Effects of the Enactment of the Law on Mandatory Official Registration of Real Estate Transactions in Relation to Existing Laws on the Registration of Real Property Transactions

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Abstract

The Law on "Mandatory Official Registration of Real Estate Transactions," enacted in 2021, constitutes a fundamental transformation in the Iranian legal system. It was adopted with the objective of addressing recurrent property disputes, reducing forgery and conflicting sales, and increasing transparency in the real estate market. By mandating the execution of official deeds for all contracts concerning the ownership or usufruct of immovable property, this law has significantly diminished the evidentiary value of informal documents such as private contracts and preliminary sale agreements in establishing ownership. Furthermore, its effects on prior legislation—including the Registration Act, the Civil Procedure Code, and the Act on Determining the Legal Status of Land Without Official Title Deeds—are substantial. These effects have resulted in changes to judicial jurisdiction, registration procedures, and protective policies. Using a descriptive-analytical method, this article examines various aspects of the law, analyzing its legal, social, and practical implications in comparison with previous statutes, and elucidating the challenges and requirements of its implementation. Finally, it proposes solutions for the fair and effective enforcement of this law, ensuring the protection of citizens' rights and the realization of registration justice.

Keywords: official deed, informal documents, real estate transactions, Registration Act, Act on Determining Legal Status.

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1. Introduction

Transactions concerning immovable property—particularly in the domain of real estate—have always constituted one of the most significant and, at the same time, most contentious areas of private law within the Iranian legal system. The high volume of disputes arising from informal transactions, ambiguity in ownership, conflicting sales, and document forgery has led the legislature, in recent decades, to undertake efforts to regulate this domain. One of the most significant of these initiatives is the enactment of the "Law on Mandatory Official Registration of Real Estate Transactions" in 2021, which, with a preventive approach, aims to reinforce the legal status of official deeds and gradually eliminate the validity of informal documents in contractual relations.

Before the enactment of this law, legal provisions such as Articles 22, 46, 47, and 48 of the Registration Act, along with judicial practice, granted some degree of credibility to informal documents, and in practice, many transactions were conducted solely on the basis of private agreements. Additionally, the Act on Determining the Legal Status of Lands and Properties Without Official Title Deeds was largely structured around the acceptance of informal documents. With the enactment of the new law, the legal status of informal transactions has been transformed, raising fundamental questions regarding the validity of these documents, the jurisdiction of adjudicating authorities, and the coordination with previous legislation.

This article aims to examine the content of the new law in detail and to analyze its effects on prior statutes, including the Registration Act, the Civil Procedure Code, and the Act on Determining the Legal Status of Land Without Official Title Deeds. It also explores the legal and social implications of this law, its strengths and potential challenges in implementation, and the institutional requirements necessary for achieving the legislator's intended goals.

2. Examination and Analysis of Laws Preceding the Enactment of the Law on Mandatory Official Registration of Real Estate Transactions

In Iranian law, the general rule is that contracts are formed consensually, and only a limited number of contracts are subject to formal requirements by law. Among them is the transfer of immovable property, for which the prescribed formal requirement is the execution of an official deed. However, this does not imply that the execution of an official deed is a condition for the validity of such transactions. Generally, official deeds are considered legal evidence in litigation, which reflects their prominent status within Iran's registration system. Furthermore, according to Article 48 of the Registration Act, failure to officially register transactions referred to in Articles 46 and 47 of the same Act implicitly results in the inadmissibility of such transactions in courts and official bodies, and renders them unenforceable against third parties. Consequently, with certain amendments, the opinion of the Guardian Council can be aligned in this regard. As emphasized in Article 62 of the Law on the Permanent Provisions of Development Plans, the necessity of executing official deeds in real estate transactions is affirmed, while also stipulating that informal documents validated by a court as religiously valid are also legally recognized (Adabi, 2021).

This provision does not completely strip informal documents of their validity but instead makes their validity conditional on judicial confirmation. In other words, Article 62 of the Law on the Permanent Provisions of Development Plans explicitly states that if an official deed and an informal document are in conflict, and if the informal document is validated through religiously acceptable evidence and confirmed by the court, the official deed may be annulled. Nevertheless, Article 62 was drafted in full conformity with the Guardian Council's opinion, and the Council raised no objections to it. One ambiguity within this article concerns whether it emphasizes the mandatory formal recognition of real estate transactions or merely refers to the requirement of registering such transactions in the Land Registry.

Here, it is necessary to note that the term "unenforceable" in Article 62 may clarify the legislator's precise intent. Some jurists have interpreted this article as referring specifically to the registration of real estate transactions and have extended its effects to Article 22 of the Registration Act. However, in truth, Article 62 refers to the necessity of formalizing transfer contracts for them to become enforceable. In the Iranian legal system, ownership transfer only acquires legal effect upon registration in the Land Registry, and the contract in question merely has the effect of transferring ownership. Therefore, the concept of enforceability in Article 62 does not relate to the transfer of ownership via registration. This article also uses the term "enforceability" in relation to informal documents validated by the courts. Prior to this provision, even if informal documents were religiously valid and predated official deeds, they could not override official deeds (Asgharzadeh Batab, 2011).

