



Nurturing Successful Businesses

# Agent vs Principal

Relationship

Transactions

Key Characteristics

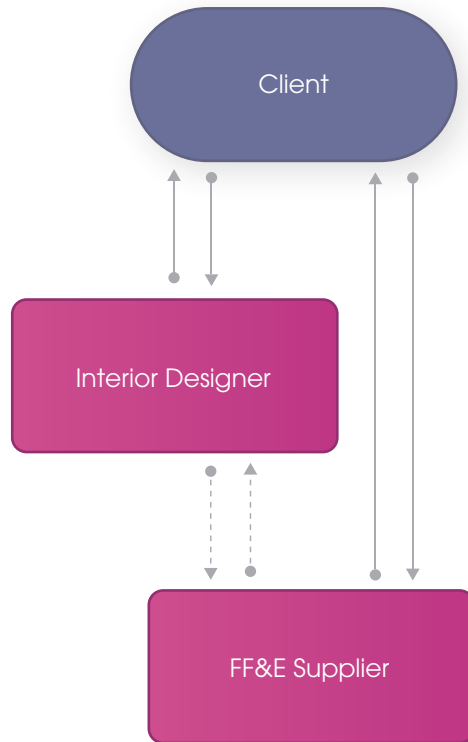
# Agent vs Principal - Relationship



## Agent

### Legal Issues

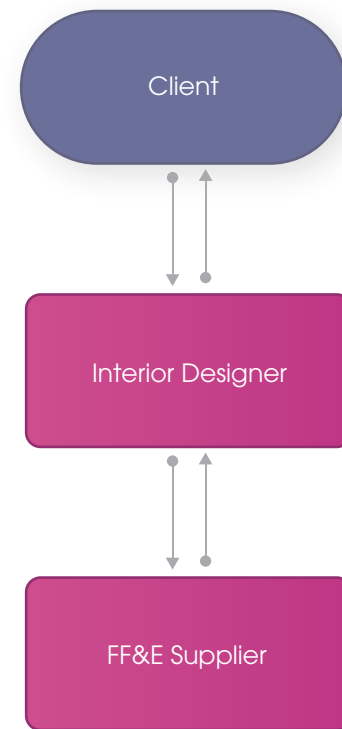
- Commercial agents regulations
- Unfair trading regulations
- Bribery act



