

Contractual Security: An Analytical Approach to Iranian and English Law with Emphasis on International Instruments

1. Mohammad Ali Dehghan Dehnavi^{ID}: Department of Law, Y.C., Islamic Azad University, Yazd, Iran

2. Ghazaleh Kabirabadi^{ID*}: Assistant Professor, Department of Law, Y.C., Islamic Azad University, Yazd, Iran

3. Mohammad Reza Fallah^{ID}: Associate Professor, Department of Law, Faculty of Humanities, Shahed University, Tehran, Iran

*Correspondence: Ghazaleh.kabirabadi@iau.ac.ir

Abstract

Contractual security, as one of the fundamental components of an efficient legal system, plays a crucial role in fostering trust between contracting parties and promoting economic relationships. This study aims to examine the structure and challenges of contractual security through a comparative analysis of Iranian and English law, while also exploring the impact of international instruments—particularly the Principles of International Commercial Contracts and the United Nations Convention on Contracts for the International Sale of Goods (CISG)—in enhancing the architecture of contractual security. The research adopts a descriptive-analytical methodology, drawing on library resources, international legal instruments, and selected judicial precedents. The study first addresses the theoretical and conceptual foundations of contractual security, followed by an analysis of its structural and practical challenges within the legal systems of Iran and England. The findings reveal that the Iranian legal system faces significant gaps in the architecture of contractual security due to regulatory fragmentation, lack of judicial consistency, and weak enforcement mechanisms. In contrast, the English legal system offers greater security for parties by relying on a dynamic body of case law and the primacy of the principle of freedom of contract. Moreover, the adoption of international principles can serve as a reformative model to enhance contractual efficiency in Iran. The paper concludes by recommending that the Iranian legal system strengthen the foundations of contractual security and align with international standards through legislative reform, the development of legal doctrine, and institutional capacity-building.

Keywords: Contractual Security, English Law, Iranian Legal System, International Instruments

Received: 13 July 2025

Revised: 23 September 2025

Accepted: 26 September 2025

Initial Publish: 04 October 2025

Final Publish: 01 January 2026



Copyright: © 2026 by the authors. Published under the terms and conditions of Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.

Citation: Dehghan Dehnavi, M. A., Kabirabadi, G., & Fallah, M. R. (2026). Contractual Security: An Analytical Approach to Iranian and English Law with Emphasis on International Instruments. *Legal Studies in Digital Age*, 5(1), 1-10.

1. Introduction

In today's world, where contracts serve as the principal framework for regulating legal and economic relations among individuals, contractual security is recognized as a key element in achieving justice, legal order, and predictability in contractual interactions. Contractual security does not merely refer to physical safety or protection from crime; rather, it encompasses a

deeper concept—ensuring contract enforcement, fostering trust in judicial institutions, reliance on contractual terms, and confidence in fair interpretation and legal stability (Shiffrin, 2007). In the absence of such security, not only are domestic economic relations destabilized, but foreign investors may also refrain from engaging with that country's economy.

In comparative law, contractual security is supported through various approaches and mechanisms. Particularly in developed legal systems like that of England, elements such as the principle of freedom of contract, coherent judicial precedents, respect for the parties' mutual intent, and the role of arbitral institutions contribute significantly to strengthening contractual security. In contrast, although the Iranian legal framework—through its Civil Code and related statutes—lays the groundwork for the validity and enforceability of contracts, challenges such as ambiguities in legal interpretation, conflicts between traditional Islamic jurisprudence and modern contract principles, and weak enforcement mechanisms hinder the full realization of contractual security (Katouzian, 2016).

International instruments on contract law have, in recent decades, aimed to reinforce contractual security by establishing transnational standards in commercial contracts. Instruments such as the UNIDROIT Principles and the CISG emphasize contractual fairness, good faith, and harmonized interpretation, thereby reducing legal fragmentation and enhancing predictability in cross-border contracts. However, the extent to which these instruments influence or align with domestic legal systems, particularly in jurisdictions like Iran, remains a subject of ongoing debate (Bonell, 2009).

