Application of the Rule Mā Yuzman wa Mā Lā Yuzman in Modern Contracts: A Jurisprudential-Legal Analysis of Its Application in Insurance, Electronic Contracts, and Digital Services

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Abstract

The jurisprudential-legal analysis of the financial effects of invalid contracts constitutes one of the most critical discussions within the domain of transactional jurisprudence and the legal system of contracts. This issue gains novel dimensions when addressed in the context of modern legal relationships such as insurance contracts, digital interactions, data-driven services, and immaterial agreements. Such contexts necessitate a fundamental reassessment of traditional jurisprudential rules, including the rule *"Mā Yuzman bil-Sahīḥ Yuzman bil-Fāsid"* (that which entails liability in a valid contract entails liability in an invalid one). Within the Imami jurisprudential system, this rule—grounded in hadith, rationalist reasoning, and the customary practice of the jurists (*sīrat al-mutasharriʿa*)—has served as a principal mechanism for affirming reciprocal liability in the event of contract invalidity and the occurrence of possession (*qabḍ*). It holds a central position in traditional analyses of specified contracts. However, in the face of contemporary developments and the emergence of contracts lacking tangible structure or those based on data and software, the question of the rule's extensibility and adaptability to new customary norms arises as a serious and underexplored problem. Additionally, legislative gaps in Iranian law—including the absence of explicit reference to the jurisprudential basis of liability in the Civil Code, inconsistencies across specific laws, and ambiguities in judicial practice regarding defective or partially executed reciprocal contracts—have further complicated the matter. Nonetheless, Imami jurisprudence, leveraging its *ijtihād*-based capacities, is theoretically capable of establishing a coherent financial liability regime for emerging forms of contracting, through principles such as *mā yuzman*. Using a descriptive-analytical method, the present article elucidates the theoretical foundations of the *mā yuzman* rule, analyzes its application in Imami jurisprudence, evaluates its capacity to engage with new contractual structures, and examines the challenges of aligning it with Iranian law. Furthermore, it assesses the potential for *ijtihād*-based and legislative expansion of the rule. The findings of this study reveal that, provided the core concepts—such as *qabḍ* (possession), *ʿiwaḍ* (consideration), and *muʿāwaḍa* (reciprocal exchange)—are redefined according to rational custom and contemporary interests, the rule may function as an effective and applicable principle in the domain of liability for digital and data-driven contracts.

Keywords: Mā Yuzman rule, invalid contracts, reciprocal liability, digital contracts, Imami jurisprudence, Iranian legal system

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1. Introduction

The rule *"Mā Yuzman bi-Ṣaḥīḥihi Yuzman bi-Fāsidihi"* (that which entails liability in its valid form also entails liability in its invalid form) is a deeply rooted principle in Imami jurisprudence, particularly prominent in the domain of reciprocal liability (*ḍamān muʿāwaḍī*) and in the analysis of financial effects resulting from invalid contracts. This rule, supported by traditions and rational conventions, emerged within the inferential system of jurisprudence and, at face value, establishes liability upon the invalidity of a contract—provided that the same contract, were it valid, would have entailed reciprocal liability. In other words, based on this rule, Imami jurisprudence recognizes compensatory effects even for invalid contracts, contingent upon the occurrence of possession (*qabḍ*), and obliges each party to return the consideration received or to provide its substitute.

Although the apparent formulation of the rule presupposes contract invalidity, deeper analyses have elevated its meaning to a rational interpretation concerning "the value of what has been exchanged," "actual exchange," and "the economic effect of possession" (Makarem Shirazi, 2009; Subhani, 2006). In traditional jurisprudence, the application of the rule has largely been confined to specified contracts such as sale, lease, and settlement (*ṣulḥ*), with liability typically analyzed in classical scenarios of possession and destruction of property or benefit.

However, the expansion of contract types and the evolution of contractual subjects—especially due to the transformation of transactional tools and the emergence of data-based agreements, digital services, software-based contracts, and non-physical interactions—has brought the applicability of liability rules, including the *mā yuzman* rule, into focus as both a theoretical and practical concern. The core question has thus become whether and how this rule can be applied to modern legal relationships. This has become a foundational issue in the jurisprudence of contracts and in contract law.

Meanwhile, Iranian statutory law, which draws extensively from Imami jurisprudence, provides an incomplete and inconsistent picture of this rule. Although its traces can be discerned in certain provisions, such as Article 365 of the Civil Code, the absence of an explicit reference to its jurisprudential foundation, the conceptual fragmentation in regulating liability provisions, and the lack of legislative development in the realm of modern contracts point to a structural gap (Katouzian, 2010; Shahidi, 2012). Judicial practice has also, due to the lack of coherent explanation of the rule, largely failed to cite it explicitly. Interpretations relying on general rules of liability have often deviated from the jurisprudential basis when addressing invalid or partially executed contracts.

Against this backdrop, the present study aims to revisit the potential of the *mā yuzman* rule in light of contemporary legal and jurisprudential transformations. The focus is not merely on traditional analysis but rather on assessing the rule's capacity for expansion within the domain of modern contracts, exploring challenges of its application within Iran's legal system, and determining the extent to which this rule can serve as a theoretical foundation for liability in digital contracts, data-driven services, and other intangible interactions. The central research question is:

Does the rule *mā yuzman*, within the framework of contemporary ijtihād and grounded in the principles of Imami jurisprudence, possess the theoretical and functional capacity to regulate liability in modern contractual contexts? And if so, what legislative and procedural obstacles within the Iranian legal system hinder its realization?

From this perspective, this paper adopts a descriptive–analytical approach and, by drawing upon authentic jurisprudential sources, endeavors to clarify the foundations of the rule and evaluate its applicability within current legal developments. It further seeks to articulate the theoretical and legislative infrastructure required for reinstating this rule's position within the structure of Iran's contract law.

2. Overview of the Jurisprudential and Legal Foundations of the Rule

Within the framework of jurisprudential rules, when liability (*ḍamān*) is at issue, the rule *"mā yuzman bi-ṣaḥīḥihi yuzman bi-fāsidihi, wa mā lā yuzman bi-ṣaḥīḥihi lā yuzman bi-fāsidihi"* holds a central and foundational role. Numerous jurisprudential chapters and legal relationships have been interpreted through the lens of this rule concerning the transfer of liability. While this rule is widely and relatively stably applied in traditional specified contracts such as sale, lease, and loan, its application in the context of modern contracts necessitates a fresh, precise examination of its jurisprudential and legal foundations.

This re-examination is not aimed at reiterating past discussions, but rather adopts a problem-centered approach in order to identify which exact components serve as the foundational and distinctive elements when adapting this rule to emerging contracts. Thus, this section briefly focuses on the foundations within Imami jurisprudence, the evidentiary bases for the rule, its boundaries, and its relationship with the principle of non-liability (*aṣl al-barāʾah*) to provide the necessary theoretical framework for subsequent analyses (Fadhil Lankarani, 2005; Muzaffar, 1999).

