The Role of the Law Mandating Official Registration of Immovable Property Transactions in Achieving Transactional Transparency and Economic Security with Emphasis on the Experience of England

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Abstract

Achieving transactional transparency and economic security constitutes one of the most important objectives of advanced legal systems in the field of immovable property registration. In Iran, the enactment of the Law Mandating Official Registration of Immovable Property Transactions (2024) represents a turning point in the transformation of the registration system and in addressing challenges such as land grabbing, conflicting transactions, and document forgery. This law seeks allows to restore public trust in the property ownership system and to provide a foundation for legal and economic security by requiring the registration of all transactions through notarial offices and intelligent electronic systems. The present study aims to analyze the role of this law in promoting transactional transparency and economic security, with particular emphasis on the legal experience of England within the framework of the Land Registration Act 2002. The main research question is as follows: To what extent can the Law Mandating Official Registration of Immovable Property Transactions, similar to the English registration system, enhance transactional transparency and guarantee economic security? The findings indicate that achieving this objective requires the implementation of fundamental principles of registration law, including the mirror principle (transparency of ownership information), the curtain principle (protection of unnecessary information), and the principle of state guarantee in the issuance of title documents. A comparison with the English land registration system demonstrates that, without state-backed compensation mechanisms for registration errors and without the integration of registration data systems, the new law will face challenges in fully achieving its intended objectives. The research method adopted in this study is descriptive–analytical, based on a comparative examination of legal sources, judicial practices, and registration systems in the two jurisdictions.

Keywords: Official registration of transactions, transactional transparency, economic security, mirror principle, Land Registration Act 2002 (England), state guarantee.

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1. Introduction

The system of official registration of immovable property transactions constitutes one of the principal pillars for ensuring economic transparency, guaranteeing property rights, and preventing property-related crimes and violations. In contemporary societies, ownership is no longer regarded merely as an individual right but as an economic and social institution whose security directly influences economic growth, investment attraction, and public trust. In Iran, despite more than a century of experience in land and property registration, persistent challenges such as conflicting transactions, document forgery, land grabbing, and ambiguity regarding the legal status of properties have hindered the full realization of transparency in the real estate market. The enactment of the *Law Mandating Official Registration of Immovable Property Transactions* in 2024 may therefore be understood as an institutional and legal response to these problems (Javaherkalam, 2025; Tabatabaei Hesari, 2024). The law seeks to restore public confidence in the ownership system and establish sustainable legal order in the property domain by requiring all immovable property transactions to be officially registered through notarial offices and digital registration systems, thereby promoting economic justice and preventing corruption (Alijani & Javaherkalam, 2024; Tafaghodi Zare, 2023).

The significance of this legislation extends beyond the formal dimension of transactions and lies in the institutionalization of data-driven transparency within the registration system. The deployment of intelligent platforms, electronic inquiries, and mandatory registration of all transfers within a national ownership database enables legal processes related to property to become traceable, documented, and subject to supervision. Such developments ultimately strengthen public confidence in the real estate market and improve indicators of economic security (Aharon, 2023; Shahbazi et al., 2021). Nevertheless, effective implementation of the law requires advanced technological infrastructure, institutional coordination among the Registration Organization, notarial offices, banks, and financial institutions, as well as legal and technical training for actors operating within the registration framework. Comparative experience from advanced legal systems, particularly England, demonstrates that mandatory registration alone is insufficient to achieve transparency; rather, state guarantees concerning the accuracy of registration data and compensation mechanisms for administrative errors play a decisive role in establishing public trust (Fernado, 2021; Simon & Antonia, 2024).

In England, the Land Registration Act 2002 transformed official registration from a purely administrative procedure into an integrated legal–informational system administered through HM Land Registry. This system is structured around three foundational principles: the mirror principle, the curtain principle, and the principle of state guarantee. The mirror principle reflects complete transparency of a property's legal status within the register; the curtain principle prevents unnecessary disclosure of personal information; and the state guarantee ensures compensation for losses arising from registration errors. These principles collectively form the foundation of economic confidence in the English property market (Foody, 2024; Pawlowski, 2023). Comparison with the Iranian system indicates that although the new Iranian registration law represents a significant step toward transparency and anti-corruption efforts, further reforms remain necessary regarding protection of individual rights, integration of registration data, and the establishment of effective compensation mechanisms (Abdali Hassanvand et al., 2024; Roark & Fox O'Mahony, 2023).

