The Principle of Disclosure in the Contractual Process: A Comparative Study of European and Iranian Legal Instruments

1. Fatemeh Khatamifar: Ph.D. student, Department of Private Law, Aras International Campus, University of Tehran, Tehran, Iran
2. Jalil Ghanavati*: Associate Professor, Department of Private Law, Faculty of Law, Farabi Campus, University of Tehran, Tehran, Iran
3. Alireza Azarbayjani: Assistant Professor, Department of Private Law, Faculty of Law, Farabi Campus, University of Tehran, Tehran, Iran

*Correspondence: ghanavaty@ut.ac.ir

Abstract

The aim of this study is to elucidate the principle of disclosure in the contractual process through a comparative analysis of European and Iranian legal instruments. The present research is conducted using a descriptive-analytical approach. Data collection has been carried out through library-based research by referring to documents, books, and academic articles. In the formation of major contracts, a preliminary phase occurs between the two parties, commonly referred to as the "pre-contractual period." This stage is predominantly characterized by preliminary discussions and negotiations between the parties concerning the content and terms of the future contract. During this process, the parties become aware of each other's positions and align their perspectives in order to reach an agreement that forms the foundation of the contract. Entry into the pre-contractual period does not in itself entail an obligation to conclude a contract; however, it is governed by specific principles and regulations, the violation of which may lead to pre-contractual liability or influence the legal status of the future agreement. One of the main purposes of pre-contractual relations is the exchange of information, which enables the necessary evaluations and facilitates informed decisions regarding whether to proceed with or withdraw from the transaction. Although in significant contracts the parties typically enter negotiations after conducting prior studies and acquiring preliminary information, not all issues of interest are fully clarified. Consequently, further consultation with the other party is often required to resolve outstanding questions. Moreover, certain issues may emerge in direct interaction with the other party that were not previously foreseeable and can only be decided upon after receiving adequate information. One of the challenges faced by legal systems is the duty of disclosure during the pre-contractual period. In other words, the question arises whether the parties are obligated to disclose relevant information to one another prior to entering into a contract and whether they must inform each other of facts related to the future agreement. Alternatively, is such disclosure merely encouraged in economic relations, or is it unreasonable to expect disclosure from the other party, thus placing the burden on each party to protect their own interests and to decide on contract formation with due diligence?

Keywords: Principle of Disclosure, Principle of Transparency, European Law, Iranian Law, Contractual Process.

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1. Introduction

In recent years, the rapid acceleration of commercial transactions has led to significant legal transformations. These developments have placed governments, as representatives of the people, in a position to align the economic systems of their societies with the demands of justice through appropriate mechanisms, including legislative measures. The principle of freedom of contract—once considered the sole standard for legal relations and the formation of transactions—has increasingly come under the influence of public authorities and has consequently been subjected to numerous limitations.

In modern commercial relations, the importance of transaction-related information, which influences the decision-making of the contracting parties, has substantially increased. A party intending to enter into a contract with a more powerful expert must be fully aware of their position and receive clear and transparent information regarding the subject matter of the transaction, the relevant factors influencing the contract, and its legal consequences to ensure the principle of equality is upheld. Any lack of knowledge or reception of incomplete or incorrect information disrupts the contractual balance and mutual expectations.

This has led to the emergence of the general theory of the "duty to disclose information" in the laws and judicial practices of developed countries, particularly France, where it has gained recognition as a good faith-based obligation with an independent legal status. Naturally, this duty requires adherence to legal and logical standards. Like other obligations, the fulfillment of this duty must observe certain formalities, with transparency as its central tenet. In today's contract law and international relations, it is expected that both profitability (protecting shareholders' interests) and accountability to stakeholders occur simultaneously—otherwise, legal conflict and systemic risk may arise (Ghahari, 2018).

The provision of information in contracts is a relatively recent demand and objective. Only a few countries have adopted a policy of information disclosure in contracts and made all contractual documents easily accessible to the public. Moreover, an increasing number of organizations and institutions advocate for transparency in contracts (Moradian, 2015). Correspondingly, global campaigns have emerged in support of this principle. The principle of disclosure in contracts has evolved into a firm and indispensable legal foundation in contract and business law, aiming to regulate markets and commercial interactions (Karimi, 2013). The doctrine of disclosure in criminal business law also originates from this principle. Broadly, the principle of disclosure in contracts serves as a general norm guiding proper conduct in contractual relations.

French jurisprudence, relying on this principle, emphasizes that the necessity of providing information to the other party is not confined solely to explicit statutory provisions but applies more generally when the situation demands, functioning as a foundational rule in contractual dealings (Alvardi, 2020). Disclosure in contracts is not merely a principle; it is also a right. The right to transparency in commercial relations operates on both internal and external levels. Internally, it pertains to the rights associated with accessing internal company information, benefiting shareholders, CEOs, board members, etc., and ensures the proper functioning of corporate mechanisms (Ghahari, 2018). Among these rights are shareholders' rights to obtain information and to be informed of the company's critical conditions.

Having free will alone is insufficient for concluding a contract. Will must be sound and based on reason, calculation, and assessment—a process that cannot occur without access to necessary information. The duty to disclose arises at the point of contract formation. If adequate information is provided before the contract is concluded, the recipient can effectively assess the situation and make an informed and clear decision (Abedian & Kharoushi, 2009). The duty to inform is among the most important obligations during the contract stage. This obligation, based on the necessity of providing information, protects individuals who are in a weaker informational position and for whom access to such information can significantly influence their decision to enter into the contract (Soltanian, 2019).

Some scholars link contractual disclosure to mutual cooperation (Mioussie, 2000). According to this view, the cooperative nature of contractual relations demands that all necessary information be exchanged between the parties to ensure genuine and

unblemished consent (Alvardi, 2020). Disclosure at the time of contract formation also contributes to the stability and security of commercial transactions (Kessler & Edith, 1963).

When the parties share a close commercial relationship, trust arises and mutual expectations develop. Such relationships naturally reject concealment, suggesting an implied agreement on pre-contractual disclosure. Thus, the justification for the duty to disclose lies in this mutual implicit commitment that generates the parties' expectations. This reasoning also applies in fiduciary relationships, where mutual trust reinforces the expectation of transparency (Ghasemi Hamed & Taleb Ahmadi, 2011). Contractual fairness is only achievable when both parties engage under equal conditions (Katouzian, 2006). In the 19th century, socialists and proponents of the social school opposed individualists, demonstrating that excessive reliance on contractual freedom could enable the powerful to exploit the weak (Amiri Qaem Maqami, 1999). This laid the groundwork for the principle of protecting the weaker party to restore contractual balance (Schulze, 2006). The theory of "the duty to provide information in contracts" also emerged in alignment with this principle. According to the theory, the knowledgeable party in a superior position is obligated to inform the other. Therefore, pre-contractual disclosure serves to establish contractual balance between parties with unequal bargaining power (Ghasemi Hamed & Taleb Ahmadi, 2011). Consequently, the duty to provide information and warnings by sellers and manufacturers has expanded, giving rise to the theory of "the obligation of specialists to inform less knowledgeable parties" (Abedian & Kharoushi, 2009; Ghasemi Hamed, 2007).