2.1. Nature of the Rule and Its Scriptural and Rational Evidences

The well-known rule *"mā yuzman bi-ṣaḥīḥihi yuzman bi-fāsidihi, wa mā lā yuzman bi-ṣaḥīḥihi lā yuzman bi-fāsidihi"* is one of the enduring legal maxims in Islamic jurisprudence, particularly influential in the realm of transactions and in defining the scope of liability resulting from both valid and invalid contracts. According to this rule, if a contract entails liability in its valid form, it will continue to entail liability in its invalid form due to the underlying reciprocal structure. Conversely, if no liability exists in the valid contract, none will follow in the case of invalidity.

While structurally this rule is classified among those based on the concept of exchange (*muʿāwaḍa*), functionally it plays a critical role in structuring contractual liabilities and determining responsibility in void transactions. For this reason, it is not confined to jurisprudential texts but implicitly appears in legal writings and judicial precedents, particularly in interpretations of Article 365 of the Iranian Civil Code and related liability provisions (Katouzian, 2010; Shahidi, 2012).

The evidences for this rule in Imami sources are generally divided into two categories: narrational (*rawāʾī*) and rational (*ʿaqlī*) proofs. In the narrational domain, jurists typically cite an authentic tradition from Imam al-Ṣādiq (peace be upon him), in which, responding to a question on possession of payment in a void contract, he states: *"Everything that entails liability when valid will entail liability if invalid."* (Hurr al-Amili, 1989; Shaykh Tusi, 1996).

From this narration, both the rule itself and its rationale—i.e., that reciprocal exchange leads to liability—are derived. However, some jurists have questioned the sufficiency of this narration due to its interpretive or chain-of-transmission weaknesses. Nonetheless, the established practice of jurists (*sīrat al-mutasharriʿa*) and the rational convention (*bināʾ al-ʿuqalāʾ*) that treat reciprocal exchange as a basis for liability serve as significant corroborations for the rule (Khomeini, 2000; Subhani, 2006).

In rational convention, reciprocal contracts inherently entail reciprocal obligations. From this perspective, even if the contract becomes formally invalid, the actual exchange between the two parties constitutes a reality recognized by custom, thereby upholding the resultant liability. This outlook is also reflected in the juristic reasoning on entitlement to restitution of considerations in void contracts.

2.2. Divergence Between Imami and Sunni Perspectives

Although the rule *"Mā Yuzman bi-Ṣaḥīḥihi Yuzman bi-Fāsidihi"* is considered a shared jurisprudential principle among Islamic legal schools, there are significant differences between Imami jurists and Sunni scholars in terms of its scope of meaning and practical application. These differences arise not only from divergent methodologies of *ijtihād*, but also from fundamentally distinct views on the nature of liability (*ḍamān*), contract structure, and the relationship between considerations (*ʿiwaḍayn*) in invalid transactions.

In Imami jurisprudence, the rule is primarily analyzed through traditions of the Ahl al-Bayt (peace be upon them) and rational conventions. It is accepted as a general principle for establishing liability arising from invalid contracts. Imami jurists maintain that in reciprocal contracts—such as sale, lease, and settlement—if the contract becomes void for any reason, the exchange itself and the actual possession of the considerations suffice to establish liability on the receiver of the consideration, either as an act of causation (*tasbīb*) or unauthorized possession (Muzaffar, 1999; Shahid al-Thani, 1983).

In this view, the object of sale in a void contract remains subject to liability, even if the contract lacks formal validity. In contrast, while Sunni jurisprudence agrees in principle with the rule, some Sunni schools have taken a more restricted view in terms of its applicability. Certain Ḥanafī jurists—such as al-Sarakhsī—condition liability on the actual material possession and assert that mere invalidity of the contract does not establish liability unless the customary effect of exchange is realized

(Sarakhsi, 1992). Their view is based on a distinction between "contractual liability" and "non-contractual liability" (*ḍamān ʿaqdī* vs. *ḍamān qahrī*).

Meanwhile, the Mālikī, Shāfiʿī, and Ḥanbalī schools largely concur with the rule itself but differ regarding its specific applications. Some of their jurists, for instance, negate liability in cases where the invalidity of the contract arises from a defect in its essential elements (such as mutual consent). Imami jurisprudence, however, upholds liability even in these cases based on the concept of a "possessory hand with liability" (*yad ḍamānī*) (Naʾini, 1986).

Another point of divergence lies in the basis for the rule's validity. While the Imami school relies on specific narrations from Imam al-Ṣādiq (peace be upon him), the Sunni tradition primarily resorts to analogical reasoning (*qiyās*), consensus (*ijmāʿ*), and customary practice (*sīrah ʿuqalāʾ*). As a result, the rule is applied more extensively and rooted more deeply within the Imami legal tradition (Hurr al-Amili, 1989; Shaykh Tusi, 1996).

2.3. The Relationship Between the Rule and Reciprocal or Ancillary Liability in Contemporary Law

In the Imami jurisprudential system, liability (*ḍamān*) is understood as a multi-layered institution, emerging in various contexts such as destruction (*itlāk*), causation (*tasbīb*), usurpation (*ghaṣb*), and especially in reciprocal contracts. One of its most salient forms is "reciprocal liability" (*ḍamān muʿāwaḍī*) or liability arising from mutual obligations—an idea intimately linked to the rule *mā yuzman* and *mā lā yuzman*.

Although not explicitly codified, this concept has been implicitly reflected in Iranian statutory law and juristic opinions. Reciprocal liability can be defined as a type of contractual liability rooted in the bilateral exchange of considerations. Accordingly, if one party to a contract delivers property or benefit to another, they are entitled in return to receive consideration. If the contract is void for any reason but the delivery of property or benefit has taken place, there remains a corresponding obligation to return the consideration or to provide its substitute.

This understanding aligns closely with the core logic of the *mā yuzman* rule, which posits that the basis of liability lies in the realization of exchange and the possession of consideration, rather than merely in the validity of the contract (Ansari; Naʾini, 1986). Within this framework, the rule is reflected in Iran's Civil Code, particularly in Article 365, which states: "If a sale takes place but either the price or the object of sale does not exist, is not known, or is not capable of being owned, the sale is void. However, if one of the considerations has been delivered, it must be returned to its owner, and if it has perished, its equivalent or value must be paid."

Although no explicit jurisprudential basis is cited in the article, the legal basis for liability in void contracts, considering both possession and invalidity, is clearly rooted in the same reasoning as the *mā yuzman* rule (Katouzian, 2010). Moreover, in modern law, a concept closely related to reciprocal liability is "ancillary liability" (*ḍamān tabaʿī*), or liability arising incidentally from the breach or invalidity of primary obligations.