Given the vital role of contractual security in the development of legal and economic systems, a fundamental question arises: What structural gaps and challenges impede the realization of contractual security in Iran's legal system, and how can insights from systems like English law and international instruments be used to redesign and reinforce it? Addressing this requires an analytical framework for the "architecture of contractual security," in which elements such as freedom of will, contractual enforceability, dispute resolution mechanisms, legal predictability, and enforcement institutions interact to form a cohesive structure.

Accordingly, this study adopts a comparative analytical approach to answer the following key questions:

1. How is the concept of contractual security defined and conceptualized across different legal systems?
2. What are the deficiencies in the Iranian legal framework in ensuring contractual security?
3. What mechanisms does English law employ to secure contracts, and what lessons can Iran derive?
4. What is the role of international instruments like the UNIDROIT Principles and the CISG in shaping contractual security?
5. What comparative legal strategies can be proposed to enhance contractual security in Iran?

This research employs a descriptive-analytical methodology within a comparative legal framework. Data has been collected through library research, legal text analysis, review of international instruments, and examination of domestic and foreign case law. The comparative approach is particularly valuable for identifying legal similarities and divergences between Iranian and English law and assessing the adaptability of international principles to Iran's domestic legal structure.

From a theoretical standpoint, the study takes a systemic approach to contractual security, analyzing it not as a one-dimensional concept but as the product of interaction between legal, institutional, and operational factors. From this perspective, the "architecture" of contractual security relies not only on legal rules but also on the effectiveness of the judiciary, judicial interpretations, legal education, and the extent to which international principles are embraced in the legislative process (Collins, 2008).

In light of Iran's current legal environment—marked by economic instability, weak contract enforcement, and lack of legal transparency—a rethinking of contractual security architecture has become an urgent necessity. The absence of such security leads to an increase in litigation and erodes public trust in the institution of contract, ultimately discouraging long-term investment. Furthermore, as Iran seeks greater integration into the global trade system and accession to international conventions, familiarity with global standards of contractual security and harmonization with them becomes increasingly vital.

This article is structured into five main sections:

1. The conceptual and theoretical framework of contractual security;
2. Structural analysis of contractual security in Iranian law;
3. Contractual security in English law;
4. The role of international instruments in enhancing contractual security;

5. Redesigning the architecture of contractual security in Iran (analysis and recommendations).

The working hypothesis of this research is that contractual security in Iran's legal system faces multiple structural and substantive obstacles that can be addressed by drawing on comparative legal experiences and leveraging international instruments to establish a more robust contractual framework. This study aims to offer a clear and practical vision for an improved contractual security architecture within Iranian law.

2. Conceptual and Theoretical Framework of Contractual Security

Contractual security, in its simplest definition, refers to the confidence of contracting parties in the stability, predictability, and enforceability of contractual terms. In essence, contractual security is a necessary condition for the formation of free will, the expansion of economic relations, and the realization of justice in contractual engagements. Despite its seemingly simple appearance, this concept possesses multiple theoretical and structural layers whose interaction constitutes the "architecture of contractual security."

From an analytical perspective, contractual security denotes a state in which the parties to a contract, by relying on clear legal rules, effective judicial institutions, and consistent interpretations, remain protected from sudden and unforeseeable risks throughout the stages of contract formation and execution. In this context, security refers not only to the enforceability of contracts ([Collins, 2008](#)), but also to the processes before, during, and after the conclusion of the agreement. Contractual security may be delineated based on four principal components:

A) Legal Predictability:

The parties must possess a reasonable awareness of their rights, obligations, remedies, and the mechanism for dispute resolution from the outset. Ambiguity in legal interpretation, conflicting jurisprudence, or lack of transparent standards undermines contractual security ([Shiffrin, 2007](#)).

B) Enforceability and Certainty of Execution:

A contract instills security only if the parties can rely on its enforceability. The absence of effective enforcement mechanisms, protracted litigation processes, or extraneous interferences erodes the practical meaning of security ([Katouzian, 2016](#)).

