated for convenience?

Yes.

If yes, is an express provision allowing for termination for convenience necessary?

Only in certain instances.

If only in certain instances, please explain when an express provision is required?

The basic principle for contracts of definite duration is that they cannot be terminated for convenience and can only be terminated due to reasons set out in Art. 6.217 Civil Code and such reasons are mainly related to a breach of the contract. However, Art. 6.217 Civil Code also stipulates that the agreement may be terminated due to other reasons not stipulated here in this Article only by court and that the agreement may be terminated unilaterally in the cases provided for in the agreement. Therefore, if the parties wish to allow for termination for convenience, it is advisable to expressly provide for this in the distribution agreement.

Q16. Must a reasonable notice period be observed in order for the termination to be valid even if the distribution agreement provides for the immediate termination for convenience?

No.

Q17. What are the consequences for the terminating party if it does not comply with prescribed (statutory, contractual, case law) rules for termination (e.g. in relation to the notice period)? Does the termination continue to have effect (a)? Will damages have to be paid and, if yes, how are those damages calculated (b)?

a. Will the termination continue to have effect?

If the agreement is terminated without complying with contractual or statutory rules for termination, the continuity of the agreement depends on the decision of the court and request of the plaintiff.

b. Will damages have to be paid, and, if yes, how are those damages calculated?

The terminated party may be entitled to damages by the terminating party for the loss suffered by the terminated party (lossed incurred and loss of profit). The courts of Lithuania have stated that both actual damages and loss of

profit must be accurately calculated.

Direct damage is a direct result of illegal actions. A party who claims compensation for damages must prove the amount of losses caused to him, provide evidence confirming the real probability of earning income. Hypothetical income is not included in the concept of loss of profit. Indirect losses must be based on actual, proven, unavoidable rather than probable income. The calculation of loss of profit must be reasonable, based on the evidence collected in the case and other factual material and based on methods recognized by financial or economic theory.

Termination for convenience (irrespective of any default or exceptional circumstance) of distribution agreements of indefinite duration

Q18. Can a distribution agreement of indefinite duration be terminated for convenience even if the agreement does not provide for termination for convenience?

No.

Q19. Is a contractual notice period always legally valid and enforceable?

No.

If not, which rules of mandatory law can have an impact on this?

Contractual notice period, just as any other contractual provisions, must meet the principles of conscientiousness, proportionality and reasonableness. The party has the right to argue the legitimacy of the contractual notice period in court.

Q20. What are the consequences for the terminating party if it does not comply with prescribed (statutory, contractual, case law) rules for termination (e.g. in relation to the notice period)? Does the termination continue to have effect (a)? Will damages have to be paid and, if yes, how are those damages calculated (b)?

a. Will the termination continue to have effect?

If the agreement is terminated without complying with contractual or statutory rules for termination, the continuity of the agreement depends on the decision of the court and request of the plaintiff.

b. Will damages have to be paid, and, if yes, how are those damages calculated?

The terminated party may be entitled to damages by the terminating party for the loss suffered by the terminated party (lossed incurred and loss of profit). The courts of Lithuania have stated that both actual damages and loss of profit must be accurately calculated.

Direct damage is a direct result of illegal actions. A party who claims compensation for damages must prove the amount of losses caused to him, provide evidence confirming the real probability of earning income. Hypothetical income is not included in the concept of loss of profit. Indirect losses must be based on actual, proven,

unavoidable rather than probable income. The calculation of loss of profit must be reasonable, based on the evidence collected in the case and other factual material and based on methods recognized by financial or economic theory.

Q21. Must the terminating party comply with certain formalities?

Only in certain instances.

If yes or only in certain instances, when is a written notice required (a), must the notice contain a motivation in order for the termination to valid (b) and what are the consequences if any of the formalities are not observed (c)?

a. Is a written notice required? If yes, is a registered letter (or similar) required?

No, unless it is agreed under the agreement. In any case the intend to terminate the agreement shall be clear and unambiguous. Written notice is recommended.

b. Must the notice contain a motivation in order for the termination to valid?

No, unless it is agreed under the agreement that the party shall provide motivation.

c. What are the consequences if any of the formalities are not observed?

Non-compliance with statutory or contractual obligations. Therefore, possible claims by the other party to compensate the damages.

Q22. Can the parties stipulate the formalities in the distribution agreement?

Yes.

If yes, what are the consequences if those formalities are not observed?