While Iranian law does not explicitly use the term "ancillary liability," judicial practice and legal doctrine often invoke similar reasoning—such as in cases of contract breach or restitution of payments in void transactions—presuming a form of liability based on the interdependence of considerations as contractual consequences. This is evident in the works of some jurists, who, though not always explicitly distinguishing between reciprocal and non-contractual liability, do acknowledge the underlying contractual structure as the basis for restitution (Katouzian, 2010).

A key distinction is that Imami jurisprudence, in contrast to civil law which sometimes fails to clearly differentiate between reciprocal and non-contractual liability, establishes liability from void contracts not based on destruction or usurpation, but on the jurisprudential notion of reciprocal exchange (*muʿāwaḍa iʿtibārīyah*). This analytical rigor marks a fundamental divergence between the Imami tradition and Iran's statutory legal system.

3. Characteristics and Challenges of Modern Contracts in Jurisprudence and Law

The advent of the digital communications era and the expansion of economic relations through new technologies have fundamentally transformed the traditional structure of contracts. These changes have impacted not only the form and format of contracts, but also their content, formation process, nature of obligations, and even their subject matter.

Notable phenomena such as "electronic contracts," "digital services," "data-driven agreements," and "smart risk-based insurance" have posed new challenges to classical jurisprudence and legal systems—challenges that necessitate a rethinking of foundational rules, assumptions, and legal concepts. The rule *mā yuzman wa mā lā yuzman*, which had been previously analyzed in relation to conventional and well-established contracts like sale, lease, and settlement, is now confronted by contracts that not only lack precedent in classical jurisprudential texts but also often offer entirely new definitions for the pillars of contracts, mechanisms of offer and acceptance, and even the object of obligation (Subhani, 2006).

From this standpoint, understanding the features and jurisprudential status of these contracts is an essential step toward evaluating the applicability of the aforementioned rule to such novel contractual forms.

3.1. Definition and Nature of Modern Contracts: Insurance, Electronic Contracts, Digital Services

The rapid economic, technological, and social transformations of the past century have paved the way for the emergence of a new category of contracts that differ fundamentally from traditional ones—not only in terms of form and means of conclusion, but also in the nature of their subject matter, obligations, and legal consequences. These contracts, known as *modern contracts*, have emerged to meet newly arising needs and are generally absent from classical jurisprudential texts. Among the most prominent of these are insurance contracts, electronic contracts, and digital service agreements. A precise analysis of the nature of these contracts is an essential prelude to assessing their compatibility with traditional jurisprudential rules, particularly the rule of *mā yuzman wa mā lā yuzman*.

a) Insurance Contract

An insurance contract—whether for property or for persons—is based on a unilateral commitment by the insurer in exchange for the policyholder's payment of premiums. From a jurisprudential perspective, the primary challenges surrounding insurance contracts include the indeterminacy of the insurer's obligation, the element of *gharar* (excessive uncertainty), and the realization of the cause of liability. Some contemporary jurists have justified insurance based on the notion of *ṣulḥ* (settlement on a contingent liability), while others regard it as a valid *unnamed contract* that, given the presumption of validity and the principle of fulfilling agreements, is binding and enforceable (Khomeini, 2000; Mousavi Bojnourdi, 1999).

From a substantive standpoint, insurance is a commitment based on exchange, whereby in return for payment, the insurer undertakes to compensate for potential losses or damages. Although this reciprocal structure lacks direct precedent in classical jurisprudence, through the expansion of contractual obligations and evidentiary bases for liability, it may be accepted as an exchange-based agreement compatible with the *mā yuzman* rule—even in cases of invalidity.

b) Electronic Contract

An electronic contract is a binding agreement concluded between parties through digital communication tools—such as websites, mobile platforms, or messaging systems. The primary distinction from traditional contracts lies in the medium of offer and acceptance, the time and place of formation, and the absence of in-person formalities. Jurisprudential concerns primarily relate to verifying the true intent of the parties, the realization of possession in contracts requiring physical delivery, and the identification of transacting parties.

Nevertheless, the Imami principle that *"any indicator of intent suffices for contract formation"* strengthens the case for the validity of electronic offer and acceptance. For example, leading jurists have maintained that in marriage contracts, any verbal, gestural, or behavioral indicator of intent is sufficient—provided both parties are aware of it (Najafi, 1991; Shahid al-Awwal, 1990). Thus, despite practical challenges in application, electronic contracts can, from a substantive perspective, be categorized as reciprocal obligations and assimilated into binding agreements.

c) Digital Service Agreements

Contracts for digital services—such as cloud computing, software systems, data mining, or subscription platforms—are fundamentally based on the provision of intangible services in exchange for monetary consideration. The primary features of these services include the absence of a physical subject matter, the ongoing nature of the obligation, and reliance on contemporary technologies.

Jurisprudential analysis of these contracts, due to their lack of clear mention in classical texts, has generally followed two approaches: assimilating them with established contracts (such as *ijārah* or *juʿālah*), or recognizing them as legitimate unnamed contracts. The key issue in substantive analysis is the presence of reciprocal exchange and the creation of mutual financial

obligations—both of which constitute the basis for liability and render the rule of *mā yuzman* applicable. Although challenges such as the absence of tangible possession or complexities in determining liability due to technical failures may raise doubts, these can be partially resolved through expanding the concept of "received benefit" and recognizing it as legally valuable property (Fadhil Lankarani, 2005; Subhani, 2006).

3.2. Jurisprudential Status of Modern Contracts

One of the fundamental challenges in the jurisprudential analysis of modern contracts is their place within the framework of legally recognized contracts (*ʿuqūd sharʿīyyah*). Specifically, the question arises: Can contracts such as insurance, electronic contracts, and digital service agreements be assimilated with established jurisprudential contracts (like sale, lease, settlement, or *juʿālah*)? Or should they be categorized as unnamed contracts that, despite their absence from classical jurisprudence, are valid and enforceable based on the general principles of correctness (*ṣiḥḥah*) and enforceability (*ilzām*)?

To address this question, two main approaches can be identified in Imami jurisprudence:

a) Assimilationist Approach (Compatibility with Established Contracts)

This approach, reflected in the works of both early and contemporary jurists, attempts to classify emerging contracts under established jurisprudential types by drawing on conceptual or structural similarities. For example, insurance contracts can be interpreted under the framework of *ṣulḥ* due to their compensatory nature (Khomeini, 2000), while digital service contracts may be analyzed as forms of lease (*ijārah*) or *juʿālah*.