C) Institutional Support:

An essential pillar of contractual security is the presence of impartial, independent, and accountable judicial and arbitral institutions. Comparative legal experience reveals that the quality of adjudication and the credibility of judicial precedents play a decisive role in reinforcing or weakening contractual security ([Bonell, 2009](#)).

D) Principle of Freedom of Contract:

Security is meaningless without genuine freedom in drafting contractual terms. Where party autonomy is respected within the confines of public order and good morals, the capacity to tailor contracts to the parties' true intentions is enhanced, thereby reinforcing security ([Collins, 2008](#)).

The analysis of contractual security requires the integration of three primary theoretical approaches: legal, economic, and institutional.

In the legal approach, contractual security is examined as a function of binding rules, consistent interpretations, and formal legal institutions. Classical jurists, such as the Pandectists, maintain that the more abstract and general the legal rules are, the greater the security provided. In contrast, modern legal schools emphasize clarity, transparency, and responsiveness to commercial customs.

In the economic approach, the contract is viewed as a tool for optimal allocation of risks and resources. From this perspective, contractual security is achieved when transaction costs are minimized and the parties, through enhanced predictability, are incentivized to enter into stable relationships. Conversely, unstable or unenforceable contracts increase the costs of transactions and ultimately discourage economic investment ([Posner, 2003](#)).

The institutional approach underscores the role of cultural, judicial, and administrative environments in ensuring or disrupting security. In systems plagued by judicial or political corruption, even the most well-drafted legal texts fail to provide real security.

Contractual security is intertwined with certain fundamental principles of contract law, including (Bonell, 2009):

- **The Principle of Good Faith:** Emphasizing fair conduct, absence of deception, and the avoidance of exploitation of the other party's position.
- **The Principle of Logical and Integrated Interpretation:** Allowing courts to refer to the parties' shared intentions and avoid rigid or literal interpretations (Unidroit, 2016).
- **The Principle of Contractual Balance:** While this principle is less prominent in liberal systems such as English law, it is increasingly emphasized in international instruments and modern legal systems as a condition for contract stability and legitimacy.

In Iranian law, despite its rich jurisprudential heritage and the presence of binding provisions within the Civil Code, a cohesive conceptualization of contractual security has not yet been fully developed. Lack of clarity in statutory interpretation, inconsistency in judicial decisions, and the absence of predictable case law remain serious challenges in this domain (Katouzian, 2016).

In contrast, English law, as a precedent-based system, has succeeded in ensuring a high degree of contractual security for economic actors through a dynamic and well-developed judiciary. The principle of predictability, institutionalized through consistent reliance on prior case law and the avoidance of contradictory judgments, stands as a hallmark of contractual security in English jurisprudence (Collins, 2008).

3. Structural Analysis of Contractual Security in Iranian Law

Contractual security, as the backbone of private legal order, faces significant conceptual and structural challenges in Iranian law. Although the Iranian Civil Code, due to its historical depth and coherence, is regarded as one of the prominent legal texts, it suffers from serious deficiencies in ensuring contractual security in the face of contemporary economic and commercial transformations. One of the primary challenges is the ambiguity and rigidity of the Civil Code concerning contract law. The general provisions of the Code, enacted in 1928 and influenced by Shi'a jurisprudence and French civil law, emphasize concepts such as mutual consent, binding force, and implied stipulations. However, it remains silent or ambiguous on issues such as contract interpretation, pre-contractual liability, fair dealing, or the principle of contractual balance (Katouzian, 2016). In practice, this deficiency has led to instability in contractual security, particularly in complex and commercial contracts.