## Principal

### Legal Issues

- Sale of goods act
- Consumer rights act
- Unfair contract terms act

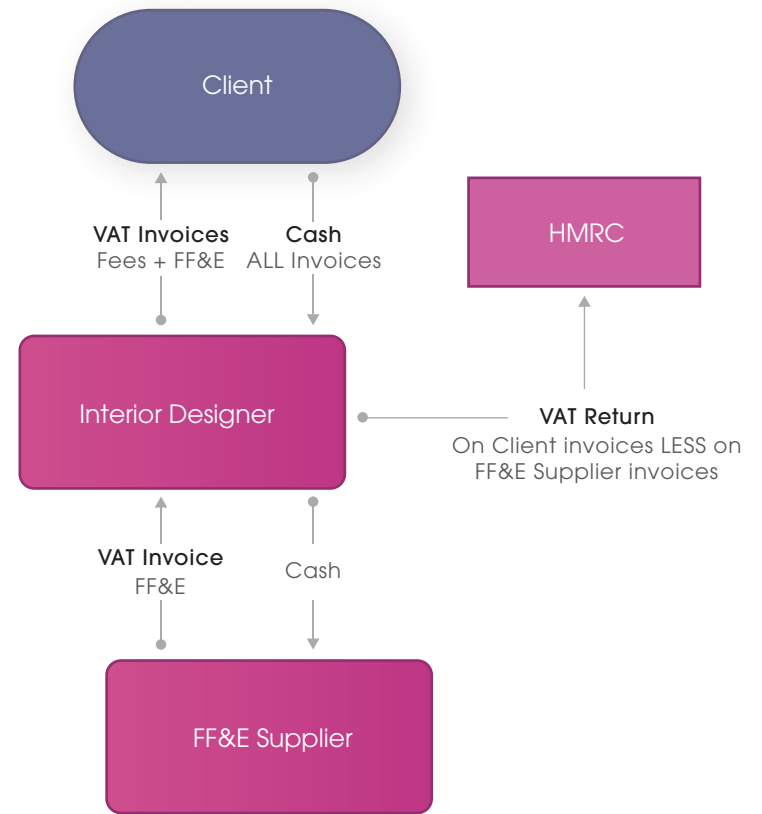
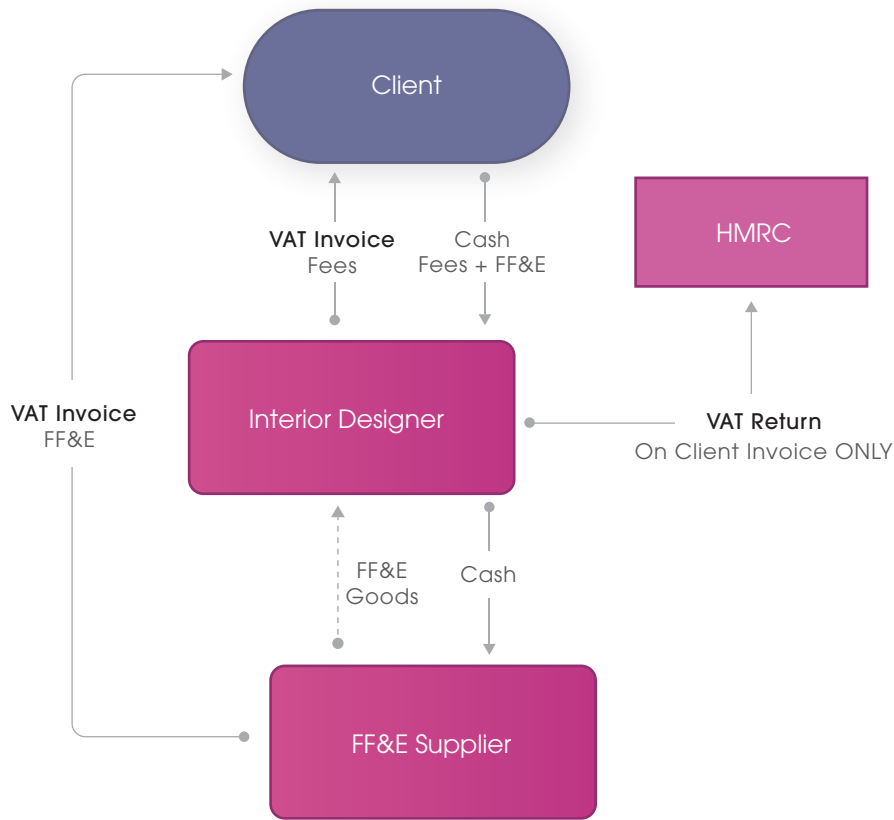


# Agent vs Principal - Transactions



## Agent

## Principal



# Agent vs Principal - Key Characteristics



## Agent

1. Client monies typically held on behalf of clients
2. VAT invoices to clients for Admin/Management/Time fees ONLY
3. Separate client bank maintained/ oversight of client monies req'd
4. NO direct responsibility for quality/accuracy of FF&E
5. Doesn't pay FF&E Supplier invs (unless via Client monies ONLY)
6. FF&E Supplier invoices in Client's name (FAO - Agent)
7. NO VAT reclaimed on FF&E Supplier invoices on VAT return

## Principal

1. NO monies held on behalf of clients
2. VAT invoices to client for FF&E and margins
3. No client bank account and oversight of (remaining) client monies
4. Responsibility for quality/accuracy of FF&E goods
5. Receives and pays FF&E Supplier invoices
6. FF&E Supplier invoices in Interior Designers name
7. VAT on FF&E Suppliers invoices reclaimed on VAT return