This tendency, which relies on expanding the conceptual scope of classical contracts, is reinforced by general evidentiary principles such as *"People have authority over their property"* and *"Fulfill your contracts"* (Muzaffar, 1999). The core aim of this approach is to establish the juridical validity of modern contracts by situating them within recognized jurisprudential frameworks, although this sometimes requires stretching traditional contract definitions.

b) Independent Approach (Acceptance of Unnamed Contracts)

In contrast, some contemporary jurists, acknowledging the novelty and lack of jurisprudential precedent for many of these contracts, have explicitly endorsed the legitimacy of unnamed contracts. Especially those contracts in which the parties' intent and consent, the financial value of the subject matter, and the lawful purpose of the contract are all realized—are considered valid and binding based on general evidences of covenant fulfillment and presumed validity (Fadhil Lankarani, 2005; Subhani, 2006).

Accordingly, insurance contracts, digital platform memberships, or cloud service subscriptions are viewed as examples of *newly emerged contracts* (*al-ʿuqūd al-mustahdatha*) that, in light of the general principles governing transactions, possess juridical validity and are subject to contractual creation. This approach—especially given the evolving customary understanding of transactional concepts in contemporary times—privileges rational custom (*ʿurf ʿuqalāʾ*) as a revealing source of contractual intent and tends to dominate modern jurisprudential discussions. Proponents of this view argue that forcing these contracts into traditional legal molds can obstruct rational interests and conflict with the exigencies of the time.

3.3. Jurisprudential Gaps and Challenges in Adapting Traditional Rules to Modern Contracts

Although Imami jurisprudence has, over centuries, developed a rich and flexible framework of transactional rules that effectively governed a wide range of economic relations in traditional societies, the expansion of technology, the increasing complexity of market systems, and transformations in transactional instruments have introduced new contractual domains that either lack direct precedent in classical jurisprudence or raise fundamental analytical concerns. In this context, applying traditional rules—especially the rule *mā yuzman wa mā lā yuzman*—to modern contracts such as insurance, electronic transactions, and digital services, presents substantial jurisprudential gaps and challenges. These challenges may be categorized into three primary areas:

a) Challenges in Realizing Classical Jurisprudential Concepts

Many classical jurisprudential rules—such as reciprocal liability, possession (*qabḍ*), ownership, property value, delivery, and destruction—are based on tangible and sensory-understood concepts. In contrast, digital contracts disrupt these foundations. For instance, in cloud-based or API-driven contracts, the subject matter is not a perceptible object, but rather data,

algorithms, or virtual access. However, the classical concept of liability presupposes the existence of a tangible, deliverable asset (Ansari; Fadhil Lankarani, 2005).

Moreover, *qabḍ* (possession), which in some contracts like *ʿaynī* (object-specific) sales is a prerequisite for the establishment of liability, faces challenges in the digital space. It is often reinterpreted as abstract possession, whose legitimacy depends on either conceptual expansion or the creation of new jurisprudential terminology.

b) Challenges in Analyzing Liability in Unspecified Contracts

The *mā yuzman* rule is fundamentally built upon distinguishing between contracts that generate liability and those that do not under valid conditions. Yet many modern contracts do not fall under the traditional categories recognized in Imami jurisprudence. Therefore, the legitimacy of such a contract must first be established before applying the rule. Until a contract like insurance or a SaaS (Software as a Service) agreement is accepted as a valid and legitimate contract, discussions on the consequences of its invalidity are legally meaningless (Mousavi Bojnourdi, 1999).

Furthermore, determining the type of contract—i.e., whether it is reciprocal in nature—is sometimes ambiguous. For instance, do subscription-based cloud services that merely provide access rights hold sufficient reciprocal value to be classified as exchangeable under jurisprudence? The answer to this question directly impacts the applicability of the *mā yuzman* rule.

c) Challenges Due to the Absence of Explicit Jurisprudential Texts

Another major challenge is the lack of explicit jurisprudential texts concerning modern contracts. As a result, applying rules like *mā yuzman* to such contracts must rely solely on general principles and reasoning-based *ijtihād*. Since much of the authority of the *mā yuzman* rule is grounded in specific narrations, the inability to directly associate modern contracts with textual precedents raises doubts regarding the rule's extension to them.

Additionally, the principle *"al-barāʾah fīmā lā dalīl ʿalayh"* (presumption of non-liability in the absence of evidence) may conflict with expansive interpretations of liability in unfamiliar contracts. Some jurists, due to the lack of specific evidence, advocate caution and reject liability, whereas others, drawing on rational conventions and general legal principles, assert its validity (Subhani, 2006).

4. Applicability of the *Mā Yuzman wa Mā Lā Yuzman* Rule to Insurance Contracts

Having analyzed the foundations of the *mā yuzman wa mā lā yuzman* rule and assessed the jurisprudential status of modern contracts in the previous sections, we now turn to the examination of one of the most prominent and widely used contemporary contracts: insurance. As a legal-economic institution, insurance plays a decisive role in modern systems and manifests in various forms such as property insurance, life insurance, liability insurance, and more.

Nonetheless, its jurisprudential analysis has always been accompanied by ambiguities, especially regarding its compatibility with the principles of transactional jurisprudence. The *mā yuzman wa mā lā yuzman* rule—which addresses the assignment of liability in invalid contracts based on underlying valid exchange—can serve as a critical analytical tool in assessing the legal consequences of insurance, particularly in cases of invalidity or non-performance. From this standpoint, evaluating whether the content and consequences of insurance contracts—both when valid and in cases of failure—fall under the scope of the *mā yuzman* rule is of theoretical and practical significance.

4.1. Examining Insurance from the Perspective of Liability in Imami Jurisprudence

The Imami jurisprudential system, one of the most developed branches of Islamic law, typically classifies liability under four main categories: destruction (*itlāk*), causation (*tasbīb*), unlawful possession (*yad* and *ghaṣb*), and reciprocal liability (*ḍamān muʿāwaḍī*). These serve as the foundational bases for financial responsibility and compensation obligations in transactional jurisprudence.

Insurance, as a novel institution with no clear precedent in narrational sources, does not directly fit into any of these traditional frameworks. Therefore, its jurisprudential analysis in terms of liability demands a deeper examination of the insurer's commitment and its role in establishing financial responsibility.

At first glance, an insurance contract constitutes a reciprocal relationship: in return for periodic premium payments, the insurer commits to compensating for losses arising from predefined events. The jurisprudential ambiguity here lies in the nature

of this liability: Is it *non-contractual* liability (*ḍamān qahrī*) or *contractual* liability (*ḍamān ʿaqdī*)? And can the legitimacy of such a commitment be justified within traditional jurisprudential frameworks?