One of the most important debates in contract law concerns the duty to disclose and the legal consequences of its breach. Disclosure liability arises during preliminary negotiations—those conversations aimed at determining the scope and conditions of a potential contract. Two issues arise here: the basis and nature of this liability, and the legal remedies available for its violation. Regarding its legal foundation, good faith is the primary principle that obliges parties to provide accurate information and to avoid abruptly ending negotiations (Moradian, 2015). As for the nature of the duty, some scholars argue it is contractual, while others view it as a tortious duty rooted in legal authority (Alvardi, 2020). It appears that in contexts involving standard contracts or fiduciary relations, disclosure obligations assume a contractual character, whereas in customary situations demanding disclosure of essential facts and good faith, they may take on a tortious nature. Damages from violations may occur before the contract is finalized or result from pre-contractual negligence manifesting during the execution phase. Potential remedies include enforcing disclosure obligations, claiming material damages, or, in some cases, suspending payment or annulling the contract (Khorsandian & Amiri, 2018).

One of the key reasons for entering pre-contractual relations is the exchange of information, enabling essential evaluations and informed decisions on whether to proceed with or abandon a transaction (Soltanian, 2019). Although parties in major contracts usually engage in discussions after preliminary research, not all issues are fully addressed, and further consultation with the other party is necessary. Moreover, unforeseeable matters may arise during interactions that require additional information to resolve. Article 6.163(4) of the Lithuanian Civil Code (enacted in 2000) provides: "The parties are obligated to disclose to each other any information they possess that is significant to the conclusion of the contract" (Mikelenas, 2005). Relevant subjects for disclosure may include: the subject matter of the contract, the nature of the transaction and shared understanding of its characteristics, circumstances influencing consent, the identity of the contracting party (when personality is central), warnings about futility or unenforceability, and legal norms essential to the contract's validity (Kucher, 2004).

One issue that challenges legal systems is the duty of disclosure during the pre-contractual phase. Specifically, are parties required to disclose known facts related to the future contract, or is such disclosure merely a matter of ethical preference, with each party responsible for protecting their own interests and making an informed decision?

Legal systems do not uniformly address this duty. In civil law systems, each party is required to disclose information in their possession that may influence the other party's decision. However, in common law systems, pre-contractual disclosure obligations are generally not recognized, except in exceptional cases (Soltanian, 2019). Under the latter, a party may withhold information even if it knows that it would influence the other's decision to enter into the contract. In Islamic law, disclosure is encouraged, but in Iranian law, with few exceptions, this obligation is not recognized as a general rule (Ghasemi Hamed & Taleb Ahmadi, 2011).

This study investigates the scope and content of the duty to disclose in the contractual process and the legal consequences of its breach, focusing on European legal instruments. It also explores the relationship between the principle of disclosure and the principle of participation, and assesses the status of this principle in Iranian law. Accordingly, this research seeks to answer the question: what are the boundaries and legal enforcements of disclosure obligations in European and Iranian legal documents?

2. The Principle of Disclosure and Participation in the Contractual Process

Today, in the field of information and information technology, we encounter a wide range of interpretations—ranging from extremely narrow usages to, in more exaggerated forms, encompassing almost all human activities. Information highways now traverse the geographic borders of countries and continents, transforming established political, economic, and social concepts. The impact of the information society can be compared to the Industrial Revolution, yet the pace of change in the information age is significantly faster than in the past. A major portion of human knowledge and understanding is formed through the reception, processing, recording, and transmission of information regarding reality. As knowledge advances, this data becomes more complete. Various definitions and interpretations have been proposed regarding the nature of information and disclosure, which will be outlined below.

2.1. Concept of Information

Information is defined as the collection of knowledge, news, observations, and human insights that, upon being received, brings about qualitative and quantitative changes in a person's scientific understanding and behavioral excellence. According to this definition, information is not limited to news or human scientific output—even the physical world and nature we inhabit serve as sources of information and play a crucial role in human intellectual development. Many definitions also characterize information as follows: it is our interpretation of the realities around us, and based on this, individuals use the information at their disposal to decide how to act in shaping the future of the system in which they exist.

Information, when linked to its users, becomes interpretative in nature and holds economic, social, cultural, and political value. It is defined as that which reduces uncertainty. Information is the process of becoming aware of the surrounding world and its dynamics. Knowledge emerges from the interconnection of pieces of information. Information involves the collection, storage, processing, and distribution of news, data, images, messages, opinions, and commentary in response to national and international environmental conditions. It enables individuals to make appropriate decisions in relevant contexts. Accordingly, information science investigates the quality and application of information, the forces governing information flow, and the tools that facilitate access and optimal use.

2.2. Concept of Information Dissemination

Information dissemination is a scientific discipline that examines the issues related to the collection, storage, retrieval, distribution, and dissemination of information, with its subject being information itself (Alvardi, 2020). In other words, information dissemination is a scientific field that studies the quality and application of information, the controlling forces over information flow, and the tools for preparing information for optimal access and use. Based on this definition, it encompasses the production, collection, organization, storage, retrieval, translation, transmission, transformation, and application of information. It involves both natural and artificial methods of presenting information, formatting strategies for complete transmission, and preparation tools and technologies such as computers and their programming methods (Moradian, 2015). The goal of this science is to assemble collections of information that foster the advancement of various institutions and develop methods for knowledge acquisition and transmission. It is an interdisciplinary science drawing from several other fields and studies the properties and behavior of information, the governing forces in information flow, and techniques—manual or machine-based—for optimal storage, retrieval, and dissemination (Kotz, 2000).