2.1. Examination of Provisions in the Civil Code and the Registration Act

As explicitly stated in several articles of the Civil Code—such as Articles 10, 190, 192, and 194—the primary emphasis is on the intent and consent of the parties for contract formation, and offer and acceptance are considered sufficient elements for concluding a contract. Even oral agreements are recognized under these articles, and the execution of an official deed is acknowledged merely as one method of proving a claim. However, with the enactment of the Registration Act and the introduction of Articles 46 through 48, an ambiguity arose as to whether the absence of an official deed invalidates such contracts. This is because, as indicated in the cited articles, the consequence is the inadmissibility of these contracts before courts and government agencies. This could naturally create the impression that the execution of an official deed is a condition for the validity of real estate transactions, since ownership transfer occurs through official deeds, and failure to execute such a deed could infringe upon the rights of third parties. In this context, proponents of the evidentiary approach to official deeds argue that official deeds merely serve evidentiary purposes, and that real estate contracts without such deeds are valid, with registration being relevant only for proof. However, it must be acknowledged that this perspective does not address the issue comprehensively, and the absence of an official deed can raise concerns regarding both parties' rights and the rights of third parties (Bahrami, 2012).

A consultative opinion exists that partially clarifies this ambiguity. First, Article 47 of the Registration Act applies only to registered properties and does not include immovable properties that have not yet been registered. Second, Article 48 of the Registration Act stipulates that real estate transactions executed through informal documents are inadmissible in courts and government offices. However, it does not state that such transactions cannot be proven by other means. In other words, if a transaction is concluded via an informal document, its occurrence can be established through other forms of evidence such as religious testimony, confession, or other acceptable methods. Upon judicial confirmation of the transaction's validity, a party may then be compelled to execute an official deed.

Additionally, regarding properties that are not required to be registered and have not been registered, informal documents may be cited in court, provided their authenticity is verified. This means the provisions of Article 48 of the Registration Act apply only to properties that, under Article 47, must be registered and have already been registered. Another point to note is that a property must first be registered officially before transactions related to it can be officially recorded. The legal consequences of each of these steps are separate and not interchangeable (Hassan Zadeh, 2011).

According to Article 62 of the Law on the Permanent Provisions of Development Plans, the consequence of not registering a transaction officially is its unenforceability against third parties. There is no reference to the invalidity of the informal document itself. This legal consequence pertains solely to the non-registration of the transaction and does not affect the validity of the informal document. Moreover, informal documents may have religious validity, but this does not mean they can establish ownership transfer, as such transfer is only possible through an official deed. Under Article 22 of the Registration Act, ownership that is not recorded in an official deed is not legally recognized. Therefore, transactions conducted with informal documents—if valid—can only create obligations, and if parties fail to fulfill these obligations, the court can compel performance. In contrast, in the case of official deeds, damages can also be claimed from a party who fails to perform their obligations.

Regarding Article 62, four distinct scenarios can be identified and interpreted in relation to the validity of transactions executed with informal documents:

1. Validity of the document between the contracting parties
2. Validity of the document before government offices
3. Validity of the document before judicial authorities or courts
4. Validity of the document against third parties

With respect to the relationship between the contracting parties, according to Article 10 of the Civil Code and the principles of contractual freedom and contract validity, agreements concluded through informal documents are enforceable, and the parties are obligated to fulfill their terms. Concerning government agencies, informal documents cannot be relied upon for real estate transactions, as these institutions cannot verify their authenticity. However, courts are obliged, when informal documents are presented for ownership claims and their validity is contested, to assess their authenticity. If the document's religious validity is established, the court must act upon it. Yet, if an informal document is submitted as evidence of ownership, the court cannot rely on it unless its validity has already been confirmed by another judicial body (Shahri, 2018).

Regarding the enforceability of transactions concluded through informal documents against third parties, it must be stated that from a substantive perspective, such transactions are enforceable; however, procedurally and in terms of evidentiary rules, they are not enforceable against third parties.

2.2. *Examination of Opposing and Supporting Views on Article 48 of the Registration Act*

2.2.1. *Opponents of Article 48 of the Registration Act*

A group of jurists, relying on the fundamental principles of civil law, argue that the execution of an official deed is in fact a redundant and unnecessary formality in the process of transactions and plays no role in the substance or validity of contracts. From their perspective, such formalities are merely evidentiary in nature and do not constitute essential elements of a legally binding transaction. The arguments of this group are based on the following points (Talebzadeh, 2013).