The present study adopts a descriptive–analytical method with a comparative approach to examine the role of the Law Mandating Official Registration of Immovable Property Transactions in achieving transactional transparency and economic security. Emphasizing the English experience, the research proposes solutions for strengthening enforcement guarantees, improving intelligent registration systems, and establishing data-driven supervision over registration activities. The study aims to demonstrate that systematic and precise implementation of this law can constitute an effective step toward strengthening the rule of law, preventing property-related crimes, and enhancing citizens' trust in the national economic system (Oliinyk et al., 2022; van Oosterom et al., 2009).

2. Research Background and Literature Review

Several scholarly works have addressed issues relevant to the present study. Alijani and Javaherkalam (2024), in their article titled *Legal and Economic Analysis of Article One of the Law on the Mandatory Official Registration of Immovable Property Transactions*, examine Article One of the law from both legal and economic perspectives. Using a descriptive–analytical method, the authors analyze the provisions governing the electronic document registration system, the legal consequences of unregistered transactions, and their economic justification. Their findings suggest that although the legislator did not explicitly determine comprehensive sanctions for unregistered transactions, ordinary real estate transactions are practically rendered invalid, leaving restitution claims as the only admissible legal action; these outcomes are consistent with principles of economic analysis of law (Alijani & Javaherkalam, 2024; Javaherkalam, 2025).

Similarly, Tafaghodi Zare (2023), in the study *Review of the Law on the Mandatory Official Registration of Immovable Transactions*, analyzes the legal and executive dimensions of the legislation. By clarifying the objectives of the law—such as enhancing transparency, preventing disputes arising from informal documents, and stabilizing official ownership—the study also identifies implementation challenges, including the persistence of informal transactions and weaknesses in registration infrastructure. The author concludes by proposing reforms aimed at strengthening the official registration system and promoting legal and economic security (Tafaghodi Zare, 2023).

Abdali Hassanvand and colleagues (2024), in their comparative research *Drafting of Legal Acts in Real Estate Transactions in Iranian and English Law*, examine the formation of legal intent and contractual drafting in immovable property transactions across the two legal systems. The study demonstrates that, notwithstanding the principle of freedom of contract, the requirement of official documentation in property transactions is essential for maintaining public order and protecting third parties. While Iranian law requires execution of official deeds before notarial offices, English law recognizes formal validity through execution by the parties in the presence of witnesses, with non-compliance potentially leading to invalidity except under exceptional doctrines such as estoppel and trust (Abdali Hassanvand et al., 2024).

In foreign scholarship, Foody (2024), in the thesis *Unpacking Schedule 4 of the Land Registration Act 2002*, analyzes the concept of "mistake" under Schedule 4 of the English legislation. Through examination of recent Court of Appeal decisions, the author argues that a restrictive interpretation of "mistake" narrows judicial authority in rectification procedures and weakens the compensatory function of the registration system. The study emphasizes that the purpose of the Act is to balance security of registered title with the possibility of correcting errors, and therefore overly restrictive judicial interpretations conflict with the broader objective of registration justice (Foody, 2024).

Despite these contributions, the present research offers an innovative perspective. Unlike previous studies that separately addressed legal analysis of the 2024 law, administrative challenges of official registration, or formal comparisons between Iran and England, this article for the first time examines the role of mandatory registration legislation in achieving transactional transparency and economic security through the foundational principles of English land registration—the mirror principle, curtain principle, and state guarantee. It demonstrates that legislative success is not achieved merely through enactment but depends upon the establishment of compensation mechanisms, integration of registration data, and institutional guarantees comparable to those found in the English registration system (Fernado, 2021; Simon & Antonia, 2024).