One of the most important reasons for establishing pre-contractual relationships is the exchange of information, which enables necessary evaluations and informed decisions on whether to proceed with a transaction or withdraw from it. Although in significant contracts both parties enter negotiations after conducting preliminary studies and acquiring essential information,

not all matters are initially clear. Thus, they often require further consultation with the other party. Furthermore, unforeseeable issues may arise during these interactions, making informed decision-making dependent on additional disclosure. One critical challenge for legal systems is the duty to disclose during the pre-contractual phase. That is, are the parties obligated to inform each other of facts relevant to the prospective contract, or is such disclosure merely a preferred ethical practice in economic relations? Alternatively, is it unreasonable to expect disclosure, with each party instead bearing responsibility for their own profits and losses and making informed decisions accordingly?

Disclosure means informing others, and the pre-contractual period refers to the time during which the two parties engage in interactions aiming to form a final contract—up until the contract is either concluded or abandoned. Therefore, pre-contractual disclosure involves the provision of information by either party to the other regarding matters essential to the decision to contract. This type of disclosure is distinct from the contractual obligation to provide information. In pre-contractual disclosure, the information pertains to the contract formation phase, and withholding or misrepresenting such information can impair the validity of consent or even prevent the contract from forming. In contrast, contractual disclosure obligations arise only after the contract has been concluded. Failure to distinguish between these two types of obligations can lead to incorrect legal remedies for non-disclosure. Although this distinction may seem clear initially, in practice, it is sometimes difficult to differentiate between them.

For instance, in France, a decision by the Civil Division on October 4, 1977, held a stone seller liable alongside a contractor in favor of the client (the property owner), because the stones sold cracked after installation. Though the stones matched the specifications ordered, the seller, being a seasoned professional, knew the stones were unsuitable for mountainous regions and thus had a duty to inform the client. Although the court did not explicitly state the basis for liability, commentators believe the ruling was grounded in contractual liability, as it concerned a failure to fulfill a contractual duty. Nevertheless, some legal scholars argue that the case involved a pre-contractual duty to disclose—a failure which undermined the intended purpose of the agreement (Joneidi, 2002).

3. Scope of Pre-Contractual Disclosure

Accepting a duty to disclose before concluding a contract does not mean each party must reveal all of their information to the other. Commercial transactions are typically adversarial, with each party having conflicting interests. Under such conditions, it is unrealistic to expect full disclosure from either side. Therefore, it becomes essential to delineate what information may be legitimately withheld and what must be disclosed during preliminary negotiations.

A balanced approach requires classifying future contract-related information into two categories: (1) information that significantly influences the decision to contract and (2) information that does not have such impact. The first category is considered essential. In pre-contractual negotiations, both parties are required to disclose essential information to ensure that each enters the contract with informed and sound consent. If one party knows that the other party's decision hinges on certain information and deliberately withholds it, this constitutes bad faith (Chen-Wishart & Magnus, 2014).

In adopting the standard of information materiality for pre-contractual disclosure, Article 6.163(4) of the Lithuanian Civil Code (2000) states: "The parties are obliged to disclose to each other any information they possess that is important for the conclusion of the contract" (Mikelenas, 2005). Matters requiring disclosure may include: the subject matter of the contract, the nature of the item and mutual understanding of its characteristics, circumstances affecting consent to the transaction, the identity of the other party (where it is a substantial reason for the contract), disclosure of the futility or unenforceability of the contract, and any regulations whose validity is a precondition for the agreement.

For example, one party entered negotiations to assist another in the sale of military weapons. A government license was legally required for such sales, which the seller did not possess. This information was not disclosed during negotiations. As a result, an agreement was signed but later proved unenforceable due to the absence of the license. The party who failed to disclose the lack of the license was held liable (Kucher, 2004).

4. Foundations of Pre-Contractual Disclosur

In civil law systems, the duty of pre-contractual disclosure can be grounded in several principles, including the necessity of healthy will in contract formation, observance of good faith, preservation of contractual security and stability, existence of close commercial or fiduciary relations, establishment of contractual equilibrium, and implicit pre-contractual agreements. These foundations are elaborated as follows:

4.1. Sovereignty of Will

Preliminary negotiations increase the awareness and alertness of both parties. If a contract is concluded without knowledge of matters essential to its formation, the will of the parties cannot be considered sovereign over the agreement. For example, in the decision dated October 14, 1997, by the First Civil Division of the French Court of Cassation, it was ruled that a hospital concluding an admission and care contract must inform the patient of the services it can offer (Jourdan, 2007). Had the patient been informed, they might have chosen a different hospital. The court's rapporteur emphasized that disclosure should include potential risks that could significantly influence the patient's decision to accept or reject treatment (Jourdan, 2007).

Contracts are concluded when both parties perceive them as beneficial. Upon execution, both parties typically feel they have gained and do not see themselves as having lost. Millions of such mutually beneficial transactions occur daily, contributing to wealth circulation in society. These market activities follow certain principles, the most important in transactions being the principle of contractual freedom. This principle is honored when both parties, possessing necessary knowledge, choose to transact. To conclude a contract, both parties strive to be as informed as possible about the value of the goods or services. If one party has more information in the pre-contractual phase, they should disclose it to enable valid consent from the other party. Otherwise, the parties might enter a contract they would have avoided if properly informed.

Freedom of will alone is insufficient; the will must be healthy and based on reason, calculation, and evaluation. This cannot be achieved without the necessary information. The duty to disclose is thus related to the time of contract conclusion. If proper disclosure occurs before formation, the receiving party can reasonably evaluate the situation and make a clear and sound decision (Abedian & Kharoushi, 2009). Accordingly, France enacted consumer protection laws to ensure valid contractual consent. French jurisprudence also obligates professional sellers to provide all information necessary for forming valid contractual consent (Ghasemi Hamed, 2007). Iranian law, under Article 190 of the Civil Code, also considers valid consent essential for contract enforceability, recognizing that defects in will may result from a lack of information.

4.2. Principle of Good Faith

Good faith necessitates disclosure during the pre-contractual phase (Ghasemi Hamed, 2007). Both parties must exchange information on essential elements of the contract that influence their decision-making. Breach of this duty can occur through non-disclosure or concealment, both of which are omissions. Today, legislators and legal scholars tend to ensure disclosure of all facts affecting mutual agreement through the parties' duty to act in good faith. In many jurisdictions where good faith is recognized (e.g., France, Italy, and Switzerland), pre-contractual disclosure duties are based on this principle. In this view, silence contrary to good faith is impermissible, and the obligation includes disclosure of positive and negative facts that are outside the ordinary expectations of the other party.

Through disclosure, the other party can form a correct understanding of the facts and make an informed decision. According to the principle of good faith, a party aware of the other's ignorance or mistake has a duty to inform. Some scholars tie pre-contractual disclosure to mutual cooperation (Mioussie, 2000). In this view, cooperation requires both parties to have all necessary information to achieve full and uncontested consent (Ansari, 2009, p. 194). However, as cooperation is a result of good faith, it need not be treated as an independent basis.