Some contemporary jurists have attempted to analyze insurance under one of the traditional contractual forms, particularly *ṣulḥ* (settlement). They argue that insurance is a type of settlement over potential loss—where the policyholder, in exchange for a defined payment, agrees with the insurer that the latter will compensate for losses if the predefined event occurs (Khomeini, 2000; Khu'i, 2003). Accordingly, the insurer's liability is a conditional commitment tied to the occurrence of an event—not arising from destruction or possession—and thus is legitimate and binding.

In contrast, other jurists have raised doubts about the legitimacy of insurance due to the lack of precedent for such a commitment in traditional jurisprudence and because of the presence of *gharar* (excessive uncertainty). They argue that promising to pay for an uncertain future event not only constitutes *gharar* but also disrupts the contractual balance and complicates the enforceability of liability (Naraqi, 1995; Sabzevari, 1989).

However, in a more recent theory, some jurists—such as Ayatollah Fadhil Lankarani—distinguish between *suspended* and *immediate* liability, asserting that although the insurer's obligation in an insurance contract is based on a contingent event, its nature is rationally recognized as binding by custom and thus justifiable through the principle of contract fulfillment (Fadhil Lankarani, 2005). From this perspective, the insurer's liability is seen as an independent rational commitment—not grounded in destruction or usurpation—but, considering the principles of binding promises, is valid and enforceable.

4.2. Possibility or Impossibility of Applying the Mā Yuzman Rule to the Insurer and the Policyholder

In Imami jurisprudence, the rule *mā yuzman wa mā lā yuzman* holds that in the case of an invalid contract, if property or benefit is received by the other party, liability (*ḍamān*) arises from the notional exchange and realization of possession—not merely from the formal validity of the contract. In other words, in invalid contracts, the criterion for liability is the actual occurrence of reciprocal exchange and the mutual transfer of consideration, not the formal correctness of the contract itself. This rule has been applied across various jurisprudential fields, including sale, lease, loan, and even endowment contracts (Ansari; Naʾini, 1986).

The current question is whether this rule can be applied to insurance contracts. That is, in the event the insurance contract is deemed invalid—due to *gharar* (excessive uncertainty), ignorance, or lack of essential validity conditions—would the insurer or the policyholder be liable to return what they received? And does the structure of the insurance contract, from a jurisprudential standpoint, fall within the scope of the *mā yuzman* rule?

a) Regarding the Insurer

In an insurance contract, the insurer receives payments (premiums) from the policyholder in return for a commitment to pay a certain amount if the insured event occurs. If the contract is presumed void from the outset, the question arises: is the insurer obliged to return the amounts received? According to the *mā yuzman* rule, in a void reciprocal contract, if possession has occurred, liability is established.

In the context of insurance, since the insurer has taken possession of the premiums and the contract—though void—is of an exchange-based nature, the rule would apply. This means the insurer is liable to return the funds received unless a counter-performance has already been delivered. As in most cases, the insurer makes no payment before the insured event occurs, the premium remains in possession of the insurer, and in case of invalidity, must be refunded to the policyholder (Khu'i, 2003).

b) Regarding the Policyholder

On the other hand, in cases where the insured event does occur, the policyholder claims compensation. If the insurance contract is void, the question is whether the policyholder—if the insurer mistakenly paid out compensation—may retain that payment or is obligated to return it. Again, the *mā yuzman* rule provides the analytical basis: since the policyholder received money under a void contract and without a valid reciprocal performance, and the possession was based on a non-binding obligation, liability is established and the amount must be returned.

In essence, the insurer's payment was made without a valid contractual commitment, and thus constitutes an unjustified enrichment (*qabḍ bilā ʿiwaḍ*) under a void contract, falling under the scope of the *mā yuzman* rule (Fadhil Lankarani, 2005).

5. Jurisprudential-Legal Analysis of the *Mā Yuzman* Rule in Electronic Contracts

The fundamental transformation in the formation, conclusion, and execution of contracts in recent decades—particularly through the advancement of information and communication technologies—has led to the emergence of a new class of contracts known as *electronic* or *digital contracts*. Although these contracts may appear as a continuation of classical contract law, in terms of nature, mechanism, and legal effects, they possess characteristics that set them apart from traditional contracts.

Among the fundamental features of such contracts are the absence of physical presence of the parties, the instantaneous nature of offer and acceptance exchanges, the impossibility of physical possession and delivery in the traditional sense, and sometimes the inability to precisely determine the subject matter at the time of contract formation. Under such conditions, a critical question arises in the domain of the jurisprudence of contracts: can traditional rules of transactional jurisprudence—including the *mā yuzman wa mā lā yuzman* rule—be applied to these types of contracts?

Are key concepts such as reciprocal liability, possession (*qabḍ*), control (*yad*), and ownership (*milk*) reconcilable with the structural transformations found in electronic contracts? And more specifically, in the event such contracts are invalid, is it possible to impose liability based on the *mā yuzman* rule?

In seeking an answer, it is important to recall that the applicability of the rule does not rest on the formal contract structure but on the realization of reciprocal exchange and possession. Therefore, if the transfer of digital goods, access rights, or services can be jurisprudentially interpreted as valid *maʿqūlāt* (legally recognized values), and the possession—albeit virtual—is acknowledged as sufficient by custom and rational conventions, then the foundations for liability under the *mā yuzman* rule may indeed be established (Subhani, 2006).

5.1. Applicability of the Concepts of Ḍamān and Muʿāwaḍa in Electronic Contracts

One of the most critical theoretical challenges in the jurisprudential analysis of electronic contracts is whether the key concepts of *ḍamān* (liability) and *muʿāwaḍa* (reciprocity) can be validly applied to these types of agreements. This issue is particularly significant because the foundation of the *mā yuzman* rule relies on the existence of *muʿāwaḍa* and *qabḍ* (possession) in void contracts. If either element is absent, the application of the rule becomes questionable.

Thus, examining whether electronic contracts constitute *muʿāwaḍa* from a jurisprudential standpoint—and whether *ḍamān*, in its traditional sense, is achievable in the digital context—is a foundational step toward understanding the relationship between such contracts and classical liability rules.

From the perspective of Imami jurisprudence, *muʿāwaḍa* in its precise meaning refers to the mutual exchange of property or benefit through a binding or permissible contract, whereby both countervalues (*ʿiwaḍayn*) possess recognized value and legal significance according to rational custom (Ansari). What is central in *muʿāwaḍa* is the realization of consideration and counter-consideration within a contractual structure formed by intentional declaration and mutual satisfaction.

Although classical jurists primarily analyzed *muʿāwaḍa* in tangible and traditional domains—such as sale, lease, and settlement—contemporary jurisprudence has extended this discussion. Some jurists argue that *muʿāwaḍa* is not contingent on the physical nature of the exchanged elements, but rather depends on their customary assessability. In other words, even if the countervalues consist of data or digital services, as long as rational people consider them economically valuable, the concept of *muʿāwaḍa* applies (Fadhil Lankarani, 2005; Subhani, 2006).