1. **Principle of Autonomy of Will**: Enshrined in Article 10 of the Civil Code, this principle emphasizes that the will of the parties is the primary and determining factor in the formation of contracts. As soon as the parties reach an agreement on a legal act within the limits of the law, the contract is validly formed. In fact, this principle is more prominently reflected in transactions concluded via informal documents than in those involving official deeds.
2. **Principle of Validity of Contracts**: This principle, which holds a distinguished position in both Islamic jurisprudence and civil law, presumes the validity of contracts unless proven otherwise. Therefore, a contract validly concluded under religious and legal standards should not be rendered void solely due to the omission of a formality deemed non-essential. These jurists argue that Article 22 of the Registration Act is purely procedural in nature, recognizing the official deed as a legal presumption and a means of proving formal ownership, not as a necessary condition for the formation of the transaction. Furthermore, no provision in the current law explicitly declares the nullity of real estate sales due to the absence of an official deed.
3. **Principle of Consensualism of Contracts**: This principle, which governs the law of obligations, stipulates that contracts are primarily formed by the mutual consent of the parties, unless the law provides otherwise. The mere offer and acceptance of the parties suffice for contract formation, with no need for additional formalities. Contracts may even be concluded orally. It should be noted that formal contracts are divided into two categories: the first includes contracts whose formalities are essential to their validity and without which the contract does not legally exist; the second includes formalities required only for evidentiary purposes in judicial proceedings. If the law prescribes formalities for certain contracts but does not specify which category they belong to, the presumption must be in favor of the second category, i.e., evidentiary formalities. In such cases, registration is not a condition of validity, but merely a means to prove the transaction (Anjidini, 2022).
4. **Principle of the Binding Nature of Contracts**: This fundamental principle holds that a contract and its contents are binding on the parties. In other words, the parties must fulfill their obligations and cannot alter the terms of the agreement without mutual consent. This principle is supported by the rule of *asalat al-luzum* in Islamic jurisprudence and Articles 219 and 220 of the Civil Code.

2.2.2. *Proponents of Article 48 of the Registration Act*

In contrast to the theories emphasizing the non-necessity of official deeds, proponents of Article 48, focusing on statutory provisions and judicial practice, advance the following arguments (Tabatabai Hisari, 2014).

First, with respect to the principle of consensualism, it must be noted that the scope of this principle is limited to situations where the law does not prescribe specific formalities for contract formation. Article 22 of the Registration Act clearly designates the execution of an official deed as a necessary formality for real estate transactions. Accordingly, the government recognizes only the person whose name is registered in the official deed as the lawful owner. Therefore, the formalities specified in Article 22 are not mere procedural details but constitute essential and substantive elements for the legal validity of real estate transactions.

Second, regarding the principle of validity, the issue is not simply whether a transaction executed through an informal document is valid or invalid. The core question is whether a transaction can be concluded at all without the execution of an official deed. In other words, does the official deed have a constitutive function or merely an evidentiary role?

Third, Article 10 of the Civil Code states that private agreements are enforceable only if they do not contradict mandatory legal provisions. Since real estate transactions are governed by the mandatory rules of the Registration Act—particularly

Articles 22, 46, and 47—transactions cannot be concluded through informal documents in defiance of those provisions. In cases of conflict between party autonomy and mandatory rules, the latter prevails.

It is also noteworthy that the legal consequence stipulated in Article 48 of the Registration Act pertains only to the document evidencing the transaction, not the transaction itself. Thus, while the transaction may be substantively valid, its documentation via an informal deed is inadmissible in courts and administrative bodies. The inadmissibility of informal documents in official forums means that ownership cannot be transferred, nor can such documents be used as collateral or as the basis for claims such as eviction or ejectment. Consequently, the registration of real estate transactions, in both substantive and procedural aspects, serves the legislative goal of establishing legal order and transparency and of preventing disputes.

Finally, it must be emphasized that in Articles 46 and 47 of the Registration Act, the requirement for official documentation is instrumental rather than intrinsic. If the official deed were to be considered as the constitutive element of ownership, then during the interim period between contract formation and the execution of the deed, no contract would be deemed to have occurred—leading to undesirable legal consequences. Therefore, it can be concluded that there is no inherent contradiction between Article 48 of the Registration Act and the Civil Code or principles of jurisprudence. A reconciliation can be achieved: while courts and administrative bodies may reject informal documents for procedural reasons, this does not prevent courts from substantively reviewing such documents and, upon verifying their validity, compelling the counterparty to execute an official deed (Katouzian, 2016).

2.3. Deferred Transfer of Ownership in Registered Real Estate Transactions under the Registration Act

In the legal domain, three main approaches can be identified and examined regarding the nature of real estate transactions:

1. **The Formalistic Approach (based on Article 48 of the Registration Act)**: This view regards real estate transactions as inherently formal and treats the procedural requirements outlined in the Registration Act as indispensable and integral elements of such transactions. From this perspective, the execution of an official deed is a necessary and essential condition for the legal validity of real estate sales.
2. **The Consensualist Approach (emphasizing the will of the parties)**: This viewpoint disregards the registration requirements and focuses exclusively on the parties' mutual consent. Its proponents consider the provisions of Articles 22, 46, and 48 of the Registration Act as unnecessary formalities that do not affect the validity of the transactions.
3. **The Suspensive Ownership Transfer Approach (a compromise between formality and consent)**: This theory aims to strike a reasonable balance between the two previous positions. Acknowledging the consensual nature of contracts, it posits that under mandatory legal provisions (especially those of the Registration Act), a meaningful temporal gap exists between the conclusion of the contract and the definitive transfer of ownership. Thus, ownership transfer is conditional and suspended until the official registration of the transaction is completed. In other words, while the right of ownership arises naturally from the contract of sale, the immediate transfer of title is not inherent to the contract and is subject to completion of the official registration process.