4.3. Contractual Stability

Pre-contractual disclosure also supports transactional stability and security. If a party enters a contract without critical information and later learns of facts that influenced their decision, they may seek to annul or rescind the contract, thereby undermining contractual stability. Legal grounds for rescission such as defect or unfair advantage (ghabn) can stem from non-disclosure regarding the quality or value of the subject matter—even though prevailing views prioritize loss prevention.

Instead of allowing unstable contracts subject to cancellation, it is preferable to recognize pre-contractual disclosure duties to enhance security and reduce disputes. This way, no one can exploit the other's ignorance to push an unfavorable contract.

4.4. Close Commercial or Fiduciary Relationship

In close commercial relationships, parties expect each other to disclose relevant transaction information. This is especially common among long-term business partners. The German Federal Court, in a case involving a broadcaster, held that close commercial ties imposed disclosure duties.

In this case, one party transferred broadcasting rights while retaining a 50% interest in the proceeds of any resale. After receiving $10,000, the assignor waived this interest. Later, he discovered that the assignee had already received an offer of 3.8 million Deutsche Marks for resale. Had he known this, he would never have waived his rights and could have claimed half that amount. The assignor sued to annul the waiver.

Lower courts denied his claim, holding the assignee had no duty to disclose. However, the Ninth Civil Division of the Federal Court, in its ruling dated January 31, 1979, overturned the decision, recognizing a duty of disclosure based on the parties' longstanding business relationship (Kotz, 2000).

Some criticized this decision, noting that the assignor was a professional who could have easily assessed market prices himself and thus should not expect disclosure (Kotz, 2000). Still, close commercial relationships generate mutual expectations and trust, making concealment unreasonable. Such relationships may imply a mutual duty to disclose. The same rationale applies in fiduciary contexts, where trust demands transparency.

In all legal systems, including Iranian law, the principle of trust in contracts obliges parties to inform one another. For instance, civil law scholars argue that disclosure duties in insurance contracts stem from fiduciary trust. This principle extends to other contracts based on trust, such as agency, murabaha, partnership, and mudarabah, ensuring fairness and ethical conduct. In Islamic jurisprudence, such contracts are classified as "bay' al-amānāt" (sales based on trust), where the seller must disclose all relevant factors affecting the price.

4.5. Contractual Equilibrium

Contractual fairness is only possible when both parties negotiate on equal footing (Katouzian, 2006). The principle of contractual freedom, while valuable, can disadvantage the weaker party—often the consumer—who lacks sufficient information and cannot obtain it without the other party's disclosure. Therefore, sovereignty of will must be reconciled with justice and social welfare.

In the 19th century, followers of the social school and socialists challenged individualists, showing that excessive reliance on freedom of contract could allow the powerful to exploit the weak (Amiri Qaem Maqami, 1999; Shaarian Sattari & Shirin Beigpour, 2019). This led to the emergence of protective doctrines aimed at rebalancing contractual power (Schulze, 2006).

The theory of the duty to disclose in contracts mandates that the party in a superior position must inform the other. Pre-contractual disclosure thus aims to establish contractual balance between parties with unequal bargaining power. Consequently, the duty to provide information and warnings by sellers and manufacturers has expanded (Katouzian, 2006), giving rise to the theory of "the obligation of the expert to inform the weaker party" (Abedian & Kharoushi, 2009; Ghasemi Hamed & Taleb Ahmadi, 2011).

This approach was reflected in the first article of the Consumer Charter prepared by a consumer service organization and adopted by many countries: "Every consumer has the right to obtain accurate information about the characteristics, use, delivery time and method, price, and other aspects of purchased goods and services" (Nayiri, 1999).

French courts initially accepted disclosure based on implied mutual intent, but later cited the need for contractual balance (Ghasemi Hamed, 2007). Article 3.8 of the Principles of International Commercial Contracts also appears to ground disclosure duties in fairness (Yusefzadeh et al., 2021).

4.6. Implied Preliminary Agreement

Pre-contractual disclosure can also be based on an implied agreement. According to this view, known as the "implied preliminary agreement," the parties, by initiating negotiations, implicitly agree to share necessary information about the transaction and refrain from deception or fraud. Violation of this agreement constitutes fault, and the liable party must compensate the other for damages.

This perspective, aligned with the theory of "fault in preliminary negotiations" (Alvardi, 2020), has been subject to critique by Iranian legal scholars (Joneidi, 2002).

5. Legal Enforcement of Contractual Obligations

The enforcement of a contractual obligation refers to the legal remedies available in Iranian law and other legal systems for compensating a party harmed by a breach of contractual duties (Yusefzadeh et al., 2021). In contracts—particularly synallagmatic (reciprocal) ones—the goal is the equitable exchange of assets and fair circulation of wealth. Each party commits to perform an act or deliver property with the expectation of receiving an equivalent or greater return. Accordingly, contracts are classified as either reciprocal or gratuitous (Katouzian, 2006). Achieving the parties' intended outcomes in a contract requires both parties to fulfill their contractual obligations at the agreed time and in accordance with the contract's terms. Breach of promise or nonperformance is condemned by ethical, religious, and legal standards.

Given the nature of contracts and resulting obligations, and the potential damage caused by nonperformance—especially in international transactions—it is essential to ask whether the principle of specific performance is always sufficient to remedy the harm or whether, in some cases, other legal remedies might be more effective, allowing the injured party to select the appropriate solution. For example, in a contract of sale, the risk of the subject matter's destruction prior to delivery lies with the seller (Civil Code of Iran, Article 387). But if the buyer fails to pay the price, what options—beyond compelling performance—are available to the seller?

Sometimes compelling performance may not yield a practical result or may impose excessive costs on the obligee without producing the desired outcome (Yusefzadeh et al., 2021). Legal systems offer various remedies for such harms, including the possibility of compelling specific performance. In some systems, termination and damages are the primary remedy; in others, specific performance is the default rule; and in still others, a combination of specific performance and damages for late performance is recognized. Moreover, international instruments such as the CISG, the Principles of European Contract Law, and the UCC provide tailored solutions, many of which may be applicable under Iranian law (Mobarez, 2018).

6. Enforcement of Contractual Obligations in Civil Law and Common Law System

This section examines key foreign legal systems—namely, French law (representative of civil law), English common law, and the relevant provisions of international instruments such as the *Principles of European Contract Law*, the *United Nations Convention on Contracts for the International Sale of Goods (CISG)*, and the *UNIDROIT Principles of International Commercial Contracts*.