In many electronic contracts—such as software purchases, token sales, or access to cloud-based services—the parties exchange or receive items that are considered property in today's customary understanding, even if lacking physical substance. Therefore, if rational custom assigns economic value to such items and both parties agree upon them, the contract fulfills the requirement of *muʿāwaḍa*, and in the event of invalidity, falls within the scope of the *mā yuzman* rule.

This analysis is rooted in the expanded interpretation of "property" (*māl*) and "consideration" (*ʿiwaḍ*) in jurisprudence and illustrates precisely where contemporary *ijtihād* must intervene to align traditional rules with digital transformations.

On the other hand, the concept of *ḍamān* in Imami jurisprudence typically refers to either *non-contractual* or *contractual* liability, based on causation (*tasbīb*), unlawful possession (*yad*), usurpation (*ghaṣb*), or valid contract (*ʿaqd*). In digital transactions, traditional forms of *destruction* (*itlāk*) and *yad* rarely occur in their classical sense. Therefore, liability in such contexts is more likely to be based on contractual commitment and mutual agreement between the parties.

For instance, if one party in an electronic contract commits to transferring specific data or making a payment and fails to do so, their liability arises not from destruction but from breach of condition or reciprocal contract. This perspective aligns with jurists who regard such obligations as binding under customary and contractual principles rather than traditional liability causes (Makarem Shirazi, 2009).

Thus, it can be concluded that the applicability of *muʿāwaḍa* in electronic contracts—provided the elements of intent, value, and rational consent are present—is jurisprudentially feasible. Likewise, liability can be established—though not through classical causes, but via commitments arising from the contract itself.

Accordingly, in cases where these contracts are deemed void, if *qabḍ* and *muʿāwaḍa* have occurred, the *mā yuzman* rule may be applied to compensate for losses incurred.

5.2. Analysis of Liability and Ḍamān in Internet-Based and Digital Contracts

In the electronic space—especially across internet platforms—financial and legal interactions take place with a speed, complexity, and diversity that pose unique challenges to the notions of *liability* (*ḍamān*) and responsibility when compared to traditional contracts. From a jurisprudential perspective, *ḍamān*, whether contractual or non-contractual, refers to financial responsibility arising from the breach of an obligation or interference with another's property.

The core question in such contracts is: under what circumstances can *ḍamān* be assigned to parties or third persons in accordance with Imami jurisprudence, and can such liability be reconciled with traditional rules like *mā yuzman*?

The first domain in which *ḍamān* can be conceived is the invalidity of an electronic contract. If a digital contract is void due to the absence of one of the validity conditions—such as ignorance of the subject matter, excessive uncertainty (*gharar*), absence of intent, or legal incompetence of one party—but payment or digital data has nonetheless been transferred, then the *mā yuzman* rule will govern that transaction. That is, the person who has received another's property is liable to return it, even if the contract is void. This is the compensatory function of the *mā yuzman* rule, which, provided there is exchange and possession, extends to electronic contracts as well (Ansari; Fadhil Lankarani, 2005).

The second scenario concerns *ḍamān* arising from breach of implicit conditions in digital platforms. Many digital services—such as software delivery, cloud storage, or sale of digital content—are provided under specific terms and conditions. When parties accept these terms, they commit to their enforcement. If the service provider (e.g., a digital vendor platform) fails to fulfill its obligations, resulting in user loss or data deletion, the provider's liability can be analyzed from a jurisprudential perspective. Although such liability stems not from classical causes like destruction (*itlāk*) or possession (*yad*), but from breach of condition or contractual violation, it remains defensible within Islamic jurisprudence. Even in cases where the contract is void, *mā yuzman* may serve as a supporting principle for establishing compensatory liability (Subhani, 2006).

A third issue is liability of third parties in the digital realm. For example, if an intermediary—such as a platform operator, internet provider, or digital wallet—introduces an error during the transfer of funds or digital assets, causing loss or unauthorized transmission, their liability may be analyzed under the doctrines of *itlāk* or *tasbīb*. Imami jurisprudence distinguishes between direct causation and indirect contribution. If the intermediary's role is merely technical and without negligence or overreach, they are generally exempt from liability. However, in the case of negligence or misconduct, liability is imposed—even absent a contractual link with the injured party (Makarem Shirazi, 2009).

6. Challenges in Applying the *Mā Yuzman* Rule to Digital Services and Data-Driven Contracts

The rapid technological evolution and the unprecedented expansion of the digital realm have fundamentally altered the nature of services, methods of exchange, and the meaning of contracts. Data-centric and software-based services—such as API access, cloud computing, data center hosting, and SaaS (Software as a Service) agreements—have created new forms of legal relations where data and information processing, rather than tangible assets, form the contractual subject.

In this context, Imami transactional jurisprudence faces a fundamental question: can traditional rules like *mā yuzman wa mā lā yuzman* be applied within such structures? And if so, how must concepts like possession (*qabḍ*), exchange (*muʿāwaḍa*), value (*māliyya*), and liability (*ḍamān*) be reinterpreted?

First, in digital contracts, parties typically commit to perform purely technical or data-related services. For instance, providing access to an API, storing or retrieving data in a cloud environment, or supplying processing infrastructure in a data center. Unlike traditional contracts, these obligations are not physical or tangible and are often not materially ownable. Therefore, from a jurisprudential standpoint, they fall within the category of questionable-value subjects.

In Imami jurisprudence, a condition for establishing *ḍamān* is that the subject of the contract be economically valuable in the eyes of rational custom (Ansari). While data and software services lack physical presence, in today's society and according to rational custom, they carry economic value and are explicitly transferable in contemporary legal systems. Therefore, although classical jurisprudence linked *ḍamān* to the loss or possession of tangible property, an expanded concept of "property" in jurisprudence that includes benefit, data, or software services can justify the application of the *mā yuzman* rule to data-driven contracts.

Based on this reasoning, if a digital service contract is void—for instance, due to absence of validity conditions, gross ignorance of the subject, or unlawful purpose—but one party has paid or provided access to data, the *mā yuzman* rule applies. The receiving party becomes liable, because although the exchanged items are intangible, they are considered valuable property by today's standards (Fadhil Lankarani, 2005; Subhani, 2006).

Another important challenge involves breach of technical or data obligations under such contracts. For example, if an API provider causes user loss due to service disruption or instability, or if a data center negligently loses stored information, does jurisprudential liability arise?

Answering this requires analyzing contractual and non-contractual liability in modern contexts. In Imami jurisprudence, if damage arises from negligence or misconduct, liability is established even in the absence of a valid contract (Makarem Shirazi, 2009). Moreover, if the contract is valid, failure to fulfill its provisions constitutes breach of condition and incurs liability. In both cases—whether the contract is valid or void—*mā yuzman* may serve either as a compensatory rule or a theoretical basis for liability.