2.3.1. Justification of the Suspensive Ownership Transfer Theory

In the context of a detailed analysis of the legal nature of real estate transactions, the following points merit particular attention and examination:

1. **The Principle of Consensualism, with Caution**: Although the prevailing principle in contract law is party autonomy and consensualism—and real estate transactions are not exempt from this rule—this principle faces limitations in the case of immovable property transactions. While mutual agreement (offer and acceptance) is typically sufficient for contract formation, an informal deed alone is not accepted by official authorities as definitive and irrefutable evidence of a concluded contract.
2. **Postponement of Ownership Transfer as a Legal Effect**: Contrary to the general principles governing contracts of conveyance, ownership transfer in real estate transactions—one of the main legal effects of a sale contract—does not occur immediately upon contract formation. Article 22 of the Registration Act, which is of mandatory and imperative nature, conditions the transfer of ownership on the completion of formal registration procedures. Legally, a time gap between contract formation and the realization of its legal effects (i.e., ownership transfer) is not only permissible but

also necessary for safeguarding the parties' rights and promoting transactional order. Thus, Article 22 does not invalidate the contract but defers its effect, making it contingent upon official registration. As a result, registered real estate transactions, prior to official registration, fall within the category of obligatory contracts ("ʿuqud ʿuhdīyyah"). This means that although the contract has been concluded, ownership transfer has not yet occurred, and thus, such transactions cannot be regarded as contracts of conveyance (Bagheri & Satari Faraji, 2015).

3. **Limitations Imposed on Informal Documents**: Article 48 of the Registration Act explicitly states that proof of transaction by means of an informal document is not permissible, and it does not recognize ownership transfer prior to official registration. Most legal scholars agree that this provision constitutes a procedural (formal) sanction rather than a substantive one. In other words, Article 48 has two major legal effects: (a) informal documents in immovable property transactions are not accepted as valid evidence of contract formation; and (b) ownership transfer is conditioned upon the official registration of the transaction.
4. **Possibility of Using Other Evidentiary Means**: Despite the restrictions imposed on informal documents, it is important to note that Article 48 of the Registration Act does not entirely preclude the possibility of proving the occurrence of real estate transactions through other legally recognized evidentiary means, such as witness testimony, judicial presumptions, and so on. Therefore, in cases where it is not possible to present an official deed, the parties may resort to these other forms of evidence to prove the transaction in court.

2.3.2. *Critique of the Suspensive Ownership Transfer Theory*

In the continued analysis of the legal nature of immovable property transactions, the following issues require further scrutiny:

1. **Criticism of Separating the Contract from Its Effect**: Attempts to separate the contract of sale from its main legal effect—ownership transfer—face serious criticism. It is unlikely that the legislator intended to artificially and unjustifiably create a gap between contract formation and the transfer of ownership when drafting the Registration Act. Rather, the primary purpose of Articles 22 and 46 through 48 of the Registration Act is to establish governmental oversight over immovable property transactions, provide a secure framework for such dealings, and facilitate tax collection and other administrative processes.
2. **Analysis of the Phrase "Immediately Upon" in Article 362 of the Civil Code**: Article 362 of the Civil Code, stating that "immediately upon the conclusion of the sale, the buyer becomes the owner of the sold property and the seller becomes the owner of the price," implies immediacy and non-deferral of ownership transfer. Attempts to reconcile this by arguing that the immediacy of ownership transfer is not inherent to the contract, but merely results from the default application of the contract's terms, are contestable. Nevertheless, some jurists believe that legal rules concerning the effects of contracts are typically supplementary and interpretive, not mandatory. According to this interpretation, the parties may, by mutual agreement, act contrary to these default rules. Accepting this view would imply no real conflict between paragraph one of Article 362 of the Civil Code and the theories concerning immovable property transactions (Hosseini, 2008).

2.4. *Interpretation of Article 7 of the Registration Act*

In interpreting the legal provision governing the validity of official deeds, the following considerations are of particular significance:

The phrase “full validity” used in the text of the article for official deeds is a deliberate legislative choice, clearly intended to convey a specific meaning. Normally, official deeds inherently possess full validity, making such a reiteration seemingly redundant. Therefore, proponents of the evidentiary role of official deeds in real estate transactions interpret this phrase to mean that official registration and the execution of an official deed are not essential prerequisites for the validity of a transaction, and that informal documents, too, possess a degree of legal validity.