6.1. French Law

In French law, two principal remedies are available for contractual nonperformance:

A) Specific Performance

Contractual obligations serve as the foundation of social order; therefore, both direct and indirect enforcement of performance by the obligor is central to this legal system (Shahidi, 2012, p. 44). According to Article 1134 of the French Civil Code, a contract has the force of law between the parties and must be executed. Neither party may unilaterally refuse to perform. Articles 1610 and 1184 of the Civil Code provide that, in the event of breach, the obligee may seek specific performance or request termination along with damages. Article 1184 considers the right to request termination an implied term of the contract. It stipulates that the suspension of dissolution applies when one party refuses to perform; in such cases, the contract is not

automatically terminated, and the obligee may either compel performance (if possible) or seek dissolution along with compensation for nonperformance (Yusefzadeh et al., 2021).

B) Termination and Damages

If the obligor refuses to perform, the obligee may, under Article 1184, petition the court for dissolution and claim damages. The court may, depending on the circumstances, grant the obligor additional time. As seen, the obligee may seek both termination and damages, but the court may, under the circumstances, grant the obligor a grace period for performance.

A critical issue is whether Article 1184 allows for automatic termination upon the obligee's request or whether the court must authorize it. Article 1184 uses the phrase "suspension of dissolution," and its second paragraph states that the contract is not automatically dissolved. The obligee must petition the court either to compel performance or to declare dissolution with damages.

Articles 1168 and 1183 suggest that dissolution occurs automatically upon the failure of a suspensive condition (performance). However, Article 1184 implies that contracts are not dissolved automatically and that the obligee must seek a court declaration. French jurisprudence holds that dissolution is not created by the court but merely declared (Mirghasem, 2001).

Some legal scholars resolve this apparent contradiction by distinguishing between the substantive and evidentiary aspects of dissolution in French law. Substantively, dissolution occurs automatically upon nonperformance, but evidentiary realization requires judicial confirmation. Hence, dissolution becomes effective with nonperformance, but the court's declaration is necessary for legal effect; without it, the dissolution remains unenforceable (Safaee, 2014; Safaee & Alfat, 2010).

6.2. English Common Law

In the English common law system, two primary remedies are recognized for breach of contractual obligations: the principal remedy is termination with damages, while specific performance is an exceptional remedy (Gandomkar, 2017).

A) Termination and Damages

In common law, specific performance is exceptional (Sale of Goods Act 1979, Section 59), and the general rule is that termination with damages is preferred. The obligee may compel the obligor to compensate for the loss caused by the breach, and this is the default approach (Chen-Wishart & Magnus, 2014). In rare cases, the court may compel specific performance. Common law generally views damages as an adequate remedy because the obligee can often obtain substitute performance from another source (Gandomkar, 2017).

B) Specific Performance

As noted, specific performance is granted only in exceptional circumstances—such as when the subject matter of the obligation is personal or unique and not readily available on the market (i.e., it is a non-fungible obligation). For example, a unique artwork for which no substitute exists. In such cases, the court may order the obligor to perform; refusal to comply is treated as contempt of court and may lead to imprisonment.

Under Section 52 of the Sale of Goods Act 1979, specific performance is subject to the court's determination of fairness. Thus, specific performance remains a limited and discretionary remedy.

Furthermore, breach in English law may pertain to either primary or ancillary obligations. Breach of primary obligations may result in termination and damages, while breach of secondary obligations entitles the obligee to claim damages only (Cheshire, Fifoot, & Furmston, 1986, p. 681).

6.3. United Nations Convention on Contracts for the International Sale of Goods (CISG)

The 1980 United Nations Convention on Contracts for the International Sale of Goods (CISG), influenced by the Romano-Germanic legal tradition, provides two alternative remedies for breach of contractual obligations.

A) Specific Performance

Under Article 62 of the CISG, the obligee may request performance of monetary obligations unless the seller resorts to a remedy that is incompatible with such a request, such as termination. Articles 28 and 46 of the CISG recognize the right to specific performance. However, Article 28 grants discretion to the court, reflecting the influence of common law traditions. In

contrast, Article 46 grants the buyer an unconditional right to specific performance. Article 62 also affirms the seller's right to specific performance, while identifying exceptions—such as the illegality of performance or when it would require excessive cost or unreasonable effort from the obligor.

B) Termination and Damages

In cases of fundamental breach, either the buyer or the seller may terminate the contract and seek damages for non-performance (Shoarian et al., 2019). Thus, the obligee is not required to initially pursue performance and retains the option to either demand specific performance or terminate the contract. This solution aligns with French law (Yusefzadeh et al., 2021).

C) Additional Remedies

The CISG also provides remedies short of termination, even in cases of (fundamental) breach, including the right to request substitute goods or repair. Exercising these remedies does not preclude the right to terminate (Kheiri et al., 2018). Furthermore, the CISG permits anticipatory termination when it becomes reasonably clear, prior to the time of performance, that the obligor will not fulfill their obligations—for instance, where the obligor declares intent not to perform. Article 72 allows the other party to give notice of termination unless the obligor provides adequate assurances. Mere probability of future non-performance does not suffice; anticipatory termination requires clear foreseeability of fundamental breach and the absence of proper assurance (Amiri Qaem Maqami, 1999).

6.4. Principles of European Contract Law (PECL)

Under Articles 9:101 and 9:102 of the PECL, obligees are afforded the option to pursue specific performance or other remedies. In monetary obligations, the obligee may request specific performance unless a substitute transaction is possible or performance would be unreasonable—such as when the obligor refuses performance or the obligee no longer desires it. Termination remains a viable remedy for the obligee. For non-monetary obligations, the obligee may request a judicial order for specific performance (Article 9:102) or choose to terminate the contract.

6.5. Other Legal Systems and National Laws

Under Sections 7-2-1 and 7-2-2 of the Uniform Commercial Code (UCC), a seller may compel the buyer to pay the price and claim damages. This is similar to the approach in French and Iranian law. In Egyptian law, Article 157 of the Civil Code stipulates that in synallagmatic contracts, if one party fails to perform, the other party may, after serving notice, demand performance or termination, along with compensation if warranted.

In German law, Article 275 of the Civil Code releases the obligor from performance if it becomes impossible for reasons not attributable to them. According to Article 283, after a final judgment against the debtor, the creditor may set a reasonable time for performance and declare that after this period, they will no longer accept performance and will seek damages instead. This approach is distinctive to German law.