3. Conceptual and Theoretical Foundations of Transactional Transparency and Economic Security in the Registration System

The conceptual and theoretical foundations of transactional transparency and economic security within land registration systems constitute the starting point for understanding the functional role of mandatory registration laws. Transactional transparency, in its simplest sense, refers to the clarity, reliability, and verifiability of information concerning ownership, boundaries, legal status, and encumbrances affecting immovable property. Transparency is achieved when ownership information and subsidiary rights are formally registered, digitally recorded, legally valid, and accessible under both substantive and procedural legal standards (Aharon, 2023; Simon & Antonia, 2024). Within this framework, concepts such as official deeds, authenticity of registration data, information integration, easements, legal status of property, and reliability emerge as fundamental elements of registration governance.

Economic security within the context of official registration refers to the reduction of transactional risks, prevention of conflicting claims, stabilization of property rights, and creation of a secure environment for investment and economic activity. The theoretical foundations of transactional transparency are grounded in principles such as reduction of information asymmetry, institutional accountability, assurance of data accuracy, certainty and finality of registration, and reliance protection for third parties (Oliinyk et al., 2022; Shahbazi et al., 2021). Economic theories of land registration further demonstrate that the more accurate, up-to-date, and legally reliable ownership data become, the greater the level of economic security and the lower the transaction costs within property markets (Roark & Fox O'Mahony, 2023; van Oosterom et al., 2009). Accordingly, transparency and economic security represent interconnected and foundational concepts; without the realization of one, the other inevitably remains incomplete.

3.1. Definition and Conceptual Clarification of Transactional Transparency and Economic Security in Official Registration

Numerous definitions of transparency have been proposed to date. In *Mo'in Persian Dictionary*, transparency is defined as any delicate or clear substance through which other objects may be seen—such as water, glass, or crystal—and is also used to describe something highly luminous or radiant (Moin, 2011). In political and social literature, transparency stands in contrast to concealment and secrecy and refers to a condition in which affairs are not hidden from public view and remain open to observation, supervision, and evaluation. As Chambers argues, transparency represents the opposite of processes conducted behind closed doors and removed from public scrutiny; wherever secrecy prevails, the quality of decision-making and its evaluability decline (Chambers, 2008).

When transparency is conceptualized as the opposite of secrecy, the concept extends beyond mere visibility and instead denotes the creation of mechanisms for oversight, accountability, and unobstructed access to information essential for assessing decisions, transactions, and institutional performance. Accordingly, transparency may be regarded as a form of the "right to know" and a mechanism for establishing public trust. Its significance becomes particularly evident within registration law, where lack of transparency may result in conflicting transactions, document forgery, concealment of third-party rights, or the emergence of insecurity within real estate markets. In the literature of land registration law and law-and-economics analysis, transactional transparency refers to the clarity of the legal status, ownership structure, limitations, and obligations attached to immovable property, enabling citizens and economic actors to evaluate property conditions with minimal informational cost and without ambiguity (Dolorier Quiroz et al., 2024). Transparency reduces transaction costs and legal risk because parties to a transaction can reliably verify that the transferor is the lawful owner, that the property is not subject to seizure or mortgage, and that no competing claims exist.

Conversely, **economic security** in the context of official registration refers to a condition in which the legal system provides individuals and enterprises with stable and reliable reliance on officially registered documents. Economic security is realized when owners are assured that their rights are protected from interference, transactions become predictable, and the state establishes effective mechanisms for safeguarding property rights (Oliinyk et al., 2022). In successful registration systems—such as Torrens-based models—the principle of conclusiveness of title combined with state guarantee ensures maximum security in property transfers and supports stable and low-cost real estate markets. Such security facilitates investment growth, urban development, and reduction of high-risk speculative behavior. Transactional transparency and economic security therefore maintain a mutually reinforcing relationship: the more accurate, accessible, and publicly reliable registration information becomes, the lower the likelihood of fraud, document falsification, conflicting transactions, or unlawful transfer of property, thereby enhancing economic security. Conversely, stronger legal protection of ownership rights encourages economic actors to register transactions officially, which in turn strengthens the registration data infrastructure itself.