In fact, this article addresses situations in which an informal document predates the official deed referenced in the article (even if the informal document is religiously valid). The primary purpose of this provision is to ensure the validity of transactions based on official deeds in such cases. That is, an informal document—even one that is religiously valid and chronologically prior—cannot by itself invalidate a later official deed or undermine its legal standing.

However, there is one exception: if the holder of the official deed was aware of the prior transaction concluded via an informal document and nevertheless proceeded to conduct a subsequent transaction based on the official deed—or if such transaction occurred due to gross negligence—then the law does not offer protection to the holder of the official deed. In that case, the counterparty (i.e., the holder of the prior informal document) has the right to request the annulment of the transaction or the official deed from the court. On the other hand, if the holder of the official deed was unaware of the prior transaction, they will be entitled to legal protection.

In this respect, Article 62 of the Law on the Permanent Provisions of Development Plans, by stipulating the sanction of unenforceability of informal documents against third parties, emphasizes that: first, this legal consequence does not imply the nullity of the transaction concluded via an informal document; and second, the exception noted at the end of Article 62—"unless the documents are deemed religiously valid by the court"—does not apply to all informal documents. Rather, according to the express language of the article, only if two conditions are met—(1) the court determines the religious validity of the informal document, and (2) the transaction conducted based on it also holds religious validity—will such documents be capable of conflicting with official deeds and be enforceable against third parties. Thus, the presence of both conditions is essential, and the article does not apply broadly to all informal documents (Hassan Zadeh, 2011).

This raises the question: What does the legislator mean by "religious validity" in this article? Must the court refer to jurisprudential sources in order to ascertain the religious validity of real estate transactions based on informal documents?

In reality, the true meaning of "religious validity" in this article corresponds to legal and juridical validity, which the court determines by reference to current legal standards for contract formation and validity (including Article 190 of the Civil Code), and does not require consultation with jurisprudential sources.

A related ambiguity is whether Article 62 of the Law on the Permanent Provisions of Development Plans undermines the credibility of official deeds or discourages individuals from executing official deeds.

In response, it must be said that the legislator provides protection for the good-faith buyer holding an official deed, and only in cases where an informal document is determined by the court to be religiously valid, was executed before the official deed, and the official deed was issued with knowledge of the prior transaction or due to negligence, will a court be empowered to annul it. The goal of this provision is to prevent conflicting transactions, and the annulment of the official deed serves as a legal remedy toward maintaining public order.

2.5. Analysis of Article 22 of the Registration Act from the Perspective of Mandatory Registration of Real Property and Its Effects

In continuing the in-depth analysis of the legal provision under discussion, particular attention must be paid to the following complementary points:

This article contains no explicit reference to the validity or invalidity of real estate transactions based on informal documents, nor does it imply the impossibility of annulling official deeds. The fundamental point is that this article is essentially concerned with the *registration of property* and the effects arising from it; it does not offer any judgment regarding the validity or invalidity of the transactions it pertains to. Therefore, it is both logical and necessary to refer to the general rules and principles set forth in the Civil Code. It seems reasonable to adopt a delineated approach in assigning responsibilities and jurisdictions in this domain—meaning that determining the validity of documents related to real estate transactions falls under the scope of the Registration Act, whereas assessing the validity or invalidity of the transactions themselves pertains to the Civil Code.

One of the most significant legal effects derived from Article 22 of the Registration Act is the establishment and protection of individuals' ownership rights over their property. Ownership possesses three essential and distinctive characteristics: (1) absoluteness, (2) exclusivity, and (3) permanence. With the registration of a property in the Land Registry, all three features are simultaneously enforced and protected under the law. Registration not only consolidates ownership rights and facilitates their proof but also negates the ownership claims of others and bars any legal hearing of such claims.

A noteworthy theory concerning Article 22 of the Registration Act posits that this article serves merely as a governmental recognition of ownership and has no bearing on ownership transfer within private contractual relationships. According to this theory, Article 22 does not render unregistered transactions in the Land Registry void. In other words, the state only recognizes the individual whose name is entered in the Land Registry as the owner, meaning that after the registration process is complete and the objection period has passed, no ownership claim regarding that property will be entertained by the state. As explicitly stated in Article 24 of the Registration Act, no claim regarding violation of rights is accepted during the property registration process. In practice, this article recognizes the title deed as legal presumption of ownership (Haeri Shah Bagh, 2023).

According to the late Dr. Katouzian, under Article 22 of the Registration Act, ownership transfer via informal documents does not constitute a valid conveyance; instead, such transfers must follow a formal process through the execution of an official deed and registration in the Land Registry (Katouzian, 2016). In contrast, the late Dr. Shahidi considered property transfers via informal documents valid under general contract rules and argued that such transactions are enforceable and binding between the contracting parties (Shahidi, 2024). Additionally, other legal scholars maintain that the sale of real estate through informal documents does result in ownership transfer, but such transfers are not enforceable against third parties, particularly the state. It should be noted that Articles 46, 47, and 48 of the Registration Act refer specifically to the *registration of documents*, and stipulate that if the documents addressed in these articles are not registered, informal documents will not be admissible in courts or government offices.