Similarly, Article 119 of the Algerian Civil Code, Articles 107–109 of the Swiss Code of Obligations, Articles 918–920 of the Austrian Civil Code, and Article 25 of the Polish Civil Code contain provisions akin to those in Egyptian law. Therefore, in various legal systems, in synallagmatic contracts, if one party fails to perform, the other party, under certain conditions, may be released from their obligations (Sajadi, 2011; Salehi & Ebrahimi, 2012).

6.6. Enforcement of Contractual Obligations under Iranian Law

According to Article 219 of the Iranian Civil Code, contracts are binding, meaning that neither party may unilaterally revoke or nullify its binding effects (Yusefzadeh et al., 2021). Based on the principle of binding contracts, any obligation arising from a contract must be fulfilled, and performance is the primary means by which obligations are extinguished—fulfilling the obligee's intent (Yusefzadeh et al., 2021).

Iranian law offers several remedies for compelling contractual performance:

1. **Specific Performance**
2. Civil law scholars, following the Civil Code, agree that specific performance is the principal remedy. Articles 273, 376, and 476 imply that the obligee may petition the court to compel the obligor to perform.

3. **Performance by a Third Party**
4. If performance by the obligor is impossible, the court may order a third party to perform at the obligor's expense (Article 238, Civil Code).
5. **Termination**
6. If performance by a third party is not feasible, the obligee may terminate the contract (Article 239, Civil Code). These provisions show that mere refusal to perform does not entitle the obligee to terminate; if the contract is not time-sensitive or indivisible, the obligee may compel performance and seek damages concurrently (Yusefzadeh et al., 2021). Exceptions exist, such as Article 402, or when the obligation is personal and must be executed by the obligor alone.
7. **Other Remedies**
8. Iranian law also provides additional solutions for mitigating the risk of non-performance and compensating resulting losses:

a) Suspensive Dissolution Clause

This allows the parties to agree that the contract will be automatically dissolved if a future condition (such as non-performance) is not met. This form of future rescission is considered valid and falls under the general principle of pacta sunt servanda (Katouzian, 2006). Unlike French law, such dissolution must be explicitly or implicitly agreed upon.

b) Timed Dissolution Clause

This clause pre-sets a date for contract dissolution without requiring further rescission. For example, a contract may state that it dissolves if the obligor fails to perform within two months. This is valid under Article 10 of the Civil Code, provided it does not contravene the law (Shaarian Sattari & Shirin Beigpour, 2019).

c) Suspensive Right to Terminate

This gives one party the conditional right to terminate if a specific condition is met within a certain period. For example, the obligee may reserve the right to terminate if the obligor fails to perform, exercisable within a defined period after the breach. This is a form of conditional rescission (Shaarian Sattari & Shirin Beigpour, 2019).

d) Termination as a Final Resort

The dominant view under the Civil Code holds that termination is a last resort. However, an alternative view asserts that failure to perform should not necessarily compel specific performance; instead, the non-breaching party may terminate and seek damages.

7. International Instruments in Contract Law

Globalization increasingly challenges legislatures to design or adapt legal systems so that private and corporate actors can effectively engage in cross-border trade. The unification of contract law responds to the diminishing relevance of national borders in commercial transactions. Its ultimate goal is to facilitate agreement under clear, predictable, and universally acceptable terms (Gandomkar, 2017).

Outcomes from these harmonization efforts serve as major sources for international conventions and model laws, while also informing national legislation on general contract rules and broader commercial practices. Various official and non-governmental institutions—including multinational organizations, expert groups, legal research institutions, and specialized agencies—are involved in promoting the unification and standardization of contract law.

7.1. Common European Sales Law (CESL)

The overarching goal of the Common European Sales Law (CESL) project was to provide a harmonized set of contractual rules to enhance the functioning of the internal market and facilitate cross-border trade for merchants. Subject to party agreement, this law could function as a secondary contractual regime alongside national law of EU Member States, specifically in cross-border transactions involving the sale of goods, provision of digital content, and related services. Given that CESL encompasses all stages of the contractual process, it reduces reliance on national laws, which often act as barriers to the expansion of cross-border commerce. However, for certain issues not covered by CESL—such as illegality or representation—

reference to national law remains necessary. CESL also incorporates mandatory rules for consumer protection, enhancing consumer confidence in the internal market and promoting better access and motivation to engage in cross-border purchases (Barikloo & Khazaei, 2011). This document is structured into 8 parts, 18 chapters, 186 articles, and 2 annexes. Chapter headings include: preliminary provisions (general principles and scope), conclusion of binding contracts (pre-contractual information and formation), contract review (interpretation, content and effects, unfair terms), obligations and remedies of the parties to a sales contract or a digital content contract (general rules, seller's obligations, buyer's obligations), obligations and remedies of the parties to a service contract, damages and interest, restitution, and prescription. Article 78 in Chapter 7, titled "Contract Terms for the Benefit of Third Parties," addresses the third-party beneficiary doctrine in eight sections.

7.2. Principles of European Contract Law (PECL)

The Commission on European Contract Law, commonly known as the Lando Commission—named after Professor Ole Lando, its founder and chair—and the Study Group on a European Civil Code, are two major working groups at the EU level dedicated to the development of a codified body of civil law rules. One of the Commission's notable outputs is the Principles of European Contract Law (PECL), which represents the culmination of two decades of comparative research in the field of contract law. PECL was published in three volumes across the years 1995, 1999, and 2003. The preamble states that the principles are intended to assist EU institutions in drafting legislation, and to aid judges, arbitrators, and legal practitioners in resolving contractual disputes. Broadly, the PECL may serve five key purposes: contract adjustment, interpretation of domestic and regional contracts, legislative modeling at the domestic and regional level, further legal harmonization, and as a modern lex mercatoria. The PECL is divided into 17 chapters, covering: general provisions, contract formation, authority of agents, validity, interpretation, content and effects, performance, non-performance and general remedies, specific performance, plurality of parties, assignment of claims, substitution of a new debtor, contract transfer, set-off, limitation periods, illegality, terms, and interest. Article 6:110 addresses "Stipulation in Favor of a Third Party" (Barikloo & Khazaei, 2011).