Another critical dimension is the necessity to evaluate these contracts through the lens of "general contractual principles" in jurisprudence. Principles such as *lā ḍarār* (no harm), *al-nās musallaṭūn ʿalā amwālihim* (people have authority over their property), *al-muʾminūn ʿinda shurūṭihim* (believers are bound by their conditions), and especially *fulfillment of obligations* provide key jurisprudential tools for analyzing liability in cases of breached digital service contracts.

Whenever a party, through mutual agreement, undertakes to deliver a service but refuses or underperforms, liability arises not only through *mā yuzman* in the case of void contracts, but also from breach of condition in valid contracts (Khomeini, 2000). Furthermore, if during service provision, the provider causes the destruction or deletion of another party's data—even in the absence of a formal contract—liability may arise from *itlāk* (destruction), since, according to some jurists, stored data is considered property and its violation constitutes destruction.

Accordingly, it can be argued that although the *mā yuzman* rule was developed with classical assumptions in mind, it has the capacity—through dynamic *ijtihād* and customary reinterpretation—to be adapted to digital services and data-driven contracts. Imami jurisprudence, if it acknowledges the customary economic value of data and software-based obligations, can analytically incorporate liability resulting from voidance or breach of such contracts under the *mā yuzman* rule—while remaining faithful to its traditional foundations through conceptual development and the application of general principles to emerging instances.

7. Jurisprudential–Legal Synthesis and Comparative Outcome

Having completed the theoretical analysis of the *mā yuzman wa mā lā yuzman* rule within Imami jurisprudence and examined its relationship with both traditional and modern contracts, it is now appropriate to assess these findings in relation to Iran's legal system through a comparative lens. This evaluation is essential not only in terms of conceptual and doctrinal alignment but also in terms of practical efficiency and legal adaptability.

In other words, the crucial question is: has Iranian statutory law succeeded in effectively utilizing the theoretical and functional capacities of this rule? Or does it suffer from legislative gaps and procedural ambiguities that have hindered its practical realization?

7.1. Successful and Unsuccessful Applications of the Rule in Iranian Law

Imami jurisprudence, as the principal foundation of Iran's civil law system, has served as the source of numerous principles and rules—many of which, though unnamed explicitly, have been incorporated into the statutory structure. The rule *mā yuzman wa mā lā yuzman* belongs to this category. Despite its rich jurisprudential background and wide application in compensating for losses arising from invalid contracts, its reflection in Iranian law has been limited, implicit, and at times inconsistent.

An examination of both successful and unsuccessful applications of this rule reveals that Iranian law has not fully capitalized on its potential—neither at the legislative nor at the judicial enforcement level. Among the successful instances is Article 365 of the Civil Code, which, in addressing the effects of an invalid contract, obliges the return of considerations in the case of nullity. While this article does not mention *mā yuzman* by name, its substance is a clear operational embodiment of the rule:

"If a sale contract is void for any reason, the seller must return the price and the buyer must return the object of sale. If either has been destroyed, its equivalent or value must be paid."

From a jurisprudential analysis, this provision directly reflects the *mā yuzman* rule, as both parties—despite the contract's invalidity—are held liable due to the occurrence of possession and exchange (Ansari; Mousavi Bojnourdi, 1999). Some judicial decisions concerning the return of payments in void construction or lease agreements have, even without explicit reference, been inspired by this rule. In such rulings, courts have ordered restitution of amounts paid in contracts lacking legal prerequisites and have, in some cases, emphasized the obligation to provide substitutes or compensation.

This indicates the informal influence of the *mā yuzman* rule at the level of judicial reasoning. Nonetheless, in many instances, the application of the rule within the Iranian legal system has been marked by deficiencies and fragmentation. For example, Article 10 of the Civil Liability Act (1959) states: *"Whoever intentionally or through fault causes damage, shall be liable."* This provision essentially limits liability to cases involving intent or fault. However, according to the *mā yuzman* rule, liability may arise merely from possession in a void contract, even in the absence of misconduct or negligence. This reveals a fundamental conflict between the jurisprudential foundation of the rule and the civil law interpretation of liability in Iran.

Moreover, Iranian law has not succeeded in extending the rule to modern contractual contexts—such as insurance, electronic contracts, and data-based services—nor has it provided a clear compensatory structure based on it. In numerous regulations and executive by-laws governing digital services, there is no mention of liability resulting from invalidity or non-performance of obligations, resulting in the judiciary rarely invoking this rule in disputes in such domains.

7.2. Legislative Deficiencies and Judicial Ambiguities

Although some legal texts and court rulings suggest the influence of the *mā yuzman* rule, a closer look at Iran's legal framework reveals significant legislative gaps, ambiguities, and inconsistencies. These shortcomings not only hinder the full and precise incorporation of the rule into the legal system but also lead, in certain cases, to inaccurate or partial interpretations of the philosophy of *ḍamān* in Imami jurisprudence.

First, the most critical legislative flaw lies in the absence of an explicit reference to the jurisprudential foundation of liability in void contracts. Article 365 of the Civil Code, while correctly requiring the return of consideration in cases of contractual nullity, makes no mention of its jurisprudential basis. This omission has severed the connection between law and jurisprudence and impeded the logical extension of the rule based on *ijtihādī* principles.

In fact, because the source of liability in the event of contract invalidity is not clearly stated in the law, courts interpreting these provisions exhibit inconsistency and divergent understandings. Second, laws pertaining to liability in other domains lack coherence and continuity. As noted earlier, Article 10 of the Civil Liability Act bases responsibility solely on intent or fault, which conflicts with the concept of reciprocal liability (*ḍamān mu'āwaḍī*) foundational to the *mā yuzman* rule.

Third, specific laws such as the Insurance Act, Electronic Commerce Act, or the Data Protection Regulation contain no rigorous treatment of liability in cases of contractual invalidity or digital service failures. This legislative neglect has deprived emerging fields like data-driven services of compensatory mechanisms rooted in Imami jurisprudence.

Fourth, the serious ambiguity within judicial practice has obstructed the establishment of the *mā yuzman* rule as a governing principle in void contracts. In many instances, courts—faced with contractual invalidity—have relied on alternative principles such as "absolute invalidity and repelling effect" or customary refund rules, rather than on *mā yuzman*. This is despite the fact

that the *mā yuzman* rule, backed by Qur'anic, narrational, and rational sources, firmly establishes liability even in the case of contractual invalidity.

However, the lack of specialized jurisprudential and legal education within the judiciary has led to frequent omission or misinterpretation of this rule. Lastly, Iran's legislative system has failed to expand jurisprudential compensatory principles in the face of modern digital, insurance-based, or data-driven contracts. None of the existing regulations on technological agreements address liability in void contracts or invoke *mā yuzman* in the event of technical malfunction or service breach.