It is worth mentioning that although Articles 46 and 47 of the Registration Act are of a mandatory nature, they do not necessarily align with the concepts of *public order* or *morality*. In other words, not every mandatory rule is inherently tied to public order or moral standards in society.

It must be noted that the court's assessment of the religious validity of informal documents applies only in cases where the court is not adjudicating the essence of ownership, and thus cannot accept such documents as definitive and valid evidence to issue a ruling. In such cases, the court merely examines the authenticity of informal documents and determines their evidentiary weight.

Finally, it must be noted that under the "Draft Law on the Mandatory Official Registration of Real Estate Transactions," the failure to register transactions officially—and reliance on informal documents—results, unconditionally, in the inadmissibility of such documents in judicial and administrative bodies, and even their invalidity, regardless of whether the court finds them religiously valid. The aim of this draft law is to implement stronger legal consequences to reduce the volume of transactions based on informal documents, and thereby reduce crimes related to this area. However, the Guardian Council has ruled that Article 1 of the draft is contrary to Sharia.

3. The Impact of the Law on Mandatory Official Registration of Real Estate Transactions on Pre-existing Laws

The *Law on Mandatory Official Registration of Real Estate Transactions*, enacted in 2021, constitutes a significant development in the Iranian legal system. Its purpose is to clarify legal relationships concerning immovable property, prevent numerous real estate disputes, and reduce fraud and forgery. This law, by emphasizing the requirement to execute official deeds for real estate transactions, has introduced substantial changes in previous legal and judicial procedures and either contradicts or complements certain prior provisions, such as those in the Registration Act and the Civil Procedure Code.

3.1. Undermining the Validity of Informal Documents and Preliminary Agreements in Comparison with Official Deeds

One of the major effects of this law is the restriction of the role and validity of informal documents (including preliminary sale agreements and informal contracts) in real estate transactions. Previously, based on judicial practice and advisory opinions, informal documents were accepted as evidence of ownership or the occurrence of a transaction—especially in cases where the buyer had paid the purchase price and taken possession of the property. However, according to Article 1 of the new law:

"From the date of entry into force of this law, the execution of an official deed is mandatory for the transfer, lease, reconciliation, donation, and any type of contract relating to the ownership or usufruct of immovable property, and notary offices are the sole authorities authorized to execute such deeds."

This article explicitly declares that the use of informal documents in real estate transactions lacks legal validity and renders such documents inadmissible—except in exceptional cases stipulated by regulation or judicial interpretation. Therefore, even if property buyers possess a preliminary contract or proof of payment, they may no longer assert ownership rights solely based on such documents, unless an official deed is presented or specific conditions are met.

3.2. *Reconsideration of Judicial Jurisdiction*

According to Article 2 of the new law, judicial bodies are permitted to hear claims arising from real estate transactions only if an official deed is presented:

"Judicial authorities shall not adjudicate claims arising from transactions governed by this law unless an official deed has been submitted."

This provision brings about a fundamental change in the Civil Procedure Code. Previously, claims such as the obligation to execute an official deed, proof of ownership, and eviction could be filed in court even on the basis of informal documents. Now, even if a transaction has occurred, if an official deed has not been executed, the court is prohibited from adjudicating the matter. This change introduces challenges to the administration of justice, particularly affecting individuals who are uninformed or financially disadvantaged.

3.3. *Impact on Articles 22, 46, 47, and 48 of the Registration Act*

• Article 22 of the Registration Act, which states that "a property shall be deemed to belong to the person in whose name it is registered in the Land Registry" (Bahri, 2020), has become more enforceable and binding under this new law. It is now no longer possible to assert ownership merely based on an informal sale contract, and official registration is recognized as the sole criterion for determining ownership.

• Articles 46 and 47 of the Registration Act, which previously imposed registration requirements only in specific geographical areas (mandatory registration zones), have now been extended under the new law to apply nationwide, without any geographical limitation. Thus, the scope of Articles 46 and 47 has been expanded and given universal application.

• Article 48 of the Registration Act, which provides that unregistered informal documents are not admissible in government offices, now applies even more broadly, including to judicial bodies that are now also prohibited from accepting such documents. This development strengthens the registration system and prevents covert or high-risk transactions.

3.4. *Impact of the Law on Mandatory Official Registration of Real Estate Transactions on the Act on Determining the Status of Lands Without Official Title Deeds*

3.4.1. *Change in the Legal Standing of Informal Documents*

The 2011 Act on Determining the Legal Status of Properties Without Official Deeds was enacted to assist holders of informal documents and provide a legal mechanism for registering properties without official deeds. Under this Act, individuals who had purchased property using informal contracts could apply to obtain an official deed through committees established at registration offices (Khodapanahi & Salari, 2024).

However, with the enactment of the 2021 Law on Mandatory Official Registration, the legal validity of informal documents has been drastically limited, and having a preliminary contract is no longer sufficient to prove a transaction. Accordingly, the supportive approach of the previous Act toward buyers holding informal documents has been restricted. It may be said that:

"The new law has effectively narrowed and systematized the procedures for filing claims and initiating registration processes based on informal documents."