3.2. Theoretical Foundations of Transparency and Security in Registration and Economic Systems

The theoretical foundations of transparency and security within registration and economic systems are grounded in property rights theory, social trust, and market efficiency. Transparency in registration systems refers to the clear disclosure of the legal status of property, including restrictions and obligations, in a manner that enables citizens and economic actors to make reliable, low-risk decisions based on verified and up-to-date information (Simon & Antonia, 2024). In governance and public administration scholarship, economic transparency is frequently associated with citizens' demands for access to governmental information and accountability mechanisms. In this sense, transparency involves providing clear and accessible information regarding decision-making processes, policy implementation, allocation of resources, and governmental activities in order to prevent deviations, abuse of power, and unpredictable institutional behavior (Shahbazi et al., 2021).

Economic theory further demonstrates that lack of transparency increases transaction costs, reduces market efficiency, and heightens risks of opportunistic behavior and misuse. Informational transparency reduces information asymmetry among market participants and enables more accurate assessment of risk and property value (Aharon, 2023). From a legal perspective, transparency and economic security are closely linked to the principles of certainty of title and state guarantee. Modern land registration systems—particularly Torrens-type systems—are designed on the assumption that officially registered ownership possesses conclusive legal validity and that the state functions as guarantor of legal and economic security. Within such systems, once ownership is registered, competing claims generally lose legal effect, thereby minimizing disputes and facilitating land transactions. This institutional structure simultaneously enhances investor confidence and promotes economic development, representing a successful integration of transparency and economic security within registration governance (Fernado, 2021).

Furthermore, economic property rights theory identifies transparency as a key determinant of economic security. When ownership rights are formally and transparently registered, owners gain confidence that their assets will not be arbitrarily challenged and can therefore engage in investment and economic activity with reduced uncertainty. Empirical governance and institutional analyses similarly demonstrate that strong regulatory and governance structures supporting reliable ownership information contribute to improved economic performance and reduced illicit real estate activities (Bui & Krajcsák, 2024). In simple terms, transparency in property registration benefits both individual owners and the broader economic system, elevating economic security from the micro level of individual ownership to the macro level of national economic stability.

4. Analysis of the Law Mandating Official Registration of Immovable Property Transactions in Iran

The *Law Mandating Official Registration of Immovable Property Transactions* (2024) has introduced a fundamental transformation in Iran's registration system and has been enacted with the aim of combating informal transactions, land grabbing, conflicting transactions, and document forgery (Tabatabaei Hesari, 2024; Tafaghodi Zare, 2023). By establishing integrated mechanisms—such as mandatory registration of all transfers in notarial offices, providing for a monitoring system for prior informal documents, and expanding the scope of electronic inquiries—the law seeks to create transparency across the transaction cycle (Alijani & Javaherkalam, 2024). From an economic and institutional standpoint, the law has the capacity to strengthen economic security by reducing transactional risk, stabilizing property rights, and lowering judicial disputes; however, its ultimate effectiveness depends on rigorous implementation, development of information infrastructure, interconnection of platforms, and the state's governance role in guaranteeing registration data (Aharon, 2023; van Oosterom et al., 2009). If fully implemented, the 2024 law can shift the national transactional structure from an informal, non-transparent, personal-trust-based model to a formal, data-driven, and predictable system. This shift, beyond improving transactional quality, can also enhance national indicators of economic integrity and reduce corruption (Shahbazi et al., 2021).

4.1. Structure, Objectives, and Innovations of the Mandatory Official Registration Law (2024)

An examination and analysis of the new 2024 law—considering its legislative background and prior legal and judicial disagreements—shows that it seeks to expand the scope of mandatory official registration to cover various legal acts related to immovable property. These include sale, settlement, exchange, gift, dispositive will, pre-sale of buildings, as well as long-term leases, settlement of usufruct, and lease-to-own arrangements. In addition, mortgage, waqf, usufruct exceeding two years, and easements have also been brought within the scope of mandatory official registration (Javaherkalam, 2025). The law extends even to obligations to perform such legal acts in relation to immovable property. For example, where a person transfers a property to another through a building pre-sale arrangement, without official registration of that contract within the registration system, the party will not be able to pursue legal entitlements arising from it.