This regulatory gap leaves users without traditional jurisprudential tools for redress in such cases, despite the fact that Imami jurisprudence offers a rich framework capable of guiding the legislator in constructing a more coherent and responsive compensatory system.

7.3. Feasibility of Expanding the Mā Yuzman Rule Through Jurisprudential and Legal Development

The rule *"Mā Yuzman bi-Ṣaḥīḥihi Yuzman bi-Fāsidihi"* in Imami jurisprudence is a rationally grounded principle supported by narrational evidence and established legal tradition. Its primary purpose is to compensate for the financial effects of void contracts, provided that both *possession* (*qabḍ*) and *exchange* (*muʿāwaḍa*) have occurred. However, the sweeping transformations in economic relations, the rise of modern contractual forms, and the evolution of classical concepts such as "consideration" (*ʿiwaḍ*), "property value" (*māliyya*), "possession" (*qabḍ*), and "dominion" (*tasalluṭ*) have posed a fundamental question to contemporary jurists and legislators: Can this rule, based on premises formulated during the formative era of Islamic law, be extended and adapted to contemporary legal realities? And if so, how can it be developed in a way that safeguards both jurisprudential principles and modern legal interests?

First, Imami jurisprudence possesses significant *ijtihādī* capacity to expand the *mā yuzman* rule. Given the rational foundations of the rule, many jurists have explicitly stated that its application is not limited to specified classical contracts. Rather, any agreement that, according to custom, serves as a basis for reciprocal liability, will—if void—fall under this rule (Mousavi Bojnourdi, 1999). Accordingly, extending the rule's subject matter from traditional contracts such as sale and lease to include insurance, digital services, and electronic transactions is not only consistent with jurisprudential logic but is also defensible through the general legal arguments and the legislator's intention to maintain transactional order.

Some jurists have relied on general principles requiring compensation for loss—such as *man atlaf* (he who destroys must compensate) and *lā ḍarar* (no harm)—and on the rational structure of reciprocal exchange, to argue that the extension of the *mā yuzman* rule to modern contracts does not represent innovation in the rule's substance, but rather a contextual application of its preexisting framework. In other words, the rule remains intact in principle, but its instances are expanded based on rational custom and the conditions of the time (Fadhil Lankarani, 2005). This approach paves the way for a dynamic jurisprudence that can respond to the complex legal needs of the modern era without falling into dogmatism.

Second, from a legal perspective, the expansion and application of the rule can be realized through targeted legislation grounded in jurisprudential principles. The legislator, drawing inspiration from *mā yuzman*, may enact clear regulations for cases in which a contract is void but delivery or possession of consideration has already occurred. This legislation should include two complementary components: (1) an explicit affirmation of reciprocal liability in non-specified and new contractual types, and (2) a defined legal basis for compensation in the absence of specific textual support, using the aforementioned jurisprudential rule.

Furthermore, developing specialized provisions for digital contracts—such as cloud services, APIs, and data-driven platforms—is a critical legislative need. Despite their novelty, such contracts are generally based on mutual agreement, customary (even digital) possession, and recognized economic value. As such, they meet the conditions required for compatibility with the *mā yuzman* rule. Nonetheless, without legislative intervention and a clear legal framework, courts will be unable to explicitly invoke this rule. For this reason, it is recommended that in future reforms of the Civil Code and in drafting digital legal regulations, this rule be introduced as a foundational principle of contractual and post-contractual liability.

Ultimately, the expansion of the *mā yuzman* rule requires two fundamental conditions:

1. **An active and context-aware *ijtihād*** by contemporary jurists who can redefine the conceptual boundaries of traditional rules in alignment with evolving custom;

2. **Institutionalization of this jurisprudence through consistent legislative frameworks** that maintain coherence within the broader legal system.

Only under these conditions can the *mā yuzman* rule evolve from a narrow jurisprudential principle into an effective legal instrument for regulating modern contractual relations.

8. Conclusion

The rule *"Mā Yuzman bi-Ṣaḥīḥihi Yuzman bi-Fāsidihi"* in the structure of Imami transactional jurisprudence possesses characteristics that elevate it beyond a mere doctrinal rule to a foundational principle within the system of financial liability. A comprehensive analysis of its narrational, rational, and jurisprudential foundations reveals that its relationship with key concepts in the jurisprudence of contracts—such as exchange, liability, possession, and binding obligation—is both intrinsic and formative. When conceptually and practically expanded, this relationship can profoundly impact the architecture of both Islamic jurisprudence and contract law at multiple levels.

From a jurisprudential standpoint, the link between the validity or invalidity of a contract and the establishment of liability is not premised on the accidental assignment of responsibility. Rather, it stems from the understanding of a transaction as an exchange-based relationship that inherently produces enforceable effects. Accordingly, the difference in the contract's legal form—whether valid or void—does not preclude the realization of reciprocal effects when possession has taken place. This understanding acquires broader implications when extended to the domain of modern and digital contracts. Despite their structural differences, such agreements follow the same jurisprudential logic that the *mā yuzman* rule seeks to articulate.

In the face of contemporary legal realities, it is imperative to redefine the scope of this rule in light of technological transformations and the evolving notion of contractual obligations. Challenges stemming from the absence of tangible possession, the lack of material countervalue, and the complexities of determining the subject of liability in data-driven, service-oriented, or digital infrastructure contracts demand that Imami jurisprudence utilize its rational foundations to develop a more fluid and dynamic interpretation of liability. Such an interpretation must be built upon the realization of customary commitments, the existence of legitimate benefit, and the receipt of value derived from mutual agreement.

On the other hand, despite being jurisprudentially rooted in Imami thought, the Iranian legal system has fallen short in articulating the foundational principles of rules like *mā yuzman*. As a result, it has not been able to consistently benefit from the rule in the domain of traditional contracts, nor has it been able to extend its application into emerging legal contexts. The absence of a conceptual–legal framework that recognizes this rule as a systematic principle for analyzing the consequences of void or disrupted contracts has left financial liability discussions in many modern sectors—from insurance to cloud and API contracts—without a clear and jurisprudentially aligned foundation.

What has become increasingly evident is the need to shift from perceiving the rule merely as a jurisprudential directive for specific cases, toward understanding it as an interdisciplinary analytical tool capable of extending into emerging areas of contemporary law. In such a vision, the *mā yuzman* rule is not only an instrument for compensation in void contracts, but also a framework for analyzing the quality of the relationship among mutual consent, possession, and liability in contracts involving data, software, and services—provided that jurisprudence is reimagined as a system governing the logic of human interaction and legislation is reconstructed on the basis of active engagement with jurisprudential principles rather than passivity in the face of change.

Ethical Considerations

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

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Conflict of Interest

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