3.4.2. *Restricted Scope of Claims Through Committees of the Determination Act*

Prior to the 2021 law, many informal transactions—particularly in rural and suburban areas—were regularized through the Determination Act. But now, with the prohibition on filing claims based on informal documents in judicial forums and the requirement for official deeds, the use of the Determination Act has been practically curtailed, because:

• Registration authorities and Determination Act committees cannot, contrary to the explicit provisions of the Mandatory Registration Law, accept informal documents as a basis for registration.

• Under the new law, mere possession and an informal document—without official registration—do not establish legal legitimacy or effect, except in exceptional circumstances.

3.4.3. Necessity of Aligning Executive Regulations and Interpretations

The conflict between the two laws necessitates harmonization of regulations and executive interpretations. Currently, the executive regulation of the 2011 Determination Act was drafted on the presumption of recognizing informal documents, whereas the 2021 law aims to gradually eliminate them. Thus:

Concurrent implementation of these two laws—without amendments or a clear delineation of their respective scopes—will lead to procedural contradictions and public confusion.

3.4.4. Interaction or Conflict Between the Two Laws?

From a broader perspective, it can be argued that the Act on Determining the Legal Status of Properties Without Official Deeds was designed to facilitate official registration for those who, due to historical or administrative issues, had not obtained official title deeds. In contrast, the Law on Mandatory Official Registration was enacted to prevent the recurrence of such issues in the future and to combat registration irregularities.

As a result, the relationship between the two laws is sequential, not parallel, meaning:

- The Determination Act addresses past issues.
- The Mandatory Registration Law governs future transactions.

Nevertheless, in practice, these two laws may occasionally conflict.

4. Legal and Social Impacts of the New Law

The *Law on Mandatory Official Registration of Real Estate Transactions* not only has direct legal effects on the structure of property transactions but also produces broad social, economic, and cultural consequences. These impacts can be analyzed in several dimensions:

4.1. Enhancement of Legal and Judicial Security

The implementation of this law significantly increases legal security in real estate transactions. By eliminating the validity of informal documents and focusing exclusively on official deeds, the likelihood of complex, repetitive, and protracted lawsuits in courts is reduced. This development is especially important in Iran's judiciary, which faces an overwhelming number of real estate disputes, and it contributes to decreasing litigation delays, lowering legal costs, and preventing recurring disputes.

Moreover, making official deeds the authoritative basis for property transactions limits subjective interpretations and disputes stemming from informal contracts, thus promoting consistency in judicial procedures. This, in turn, enhances public trust in the judicial system and the security of property rights.

4.2. Combating Fraud and Document Forgery in Transactions

One of the primary avenues for document forgery and fraud in the real estate market has been the widespread use of informal documents. Many criminal cases involving conflicting sales or unlawful transfers have been based on handwritten and unofficial sale contracts. With the implementation of this law, only official deeds are admissible in legal and administrative proceedings; therefore, avenues for abuse through informal documents are largely blocked.

From the perspective of crime prevention, this law functions as an effective tool: by increasing transparency and formality in transactions, it reduces the opportunity for criminal conduct and acts as a deterrent.

4.3. Promotion of Tax Justice and Economic Transparency

Another positive outcome of this law is the enhancement of financial transparency in real estate transactions and the promotion of tax justice. Official transactions require the payment of statutory fees, transfer taxes, municipal charges, and registration duties. In contrast, many informal transactions were carried out to evade these costs, thereby undermining tax fairness and reducing government revenue.

With mandatory registration, all transfers are recorded in government systems, enabling effective monitoring, enforcement, and tax collection. This leads to improved public finances, greater distributive justice, and better control over speculative activities in the real estate sector.

4.4. Transformation of Notary Offices and the National Registration System

This law elevates the role and status of notary offices from a purely service-based institution to a key pillar in the country's legal infrastructure. Notary offices are now the primary authorities for registering all property transactions and must be adequately equipped—technically, legally, administratively, and physically—to meet public demand.

Fulfilling this role requires major infrastructural reforms: increasing the number of offices, training specialized personnel, expanding smart registration systems, and eliminating bureaucratic obstacles. Without these measures, increased workload, public dissatisfaction, and delays in document issuance may erode public trust.

4.5. Impact on Jurisprudential Doctrines and Past Judicial Precedents

In Shi'a jurisprudence, informal documents and even oral sales—provided that contractual elements are fulfilled—are deemed valid. Iranian judicial practice, until now, has often relied on such jurisprudential foundations to accept informal documents as evidence in many cases, particularly in precedents such as the Supreme Court's Unification Opinion No. 620, which recognized informal sale agreements as grounds for compelling official deed execution.

However, with the enactment of this law, the grounds for revisiting these precedents have emerged. Some legal scholars believe that developments in the legal system necessitate revising jurisprudential rules in line with public interest and social order.