For instance, while international instruments such as the UNIDROIT Principles and the CISG explicitly endorse the principle of good faith throughout the entire contractual process, Iranian law lacks a clear legislative basis for this principle, and it holds no consistent status in judicial practice (Unidroit, 2016). The structure of contract law in Iran remains under the dominance of traditional jurisprudential perspectives. Although the principle of autonomy of will is recognized in Shi'a jurisprudence, it is subject to limitations stemming from mandatory Sharia rules, the prohibition of Gharar (uncertainty), or invalid stipulations. Many modern contractual forms—such as adhesion contracts, complex investment arrangements, or multilayered transactions—do not fit easily within the traditional jurisprudential framework, thus undermining certainty in their enforcement (Amid Zanjani, 2003).

Moreover, the narrow interpretation of “implied conditions” (shoroot-e zaman-e ‘aqd) in Islamic jurisprudence reduces contractual flexibility and renders the parties' autonomy vulnerable to external constraints. Unlike English law, where freedom of contract plays a central role, Iranian law subjects parties to persistent interpretative and doctrinal limitations (Collins, 2008).

Another major factor contributing to the instability of contractual security is the lack of consistency and predictability in Iranian judicial practice. In common law systems such as England, judicial precedent serves as the primary source of contract law, enabling parties to predict outcomes and rely on established interpretations. In contrast, the Iranian legal system lacks a binding precedent mechanism, leading to inconsistent rulings even in similar cases and undermining judicial reliability (Katouzian, 2016). Additionally, Iranian courts often interpret contracts based on literal wording, disregarding the parties' mutual intent. This approach not only contradicts the spirit of international contract principles, which emphasize commercial purpose and intent, but also deters parties from confidently designing and executing complex agreements (Bonell, 2009).

Institutionalization of contractual security in Iran faces several obstacles, including weak arbitration frameworks, ineffective mediation mechanisms, and the absence of specialized bodies for interpreting commercial contracts. Although the 1997 Law

on International Commercial Arbitration marked a step forward, domestic arbitration institutions still lack independence, technical expertise, and sufficient enforcement authority (Hosseini, 2012). Furthermore, protracted and costly litigation processes, along with judges' insufficient specialization in commercial contract disputes, seriously diminish parties' confidence in the legal system. The result is an environment of contractual distrust and a growing inclination toward informal or oral agreements, which further undermines contractual security. The Iranian legal system also maintains a closed stance toward international legal instruments related to contracts. Despite several countries with similar legal traditions having joined the CISG, Iran has yet to accede to this Convention. Additionally, the UNIDROIT Principles, which are capable of serving as the governing law in contracts, remain largely disregarded in Iran's judiciary, despite their vital role in enhancing contractual security in international arbitration and commercial disputes (Unidroit, 2016).

In summary, contractual security in Iranian law faces serious challenges due to legislative deficiencies, the dominance of traditional jurisprudential approaches, instability in judicial precedent, and the underdevelopment of arbitration and interpretative institutions. A comprehensive reform of legal concepts, institutions, and enforcement mechanisms is indispensable to enhancing efficiency and legal security within Iran's contractual framework.

4. Structural Analysis of Contractual Security in English Law

English law, as a prominent system within the common law family, has over centuries developed one of the most secure legal frameworks for contractual relations, particularly for domestic and international commercial actors. Without relying on a codified civil code, it offers a transparent, flexible, and predictable structure for the formation and enforcement of contracts, grounded in case law and pragmatic legal doctrines. A defining feature of contractual security in English law is the foundational role of judicial precedent in ensuring legal predictability and coherence. Courts are bound by the decisions of higher courts, which has resulted in a semi-codified body of principles that functions effectively as law (Poole, 2016). As a result, contracting parties can refer to well-established case law for a clear understanding of their rights, obligations, and available remedies. For instance, in *Investors Compensation Scheme Ltd v West Bromwich Building Society* [1998] 1 WLR 896, the House of Lords articulated the principle of contract interpretation based on the "reasonable person's understanding of the parties' intentions," a doctrine that has become central to contractual security.