7.3. UNIDROIT Principles of International Commercial Contracts (UPICC)

The International Institute for the Unification of Private Law (UNIDROIT) is an independent intergovernmental organization established in 1926 as an auxiliary organ of the League of Nations in Rome. It began operations in 1928 and resumed activities in 1940 under the UNIDROIT Statute after the dissolution of the League of Nations. The institute currently has 63 member states, including Iran, which joined in 1964. UNIDROIT aims to modernize, harmonize, and unify private law—especially commercial law—by drafting uniform legal instruments, principles, and model rules. Over its history, UNIDROIT has produced over seventy studies and drafts, many of which have led to international instruments such as conventions, model laws, and contract principles. One of its most impactful works is the "UNIDROIT Principles of International Commercial Contracts" (UPICC). Professor Michael Bonell, advisor to UNIDROIT and chair of the working group for UPICC, identified this instrument along with the CISG and UPICC itself as milestones in the global unification of private law. According to the preamble, the UPICC may be used not only by the parties as the governing law of their contracts, but also as interpretative tools for other harmonization instruments, domestic legislation, and as models for national and international lawmaking. Unlike the PECL, which primarily applies within the EU to both domestic and multinational contracts, the UPICC applies to international commercial contracts irrespective of geographical boundaries. The first edition of UPICC was released in 1994 with 120 articles, followed by revised editions in 2004 (185 articles), 2010 (211 articles), and 2016 (211 articles). Third-party beneficiary rights were added in the 2004 edition. The 2016 edition introduced minimal revisions, mainly targeting long-term contracts, as noted in the revised preface. The UPICC (2016) comprises a preamble and eleven chapters, including: general provisions, formation and agency, validity, interpretation, content and third-party rights and terms, performance, non-performance, set-off, assignment of rights and obligations, contract transfer, limitation periods, and plurality of obligors and obligees. Chapter 5, Section 2, contains six articles (5.2.1 to 5.2.6) on contracts for the benefit of third parties.

7.4. Draft Common Frame of Reference (DCFR)

The DCFR is the result of four years of collaborative work by the Study Group on a European Civil Code and the Research Group on Existing Private Law of the European Union, following a commitment made to the European Commission in 2005. A complete and revised version of the DCFR was submitted to the European Commission in December 2008, following a provisional version intended for stakeholder feedback. The objectives of the DCFR include serving as a potential model for the Common Frame of Reference, academic and educational application, enhancing private law knowledge within the EU, and inspiring legislative reform and practical solutions in private law. The DCFR contains principles, definitions, and model rules, the latter being its most extensive component. The term "model" indicates that these rules do not carry binding legal force but rather represent "soft law," akin to PECL and similar publications. The DCFR is structured into ten books: Book I: General Provisions; Book II: Contracts and Juridical Acts; Book III: Obligations and Corresponding Rights; Book IV: Specific Contracts and Related Rights and Obligations; Book V: Benevolent Intervention; Book VI: Non-Contractual Liability Arising from Damage; Book VII: Unjustified Enrichment; Book VIII: Acquisition and Loss of Ownership of Goods; Book IX: Proprietary Security in Movables; Book X: Trusts. Two annexes are included, covering definitions and rules on time computation (Barnett & Harder, 2014).

8. Principle of Cooperation in International Contract Law Instruments

Definition and Explanation of the Principle of Cooperation in the CISG

Unlike the UPICC, PECL, and the DCFR, the United Nations Convention on Contracts for the International Sale of Goods (CISG, 1980) does not explicitly define or elaborate the parties' duty of mutual cooperation. Nonetheless, the CISG does reference the concept in a general and incidental manner throughout the convention (Neumann, 2012). The CISG articulates the duty of cooperation in both negative and positive terms, recognizing it as a substantive obligation of both parties.

8.1. Affirmative and Express Duties

The Convention, in various parts and articles, stipulates the mutual cooperation of the parties in performing a specific act, from which affirmative and express duties can be inferred. The provisions of the Convention, at a minimum, affirmatively state and clarify three sets of mutual cooperation duties between the contracting parties.

The first set of duties concerns the reciprocal obligation of the parties to inform each other. For instance, Article 21(2) provides: "If a letter or other writing containing a late acceptance shows that it was sent in such circumstances that if its transmission had been normal it would have reached the offeror in due time, the late acceptance is effective as an acceptance unless, without delay, the offeror orally informs the offeree that he considers his offer as lapsed or dispatches a notice to that effect" (Safaee, 2014). In this article, since the duty to notify benefits the offeror, the Convention obliges the offeror to cooperate with the offeree to clarify whether the offer remains valid.

The second set of express rules pertains to the obligation to preserve and safeguard the goods, as provided in Articles 85 to 88 of the Convention. These provisions obligate one party to cooperate in a manner that serves the interest of the other. For example, Article 86(1) mandates the buyer to preserve goods received when intending to reject them.

The third set of affirmative obligations relating to mutual cooperation is covered in Articles 54 through 60(a), addressing how the parties must assist one another in the execution of mutual obligations. For example, under the FOB clause of Incoterms, the buyer is responsible for designating the vessel, and the seller must determine the port of loading. If the seller fails to specify the port, thereby preventing the buyer from securing a bank guarantee or nominating a vessel, under Article 80 of the Convention, the seller cannot invoke this failure as a breach by the buyer to terminate the contract, because the buyer's non-performance was caused by the seller's own negligence (Beatson et al., 2016).

8.2. Negative Duties—Prohibited Conduct

Just as the Convention imposes affirmative duties to foster cooperation in contract performance, it also prohibits actions by one or both parties that may harm the other. In addition to Article 80 of the Convention, Article 1.8 of the UNIDROIT Principles of International Commercial Contracts also prevents a party from benefiting from their own wrongful conduct.

9. Definition and Clarification of the Principle of Mutual Cooperation in the Principles of European Contract Law (PECL)

The Principles of European Contract Law refer in Article 1:202 to the obligation of the parties to mutually cooperate. The article states that the parties are obliged to cooperate with one another in order to execute the contract effectively. Although both the UNIDROIT Principles and the PECL emphasize the duty to cooperate where reasonably expected, the language of the PECL is broader, elaborating more on the parties' cooperative duties (Commission on European Contract Law, 2003). By suggesting that cooperation is expected where reasonable, the impression might be given that one party could initially have unreasonable expectations. However, both parties bear obligations arising from the contract. Furthermore, if a party fails to perform a non-obligatory duty, this should not be construed as a breach. Hence, while parties are bound by a duty of mutual cooperation, a balance must be struck between the performance of contractual duties and the expectation of cooperation. To define this boundary, it is first necessary to draw a distinction between individual and mutual duties, assess the contract's surrounding circumstances, and determine in which areas cooperation is mandatory. Under PECL, failure to cooperate is equated with a failure to perform contractual obligations. Article 1:301(4) considers delayed performance, defective performance, and lack of cooperation as breaches of contract (Bix, 2012).