Non-compliance with contractual obligations. Therefore, possible claims by the other party to compensate the damages.

Q23. Is the terminated party entitled to damages or another type of compensation even if the correct notice period has been observed?

No.

Immediate extrajudicial termination on account of serious breach or exceptional circumstances

Q24. Is immediate extrajudicial termination possible even if the distribution agreement does not provide for early termination?

Yes.

If yes, on what grounds (a)? Can parties exclude these grounds for immediate extrajudicial termination in their distribution agreement (b)?

a. On what grounds?

A party may terminate the agreement if the other party does not fulfill the agreement or fails to fulfill it properly and this is a material breach of the contract. When determining whether the breach of contract is material or not, the following must be taken into account: (i) whether the injured party does not get what it expected from the agreement in principle, except in cases where the other party did not foresee and could not reasonably foresee such a result; (ii) whether, according to the essence of the agreement, strict compliance with the terms of the obligation is essential; (iii) whether the obligation was not fulfilled intentionally or due to gross negligence; (iv) does the non-fulfillment give the injured party a reason not to expect that the agreement will be fulfilled in the future; (v) whether the non-fulfilling party, which was preparing to fulfill or fulfilled the agreement, would suffer very large losses if the agreement were terminated.

When the agreement performance due date is missed, the affected party can terminate the agreement if the other party does not fulfill the agreement within the additionally set deadline.

b. Can parties exclude these grounds for immediate extrajudicial termination in their distribution agreement?

No.

Q25. Will an (extrajudicial) termination continue to have effect if the court rules that the agreement was wrongfully terminated on account of serious breach and/or exceptional circumstances?

Only in certain instances.

If not or only in certain instances, what are the consequences of the termination not being upheld?

It depends on the decision of the court and claims of the plaintiff.

Q26. Does the terminated party have a right to compensation if it appears that the agreement was wrongfully terminated or dissolved on account of serious breach and/or exceptional circumstances?

Yes.

If yes, is this right based on statute or case law (a) and how is that compensation calculated and will the terminated party have a claim for any additional compensation in those circumstances (for example, goodwill) (b)?

a. Is this right based on statute or case law and what this right entail?

According to the Art. 6.245 Civil Code, contractual civil liability is an obligation that arises as a result of non-performance or improper performance of a agreement, for which one party has the right to demand compensation for damages or damages (pay a fine, late interest), and the other party must compensate for losses caused by non-performance or improper performance of the agreement, or to pay defaults (fine, late payment interest).

b. How is that compensation calculated and will the terminated party have a claim for any additional compensation in those circumstances (for example, goodwill)?

The courts of Lithuania have stated that both actual damages and loss of profit must be accurately calculated.

Direct damage is a direct result of illegal actions. A party who claims compensation for damages must prove the amount of losses caused to him, provide evidence confirming the real probability of earning income. Hypothetical income is not included in the concept of loss of profit. Indirect losses must be based on actual, proven, unavoidable rather than probable income. The calculation of loss of profit must be reasonable, based on the evidence collected in the case and other factual material and based on methods recognized by financial or economic theory.

Q27. If a party believes that the distribution agreement has been wrongfully terminated or dissolved, can it apply to the judge in interim relief proceedings to have the effects of the termination suspended?

No.

Part. 4: Post-contractual phase

Q28. Is the supplier required to repurchase the stock that is still at the distributor's disposal when the distribution agreement ends?

No.

Q29. Are there other post-contractual obligations that generally apply to either of the parties in the context of the termination of the distribution agreement?

No.

Part 5: Dispute resolution

Q30. Do specific rules and/or restrictions apply as regards the choice of forum and/or jurisdiction?

Yes.

If yes, what do these specific rules and/or restrictions entail?

According to Art. 1.37 Civil Code, the parties have the right to set the applicable law. Otherwise, the law of the country with which the agreement is most closely connected is applicable to the agreement.

Q31. Can the parties opt for arbitration?

Yes.

If yes, are there any rules and/or restrictions as regards the enforceability of arbitration clauses in distribution agreements?

No.

Q32. What is the statute of limitations applicable to claims regarding the performance of a distribution agreement?

The general statute of limitations is limited to 10 years (Part 1 Art. 1.125 Civil Code). Shortened statutes of limitations are set for certain claims, such as claims related to the penalties (fines), quality of the sold goods and damage occurred due to poor quality products.