The principle of freedom of contract enjoys a deep-rooted and enduring presence in English law. Legislative interference is generally limited to specific contexts, such as consumer protection, unfair contract terms, or market regulation. This minimal intervention allows parties to tailor their agreements to their commercial needs and assures them that neither courts nor the state will arbitrarily alter the agreed terms (Beatson et al., 2010). In contrast, jurisdictions such as Iran, due to the influence of ethical or religious considerations, subject contract contents to broader scrutiny, thus reducing autonomy and predictability (Katouzian, 2016).

Contrary to the misconception that common law systems rigidly adhere to textual interpretation, English courts adopt a commercially realistic and purposive approach to contract interpretation. The focus lies not merely on the literal meaning of words but on their reasonable meaning in the contractual context and surrounding circumstances (McKendrick, 2021). This method preserves legal consistency while accommodating the complexities of modern contracts. Moreover, the judiciary's inclination toward equitable interpretation enhances contractual security by reassuring parties that courts will seek to enforce their commercial intentions as effectively as possible.

England has also developed one of the most advanced infrastructures for contractual dispute resolution through institutions such as the LCIA and various ADR mechanisms. Arbitration, especially in international commercial contexts, is highly favored for its efficiency, confidentiality, and technical expertise, and enjoys robust legal support (Redfern & Hunter, 2015). The Arbitration Act 1996, with its flexible and modern provisions, empowers parties to structure arbitration proceedings based on mutual agreement—an aspect that remains underdeveloped in systems like Iran's (Hosseini, 2012).

Although the principle of good faith has not achieved general recognition in English law as it has in civil law systems like France or Iran, English courts have increasingly applied analogous concepts—such as fair interpretation, the prohibition of abuse of rights, and the duty to cooperate—in a functional manner (Poole, 2016). In relational contracts, such as long-term

strategic partnerships, courts have begun to explicitly acknowledge duties of good faith (e.g., *Yam Seng Pte Ltd v ITC Ltd* [2013] EWHC 111).

In conclusion, English law—through the dynamic evolution of judicial precedents, strong commitment to contractual freedom, support for arbitration institutions, and pragmatic contract interpretation—has established a robust model of contractual security. Although it lacks a unified codified structure, it has proven more efficient than many codified systems in practice, garnering the trust of both domestic and international economic actors.

5. The Role of International Instruments in Enhancing Contractual Security

In the contemporary era, where cross-border commercial relations constitute a significant portion of economic interactions, reliance solely on national legal systems appears insufficient to ensure contractual security. In this context, international instruments governing contract law—particularly the UNIDROIT Principles and the United Nations Convention on Contracts for the International Sale of Goods (CISG)—play a pivotal role in establishing common frameworks, promoting uniform interpretation, and ensuring predictability in the enforcement of international contracts.

The UNIDROIT Principles, prepared by the International Institute for the Unification of Private Law, were first issued in 1994 and subsequently revised in 2004 and 2016. These Principles seek to provide a “neutral, international, and functional” framework for contract regulation, detached from any specific legal tradition (civil or common law) (Bonell, 2016). These instruments, particularly in international arbitration, have acquired the status of soft law sources and are often relied upon for interpretive guidance in contracts where no governing law has been explicitly chosen by the parties.

From a contractual security perspective, the UNIDROIT Principles possess distinctive features, such as:

- Recognition of the principle of good faith throughout the life of the contract
- Emphasis on purposive interpretation and the true intentions of the parties
- Flexibility in adapting to changed circumstances, including the possibility of fair modification or termination
- Provision for pre-contractual duties such as disclosure and liability for unfair negotiations

These elements encompass contractual security from negotiation to final performance, thereby preventing interpretive and behavioral disputes (Fauvarque-Cosson & Mazeaud, 2008).

The CISG, adopted in 1980, is one of the most influential international instruments in the domain of cross-border commercial contracts. Aiming to reduce the disparities among national legal systems in trade relations, the Convention strives to ensure stability and predictability in international sales through standard rules (Schlechtriem & Schwenzer, 2016). Key features of the CISG that enhance contractual security include:

- Clear definition of essential terms and the consequences of their breach
- Recognition of party intent as the principal criterion in interpreting obligations
- A balanced framework for suspension, modification, and termination in cases of fundamental breach or delay
- Emphasis on party cooperation and prevention of abuse of rights

Although the CISG applies only to the sale of goods, its legal mechanisms provide a practical and transferable model for other types of contracts.

