

Need To Sell More? Try A Reseller Arrangement

A Reseller is a company or an individual who purchases goods or services in order to resell them, instead of consuming them for personal use. It is usual for Resellers to make profit from their entrepreneurial endeavor. A prime example of this is in the telecommunication arena where major companies first buy up more than their requirements of transmission capacity and then sell the surplus to small carriers who in turn sell it to the customer for profit.

The Reseller Agreement is a mutually agreed upon contract that spells out the terms of service between the Seller and the Reseller. It defines the products that are to be resold by the Reseller and at what price they will be sold. It also sets out Reseller purchase discounts as well as policies concerning returns. After acceptance of the Agreement, the Reseller will enjoy the right of buying all the products and services from the Seller. This agreement ensures that all the terms and conditions relating to the agreement are signed by both parties. It then forms the basis of all ongoing business dealings between Seller and Reseller.

The End User is bound by the terms of the License Agreement that accompanies each product sold. The Reseller is also bound by the terms of the Reseller Agreement to collect payments from End Users. In addition, according to the Reseller Agreement, the End User is a customer of the Reseller.

On acceptance, the two parties are bound to honor and uphold the terms and conditions as stated in the reseller agreement. The agreement comes into effect on the date of execution of the agreement by the concerned parties. Once entered, the agreement remains in force till such time as it is terminated by either party. The conditions governing the termination are stated in the agreement at the very outset. Further, the agreement does not mean that the parties are entering into a relationship that can be described as being that of an employer-employee. The two parties are to carry out their business from their own premises and employ their own manpower and materials as well pay their own expenses.

The Reseller is constrained not to sell, assign or transfer their rights, as stated in the reseller agreement, without prior written consent from the Seller. The Reseller and the seller may, during the performance of the agreement, become privy to information that may be confidential in nature. The reseller agreement should ensure that neither party will abuse, steal or reveal such confidential information during the Term of the Agreement or at any point of time afterwards. Confidential information means all new findings, concepts or ideas, whether patented or not, business and technical information, and other information designated secret, proprietary, or undisclosed.

The agreement empowers the Reseller to obtain all necessary rights, licenses, permissions and further binds the Reseller to comply with all applicable laws of the land. The agreement may further exclude the seller from becoming liable for actions arising from any breach of contract that the Reseller or any of his representatives may cause to the End User.

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