4.6. Challenges to Social Justice and Protection of Vulnerable Groups

One of the key concerns surrounding the implementation of this law is its potential effect on low-income individuals and residents of underprivileged areas. In many rural or informal settlements, the culture of official registration is not prevalent, and people often lack the financial, cultural, or administrative capacity to access notary offices.

While the aim of the law is to establish legal order, failure to provide necessary accommodations for these groups may lead to legal disenfranchisement. Therefore, it is crucial to adopt supportive policies, such as preferential fee structures, grants for official registration, or the establishment of mobile notary offices in underserved areas.

4.7. Cultural Impact and Legal Awareness Promotion

This law plays an important role in enhancing the legal awareness of the public. Requiring individuals to engage with notary offices familiarizes them with legal procedures and highlights the importance of official documentation in safeguarding individual and social rights. This gradual cultural shift may reduce mistrust, legal irregularities, and family or social conflicts stemming from informal transactions.

5. Conclusion

The *Law on Mandatory Official Registration of Real Estate Transactions* marks a significant and progressive step toward achieving transparency, legal coherence, and judicial security within Iran's legal system. By establishing the exclusivity of official deeds in property transactions, this law has reduced the legal disorder caused by informal documents and laid the groundwork for legal discipline in the real estate sector. Furthermore, its implementation has transformed the registration process from a formalistic step into an essential and mandatory procedure for ownership transfer.

However, the fair implementation of this law requires complementary measures and proper infrastructural support from the judiciary, the Organization for Registration of Deeds and Properties, and other relevant executive bodies. Expansion of notary offices, public education regarding the necessity of official registration, development of smart systems to streamline the registration process, and the amendment of certain legislative and regulatory deficiencies are among the prerequisites for the successful realization of this legal reform.

It is also crucial to recognize that special accommodations must be made for low-income populations and residents of underprivileged regions, so that the requirement for official deeds does not become a tool for legal exclusion. Ultimately, if properly and equitably implemented, this law can have a profoundly positive and transformative impact on the legal and social order of real estate transactions.

The *Law on Mandatory Official Registration of Real Estate Transactions*, enacted in 2021, constitutes a milestone in Iran's legal system. It aims to promote transparency, legal order, and the prevention of recurring disputes by transforming the registration system from a formalistic procedure into a fundamental legal requirement. By restricting the validity of informal documents and mandating official registration for all transactions involving the title or usufruct of immovable property, the law has had widespread effects on the country's legal, judicial, social, and economic systems.

In this regard, the practical effects and outcomes of the law may be summarized under the following axes:

1. Legal and Registration Effects

• Strengthening the position of official deeds as the sole valid basis for proving or transferring ownership.

• Reducing the role of informal documents such as preliminary sale contracts in courts and registration authorities.

• Necessitating the revision of prior laws, including the Registration Act and its executive regulations.

• Affecting the procedures of institutions such as the committees under the Act on Determining the Legal Status of Lands Without Official Title Deeds, which previously relied on informal documents.

2. Judicial Effects

• Changes in the jurisdiction and procedures of courts in handling real estate disputes, such that no claim can now be initiated without submission of an official deed.

• Transformation in judicial precedents, advisory opinions, and prior practices that had previously upheld the evidentiary value of informal documents for proving ownership or compelling the issuance of official deeds.

3. Social and Economic Effects

• Increased transparency in transactions and reduction in crimes such as conflicting sales, fraud, and forgery.

• Improved tax justice by preventing tax evasion in informal transactions.

• Potential economic pressure on low-income groups who cannot afford official registration unless supported by protective policies.

• Increased workload for notary offices and the need to expand digital and infrastructural capacities.

4. Relationship with Previous Laws

• The law reinforces and broadens the scope of Articles 22, 46, 47, and 48 of the Registration Act, making their provisions more mandatory and universally applicable.

• Its relationship with the Act on Determining the Legal Status of Lands Without Official Title Deeds is sequential (longitudinal): the prior law addresses past issues, while the new law focuses on preventing future problems.

• In practice, the new law may limit the functionality of the Determination Act unless executive regulations are revised to clearly define the evidentiary status of informal documents.

5. Implementation Requirements

• Expansion of notary offices, especially in underdeveloped and underserved areas.

• Drafting comprehensive regulations to ensure coordinated implementation of the new law.

• Public education campaigns to raise awareness of the legal consequences of failing to register transactions officially.

• Simplification of registration procedures and reduction of related costs to avoid creating barriers to justice.

In sum, despite certain implementation challenges, the *Law on Mandatory Official Registration of Real Estate Transactions* constitutes a foundational step toward strengthening legal order, securing lawful ownership, and combating real estate-related corruption in Iran. Provided it is enforced precisely, uniformly, and fairly, this law can serve as a turning point in the reform of the legal framework governing property transactions. Its success, however, depends on the cooperation of other institutions, the establishment of supportive infrastructures, and the revision of prior regulations to avoid legal contradictions and public dissatisfaction.

Ethical Considerations

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

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Conflict of Interest

The authors report no conflict of interest.

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