Iran’s legal system, due to its foundation in Shi’a jurisprudence (fiqh), has traditionally been cautious toward international legal instruments. Nevertheless, many principles found in the aforementioned documents are reconcilable with Islamic jurisprudence and rational legal standards. For instance:

- The Islamic principle of *pacta sunt servanda* supports the UNIDROIT and CISG provisions on contract enforcement (Jafari Langeroudi, 2013)
- Rules on implied terms and fair conduct can be aligned with preconditions and *mu‘atat* contracts in Islamic law (Amid Zanjani, 2003)
- Doctrines such as *ghabn* (gross disparity) and *ikrah* (duress) can be interpreted broadly to correspond with concepts like “gross imbalance” under the UNIDROIT Principles

Despite these compatibilities, Iran's lack of formal accession to the CISG and limited attention to the UNIDROIT Principles in judicial practice constitute major obstacles to realizing the security-enhancing functions of these instruments (Hosseini, 2012).

The United Kingdom, while not a member of the CISG, extensively utilizes the UNIDROIT Principles and similar instruments in international arbitration and cross-border contracts. English courts, particularly in disputes involving foreign elements, refer to these instruments as complementary interpretative tools (Bridge, 2017). Moreover, in arbitration forums such as the LCIA and ICC, British parties frequently adopt the UNIDROIT Principles as their contractual framework. This openness to and engagement with international sources has contributed to the UK's emergence as a global hub for arbitration and international commerce, thereby reinforcing global contractual security.

International instruments like the UNIDROIT Principles and the CISG, by offering flexible, neutral, and culturally adaptable frameworks, play a vital role in strengthening contractual security. Iran's formal accession to the CISG and the integration of the UNIDROIT Principles into judicial and educational systems could be an effective step toward institutionalizing contractual security and attracting foreign investment.

6. Redesigning the Architecture of Contractual Security in Iran (Analysis and Proposals)

Despite the richness of Shi'a jurisprudence and general principles of obligations, Iran's legal system has yet to offer a coherent, predictable, and efficient structure for ensuring contractual security—particularly in the context of modern and international commercial relations. This deficiency has not only led to a lack of trust among economic actors but has also resulted in reduced domestic and foreign investment, as well as an increase in disputes arising from conflicting interpretations of contract terms. Thus, redesigning the architecture of contractual security in Iran is a legal, economic, and institutional necessity.

6.1. Challenges in the Current Structure

A) Conceptual and Structural Challenges

The legal foundation of contracts in Iran is based on Shi'a jurisprudence. Although this body of law is highly interpretive and adaptable, the absence of a codified, modern system of obligation rules has led judges to rely on individualized reasoning in each case. This practice results in inconsistent jurisprudence and diminished predictability (Katouzian, 2016). Consequently, even meticulously drafted contracts cannot guarantee uniform and reliable enforcement.

B) Institutional Challenges

Iran's judicial system is often slow, costly, and lacks specialized expertise, which directly undermines contractual security. Moreover, alternative dispute resolution mechanisms such as arbitration still lack sufficient legal backing, independence, and technical competence (Mehrpour, 2014). In the absence of effective arbitration and transparent jurisprudence, investors hesitate to enter into large-scale contracts in Iran.

C) Challenges in Embracing International Instruments

Iran has yet to join conventions such as the CISG, and the UNIDROIT Principles have not gained a foothold in legal education or practice. This has left international contracts concluded in Iran disconnected from globally recognized legal standards (Hosseini, 2012).