One of the most significant innovations of the law is the replacement of traditional registration practices at notarial offices with an "electronic document registration system." This change, while reducing human error and increasing the speed of registration, enables the creation of an integrated and transparent information database regarding ownership status and transfers of immovable property (Alijani & Javaherkalam, 2024; van Oosterom et al., 2009). For instance, in the past, building pre-sale contracts or lease-to-own arrangements were often concluded outside official offices, leading to prolonged and complex disputes between parties. Under the electronic system, ownership and parties' obligations are formally and transparently recorded, enabling real-time verification for parties and judicial authorities.

Despite these advances, certain ambiguities and limitations remain. Early drafts and successive amendments explicitly provided invalidity as the sanction for failure to register certain legal acts; however, in the final version, the substantive status of unregistered transactions is not clearly defined, and instead, claims and evidence relating to them are declared inadmissible. For example, where a property is transferred without official registration, compelling the transferor to perform contractual obligations becomes unavailable, and only restitution of exchanged consideration may be pursued. This suggests that, rather than imposing absolute invalidity, the legislature has sought—consistent with a policy of avoiding market instability—to introduce functional constraints aimed at supporting order and transparency (Javaherkalam, 2025; Tabatabaei Hesari, 2024).

The new law also aims to reduce judicial disputes and enhance economic security in the property market. By mandating official registration and using an electronic system, owners and buyers can transact quickly and with confidence regarding a property's legal status, while risks of conflicting transactions or document forgery are minimized. For example, in situations where a single property has been sold to multiple parties, electronic registration and issuance of an electronic title can clarify priority of ownership and prevent costly and prolonged litigation. Overall, the 2024 law—through its emphasis on transparency, economic security, and dispute reduction—has introduced an important transformation in Iran's registration system. Its broad scope, the transition from traditional practice to an electronic system, and the introduction of restrictive mechanisms regarding unregistered transactions constitute among its key innovations. Nevertheless, practical implementation and alignment with existing judicial practices remain necessary for a complete assessment of its effects on the real estate market and the legal security of the parties.

4.2. The Law's Role in Enhancing Transactional Transparency and Economic Security in Iran

The 2024 *Law Mandating Official Registration of Immovable Property Transactions* may be regarded as a turning point in Iranian registration law because its central objective is to end informal transactions, enhance economic transparency, and reduce civil and criminal disputes connected to property and documentary practices (Tabatabaei Hesari, 2024). By realizing the principle of "officiality" for immovable property transactions, the law replaces a traditional system based on private contracts and informal documents with a data-driven, electronic, and supervisable framework. Prior to enactment, a substantial portion of real estate transactions occurred outside official offices, contributing to widespread disputes, fraud, and numerous judicial cases such as sale of property by a non-owner, multiple transfers of a single property, and denial of informal documents (Tabatabaei Hesari, 2024). With mandatory registration of all immovable property transactions in the electronic document registration system, the new law restricts the legal effectiveness of informal documents in this domain and eliminates the possibility of initiating claims grounded on them. Under Article 1, any legal act—including contract, unilateral legal act, waqf, mortgage, or long-term lease—whose subject is the transfer of ownership or benefits in immovable property must be recorded in the official system; otherwise, no claim or evidence concerning it is admissible before judicial, quasi-judicial, or administrative bodies (Alijani & Javaherkalam, 2024; Javaherkalam, 2025). In this way, the legislature has adopted a preventive approach: instead of adjudicating disputes after they arise, it seeks to prevent their formation by raising transparency and officiality, thereby strengthening legal security in property transactions (Simon & Antonia, 2024).