10. Definition and Clarification of the Principle of Mutual Cooperation in the Draft Common Frame of Reference (DCFR)

The DCFR on European private law, issued in 2009, attempts to define the scope and principles of mutual cooperation. Prepared by the Study Group on a European Civil Code and the Acquis Group, its provisions go further than those of UNCITRAL or the PECL in defining the governing principles of contracts, one of which is mutual cooperation. The DCFR identifies mutual cooperation as a principle of the law of obligations. Article III.-1:104 states that both debtor and creditor must cooperate where such cooperation can reasonably be expected.

Regarding mutual cooperation in contracts of sale, the DCFR provides specific duties. For contracts relating to upstream and downstream oil and gas transactions, the rules applicable to contracts for the sale of goods, services, construction, and procurement apply. In service and construction contracts, mutual cooperation imposes the following duties:

1. The client must provide essential information that facilitates the service.
2. The client must provide instructions necessary to facilitate service delivery.
3. The client must fully cooperate with the service provider in obtaining the necessary permits and licenses.
4. The service provider must give the client a reasonable period to determine whether the contractual obligations have been properly fulfilled.
5. Both parties must perform their contractual duties accurately and diligently (Chen-Wishart & Magnus, 2014).

Additionally, other parts of the DCFR require the client to cooperate as follows:

- The client must provide access to the location where the service provider is to perform their obligations.
- The client must provide the raw materials that the service provider reasonably needs to fulfill their obligations.

In sales contracts, the DCFR states that just as the seller is responsible for delivering the goods, the buyer must undertake all related obligations to facilitate that delivery and pay the price. If either party fails to perform or cooperate, corrective action must be taken in accordance with Book III of the DCFR. Although the DCFR may appear to address only affirmative cooperation, it also implies that one party may be required to remain passive to allow the other to fulfill their duty. For example, the seller or service provider must furnish necessary information, but must not hinder the buyer from inspecting the goods or taking other essential actions.

Ultimately, when a contract does not explicitly address certain acts necessary for performance, the general principle of mutual cooperation should be invoked, with necessity evaluated through the standard of reasonableness (Ghasemi Hamed, 2007).

11. Conclusion

Access to accurate information is one of the prerequisites that enables citizens to make informed and conscious choices. To achieve this, various forms of legal requirements must be in place. When citizens understand why the government makes certain decisions, such awareness ensures transparency, which safeguards the path to justice and guarantees shared interests, assuring that all decisions are made equally, under equal conditions, and for the well-being of everyone. In summary, it must be emphasized that all members of society should be represented in political, social, and cultural structures and behaviors. To build a society with high levels of social capital, the levels of trust, participation, social bonds, cohesion, and empathy must be enhanced, which is only achievable through the establishment and continuity of transparency at all levels.

In Iran, there is no specific law or regulation that clearly defines transparency, its dimensions, and characteristics. Limited efforts have been made toward the emergence of this fundamental principle, which may be considered as initial steps, but a firm determination is required from all three branches of government. Undoubtedly, establishing transparency in the administrative system, upholding the rule of law, and eventually reforming existing legislation can pave the way.

One of the most effective ways to prevent corruption in contract formation is to uphold the principle of transparency in laws related to the procurement and supply of goods and services, and to reinforce and develop legal and ethical frameworks for combating corruption in the legal system. The purpose of establishing transparency in contracts is to ensure that information concerning the transaction process, the method of selecting contractual parties, the financial sources of the contract, and the associated public costs are clearly stated in the law. Responsible authorities must also select the contractual counterparty based on the principles of rule of law and competition.

In the pre-contractual phase, under the principle of freedom and autonomy of will, no party can be compelled to disclose information, and each party is free to assess the potential benefits or losses of a future contract and make decisions accordingly. The outcome of such a view, which had many supporters in the past, is no longer fully accepted today due to the imbalance of information between parties. One party, equipped with vast information, can easily make decisions to enter into a contract that secures its interests, while the other, due to ignorance and lack of access to information, may enter into a contract it would have never accepted had it been aware of the facts or would have at least negotiated conditions to adjust the terms. The former party often includes manufacturers, major companies, and large-scale traders, while the latter consists of consumers of goods or services. Hence, the principle of contractual freedom, however dignified, cannot ensure fair benefits for both parties and tends to protect only the knowledgeable, professional party. Therefore, it becomes necessary to devise mechanisms to protect the interests of the non-professional party to a contract.

The obligation of the knowledgeable party to disclose relevant information can mitigate this injustice. Legal systems have thus made efforts to establish such duties. In civil law systems, which are generally more socially oriented, the duty to disclose and ensure transparency has been justified through various foundational principles, particularly the principle of participation and cooperation in contract processes, the principle of enforceability of contracts, the principle of good faith in contract execution, and the principle of performance obligations. In contrast, common law systems—still rooted in individualism—have not universally accepted this duty, though they have established it in numerous specific cases.

With some approximation, the “duty to inform,” the “duty of honesty,” and the “duty of participation and cooperation” may be seen as rooted in the doctrine of good faith in Romano-Germanic law and the doctrine of fair dealing in common law systems, representing shared ideas across various legal traditions. The central point of this convergence lies in the transparency of information disclosure. The principle of transparency and disclosure differs in nature and scope from the concept of democratic transparency as understood in administrative law and political science and overlaps only partially in cases where the government enters contracts in its capacity as a legal person.

In modern legal systems, the duty to inform is a generally accepted obligation, but what requires further attention is the type and manner of information disclosure, which constitutes the essence of the principle of transparency. Although this principle is not explicitly or independently articulated in domestic laws of many countries such as France, the United States, and

Germany, clear legal and logical frameworks addressing both affirmative and negative aspects of this principle have been developed through judicial practice.

Nevertheless, unlike domestic laws, international legal instruments—such as the UNIDROIT Principles of International Commercial Contracts, the Principles of European Contract Law, and European private law—have dedicated specific chapters and articles to the duty to inform and the necessity of information transparency. These documents also highlight linguistic and communicative boundaries between contracting parties and classify common forms of misinformation as breaches of the duty to inform. Today, the impact of this principle in Western legal systems is so extensive that many regulations governing the contractual relationship between traders and consumers treat it as a mandatory rule and support it with special enforcement mechanisms.

Although Iranian law indirectly acknowledges this principle and refers to it in various scattered provisions, it lacks a dedicated chapter or framework explicitly recognizing and regulating it. Given the significance of this legal concept and the necessity of transparent information in contracts, a shift in the legislative approach towards its independent recognition and the drafting of clear rules in this area appears essential.

Authors' Contributions

Authors contributed equally to this article.

Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

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