6.2. Proposed Solutions for Redesigning Contractual Security in Iran

A) Drafting a Comprehensive Law of Obligations

It is recommended that, following amendments to the Civil Code, a comprehensive statute on obligations and contracts be drafted based on Islamic sources, comparative legal principles, and international instruments such as the UNIDROIT Principles. Such legislation could consolidate the current scattered and sometimes conflicting rules, creating a clear and trustworthy legal environment for economic actors (Jafari Langeroudi, 2013).

B) Strengthening Arbitration and Dispute Resolution Institutions

Enacting a modern law in support of domestic and international arbitration could bolster confidence in this mechanism. Furthermore, establishing a National Private Arbitration Center staffed by retired judges and contract law specialists is proposed to ensure that arbitration attains its rightful prominence (Redfern & Hunter, 2015).

C) Enhancing Legal Education in International Contract Law

It is essential that international contract law instruments—such as the UNIDROIT Principles, Lando Principles, and the CISG—be incorporated into academic and professional training curricula. This would facilitate Iran’s legal convergence with global standards and mitigate legal risks in foreign contracts.

D) Institutionalizing Judicial Precedent

A formal system should be developed for publishing and granting binding status to judicial precedents, especially in contract law. This would enhance predictability in judicial behavior, akin to the practice in common law systems (Poole, 2016).

E) Reforming the Traditional Approach to Good Faith

Although the principle of good faith exists implicitly in Islamic law and Iran’s legal framework, it must be explicitly recognized by statute at all stages of contract formation, performance, and interpretation. In international instruments, this principle is central to contractual security; without it, the rights of the weaker party in a contract cannot be guaranteed.

7. Conclusion

Contractual security in Iran faces a multitude of theoretical, institutional, and international challenges. However, by adopting a hybrid approach rooted in dynamic jurisprudence, comparative law, and international standards, it is possible to redesign the contractual framework in a manner that maintains legal authenticity while meeting contemporary economic and commercial demands. For Iran to effectively integrate into the global trade network, a comprehensive revision of its contractual mechanisms is imperative. Contractual security is not merely a legal necessity, but a foundational pillar for building confidence among economic actors and fostering sustainable investment, production, and trade.

This study, through a comparative analysis of the legal systems of Iran and England, and by examining the role of international instruments such as the UNIDROIT Principles and the CISG, demonstrates that achieving contractual security requires a multi-layered, coherent, and efficient legal architecture—something that the current Iranian system significantly lacks. In Iran, the dispersion of legal rules, the absence of a unified judicial practice, the lack of explicit recognition of modern principles such as good faith, and the inadequacy of effective enforcement and arbitration institutions constitute the main barriers to achieving contractual security. In contrast, the English legal system—relying on the common law tradition, the evolution of case law, the practical incorporation of international instruments, and robust support for arbitration institutions—offers a sophisticated model for enhancing legal predictability and reducing contractual risk. Further, an analysis of the UNIDROIT Principles and the CISG reveals that these instruments—through their purposive interpretation, emphasis on good faith, contractual balance, pre-contractual liability, and flexible dispute resolution mechanisms—possess a high capacity to ensure contractual security. This capacity, with proper localization and alignment with Islamic jurisprudence, can also be effectively implemented in Iranian law. Based on the findings of this study, the following policy and practical recommendations are proposed:

Enactment of a Comprehensive Law on Contracts and Obligations

Iran needs a codified and systematic legal framework on contracts that draws upon Imamiyyah jurisprudence while also aligning with principles of comparative law, particularly modern international instruments. This law could serve either as a supplement to the Civil Code or as a redrafted version of its current Chapter Three.

Formal Accession to the CISG

Joining the United Nations Convention on Contracts for the International Sale of Goods (CISG) provides a direct pathway for harmonizing Iran’s commercial contract law with global legal standards. Accession would significantly enhance the international credibility of Iranian commercial contracts both legally and economically.

Incorporation of the UNIDROIT Principles in Arbitration and Legal Education

Through the adoption of official guidelines recognizing the UNIDROIT Principles in both domestic and international arbitration, Iran can gradually integrate its contract law with global legal norms. Moreover, incorporating these principles into the formal curriculum of law faculties across the country must be pursued seriously.