Beyond reinforcing ownership security, the law plays a key role in establishing "data governance" within Iran's registration system. Electronic registration creates an integrated national database of all property transfers, which has strategic relevance for governmental, tax, banking, oversight, and judicial institutions (van Oosterom et al., 2009). Coordinated access to such data can facilitate economic decision-making while also enabling prevention of corruption, sham transactions, and money laundering. By assigning clear duties to real estate consultants, notarial offices, and executive bodies, the law structures a regulated chain of legal and technical interactions designed to prevent collusion and data manipulation (Roark & Fox O'Mahony, 2023). Requiring consultants to input draft contracts into the system and route them to notarial offices limits unauthorized intermediaries and can improve transparency in real estate pricing and transaction documentation. Economically, integrated registration data strengthen investor confidence and reduce costs associated with property disputes. Accordingly, the

2024 law constitutes a significant step toward digitizing the registration system, enhancing economic justice, and reducing procedural delay. Replacing informal documents with digital official instruments not only increases transparency and transactional credibility but also reinforces public trust in the legal and ownership system, thereby playing a substantial role in improving transactional transparency and economic security in Iran (Aharon, 2023; Shahbazi et al., 2021).

5. Comparative Study of England's Official Registration System and Its Lessons for Iran

A comparative examination of England's official registration system shows that its foundational principles—the mirror principle, the curtain principle, and the principle of state guarantee—have significantly secured transactional transparency and economic confidence. The mirror principle holds that the registered title provides a complete and accurate representation of the property's legal status; the curtain principle removes from the purchaser's view those limitations or arrangements that do not require disclosure; and the state guarantee principle establishes governmental responsibility for compensating registration mistakes (Fernado, 2021; Foody, 2024; Pawlowski, 2023). Comparing these principles with Iran's system indicates that, although the 2024 law represents a major step toward transparency, the absence of robust state guarantee, lack of full system integration, and weaknesses in registering subsidiary rights may generate serious challenges (Javaherkalam, 2025; Tabatabaei Hesari, 2024). The English experience suggests that economic stability is achieved when official registration functions not merely as a tool for declaring ownership, but as a mechanism for guaranteeing it. Accordingly, Iran can strengthen the reform and evolution of its registration system by drawing on England's experience—particularly with respect to protecting third-party rights, establishing a registration-compensation regime, reinforcing cadastral data, and expanding institutional responsibilities—thereby securing transactional transparency and economic security on a sustainable basis (Simon & Antonia, 2024; van Oosterom et al., 2009).

5.1. Fundamental Principles of the English Land Registration System and Their Role in Achieving Transactional Transparency

The land registration system in England and Wales is founded upon clearly defined legal and legislative principles that form the basis of trust in the real estate market. One of these principles is the mirror principle, which provides that the information recorded in HM Land Registry must accurately reflect the complete legal status of the property, enabling a purchaser to determine, solely through inspection of the register, the rights and obligations affecting the land (van Oosterom et al., 2009). By ensuring clarity and full awareness of ownership status, this principle reduces information asymmetry and thereby enhances transactional transparency.

The second foundational principle is the curtain principle, which signifies that certain interests—particularly equitable interests arising under trusts—remain "behind the curtain" and do not need to be extensively recorded in the register so as not to burden transactional efficiency (Pawlowski, 2023). In other words, the land registration system should not become so complex that every interested party must investigate underlying trust arrangements or background documentation. This mechanism accelerates transactions and facilitates practical transparency by allowing market participants to rely on concise and functional registration data. Although this principle may be criticized from the perspective of absolute transparency, its commercial and legal utility has been widely accepted within the English property market.

The third principle is the insurance or state guarantee principle, according to which a registered owner or purchaser must be able to rely on the accuracy of the register and, if loss occurs due to error or fraud in registration, is entitled to compensation from the state or the competent authority (Fernado, 2021). Under this principle, transparency extends beyond mere disclosure of information and incorporates institutional responsibility and reliability. Transparency therefore becomes inseparable from accountability, as the legal system guarantees the dependability of registered data. Combined with compulsory registration in England and Wales, this legal structure provides the foundation for safer and more predictable property transactions (Roark & Fox O'Mahony, 2023).