Strengthening an Independent and Specialized Arbitration Institution

The establishment of a National Contract Arbitration Center, composed of legal scholars and specialists in international contracts, would be a practical measure to improve contractual security. This institution must be granted full legal support and operational independence.

Redefining the Role of Good Faith

It is essential that the principle of good faith—recognized as a cornerstone of contractual security in many international instruments—be explicitly acknowledged in Iranian law and applied throughout all stages of contract formation, performance, and termination.

Publication and Mandatory Implementation of Judicial Precedents on Contracts

Enhancing the publication of key judicial decisions and the binding nature of unifying precedents in contract interpretation will promote legal consistency and predictability in contract law.

In conclusion, it must be emphasized that contractual security cannot be achieved solely through textual amendments to existing laws. Rather, it necessitates a cultural transformation in legal reasoning, academic discourse, institutional practices, and engagement with the international legal community. Achieving this objective demands the coordinated collaboration of the Judiciary, Parliament, universities, and economic stakeholders. Only in such an environment can the architecture of contractual security in Iran be revitalized and modernized.

Ethical Considerations

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

Acknowledgments

Authors thank all who helped us through this study.

Conflict of Interest

The authors report no conflict of interest.

Funding/Financial Support

According to the authors, this article has no financial support.

References

- Amid Zanjani, A. A. (2003). *Jurisprudence of Contracts and Obligations*. SAMT.
- Beatson, J., Burrows, A., & Cartwright, J. (2010). *Anson's Law of Contract*. Oxford University Press. <https://doi.org/10.1093/he/9780199282470.003.0016>
- Bonell, M. J. (2009). *An International Restatement of Contract Law: The UNIDROIT Principles of International Commercial Contracts*. Transnational Publishers. <https://doi.org/10.1163/ej.9789004177161.i-692.47>
- Bonell, M. J. (2016). *The UNIDROIT Principles in Practice: Caselaw and Bibliography on the UNIDROIT Principles of International Commercial Contracts*. Transnational Publishers.
- Bridge, M. (2017). *The International Sale of Goods*. Oxford University Press. <https://doi.org/10.1093/law/9780198792703.001.0001>
- Collins, H. (2008). *The Law of Contract*. Cambridge University Press.
- Fauvarque-Cosson, B., & Mazeaud, D. (2008). *European Contract Law: Materials for a Common Frame of Reference*. Sellier European Law Publishers. <https://doi.org/10.1515/9783866537255>
- Hosseini, A. (2012). Challenges of Implementing International Contract Norms in Iran. *Iranian Journal of Legal Studies*, 8(1), 59-74.
- Jafari Langeroudi, M. J. (2013). *Legal Terminology (Terminology of Law)*. Ganj-e-Danesh.
- Katouzian, N. (2016). *General Rules of Contracts*. Mizan Publishing.
- McKendrick, E. (2021). *Contract Law: Text, Cases, and Materials*. Oxford University Press. <https://doi.org/10.1093/he/9780192856548.001.0001>
- Mehrpour, H. (2014). *Judicial System in Iran: Challenges and Prospects*. SAMT.
- Poole, J. (2016). *Textbook on Contract Law*. Oxford University Press. <https://doi.org/10.1093/he/9780198732808.001.0001>
- Posner, R. A. (2003). *Economic Analysis of Law*. Aspen Publishers.
- Redfern, A., & Hunter, M. (2015). *Law and Practice of International Commercial Arbitration*. Sweet & Maxwell.
- Schlechtriem, P., & Schwenzer, I. (2016). *Commentary on the UN Convention on the International Sale of Goods (CISG)*. Oxford University Press. <https://doi.org/10.1093/law/9780198723264.001.0001>

Shiffrin, S. V. (2007). The divergence of contract and promise. *Harvard Law Review*, 120(3), 708-753.

Unidroit. (2016). *Principles of International Commercial Contracts (PICC)*. International Institute for the Unification of Private Law.