For example, modern land registration reforms and digital strategies in England emphasize enhanced accessibility to land data and improved informational infrastructure, allowing purchasers to verify ownership identity, legal status, encumbrances, and transfer history directly through the register. When buyers can independently verify such information, transactional risk decreases and effective transparency is achieved (Roark & Fox O'Mahony, 2023; van Oosterom et al., 2009).

In comparison, Iran's land registration system has historically faced challenges including informal transactions, private contractual instruments, absence of a comprehensive national data repository, and limited access to ownership information. Many transactions—such as building pre-sales, long-term leases, or transfers conducted outside official offices—have generated legal uncertainty and extensive litigation within the property market. By contrast, the English system, through adherence to the mirror, curtain, and guarantee principles together with mandatory registration, has strengthened both transparency and economic security.

Nevertheless, even the English system is not immune from criticism. Contemporary scholarship has highlighted that the use of trusts and layered ownership structures may obscure beneficial ownership and potentially weaken full transparency in contexts involving economic crime (Simon & Antonia, 2024). Accordingly, transparency depends not only on official registration itself but also on public access to ownership data, integration with anti–money laundering mechanisms, and identification of ultimate beneficial ownership—objectives that the new Iranian registration legislation likewise seeks to pursue.

It can therefore be concluded that the foundational principles of English land registration—the mirror principle, curtain principle, and state guarantee principle—play a decisive role in strengthening transparency in real estate transactions. Through secure registration of property rights, accessible information systems, and guaranteed institutional responsibility, the property market becomes more transparent, secure, and efficient. Iran, through adoption of the *Law Mandating Official Registration of Immovable Property Transactions*, has taken an important step in this direction; however, full realization of these objectives requires strengthening supervisory mechanisms, advancing data-driven registration governance, and promoting a legal culture grounded in transparency, public information, and institutional accountability.

5.2. Comparative Evaluation and Reform Strategies for Iran's Registration System Based on the English Experience

As noted above, the legal system of England and Wales—by adopting title registration under the Land Registration Act 2002—operates through three foundational principles: the mirror principle, the curtain principle, and the insurance/state guarantee principle. Under this framework, registration in HM Land Registry must clearly reflect ownership status, restrictions, and third-party rights (Fernado, 2021). These principles enable a purchaser to ascertain the legal position of land by consulting the register alone, without extensive investigation into prior deeds and background documents. In Iran, the 2024 *Law Mandating Official Registration of Immovable Property Transactions* has likewise been enacted with the aim of enhancing transactional transparency and formalizing real estate registration; however, gaps remain that impede the full realization of transparency and economic security (Javaherkalam, 2025; Tabatabaei Hesari, 2024).

Building on this approach, the English experience demonstrates that transactional transparency and economic security depend heavily on an efficient system of registration inquiries. In England and Wales, transfers and proprietary rights are processed through HM Land Registry with reliance on online searches concerning ownership, restrictions, mortgages/charges, and transactional history. Before concluding a contract, a purchaser can verify the legal status of the property through official searches within registration and local authority systems, thereby minimizing the risk of conflicting transactions and subsequent disputes while strengthening institutional trust in the property market (Roark & Fox O'Mahony, 2023; van Oosterom et al., 2009). In Iran, the 2024 law—through the development and interconnection of platforms for integrated registration and information exchange among notarial offices, cadastral positioning and spatial matching of properties, and related inquiry systems linked to registries, municipalities, and judicial bodies—can potentially perform a function comparable to that of the English model. For example, requiring notaries to obtain real-time inquiries regarding ownership, seizure status, mortgages, and spatial conformity prior to executing an instrument can materially reduce the possibility of multiple sales of a single property or transactions based on forged documents. In this way, convergence of registration and inquiry systems within the 2024 framework can facilitate a transition from high-risk, personal-trust-based transactions to predictable, transparent, and secure transactions, while also providing the institutional foundation for strengthening economic security and reducing corruption in the property market (Alijani & Javaherkalam, 2024; Shahbazi et al., 2021).

A further strength of the English system lies in the state guarantee principle: if the register contains an error or a party suffers loss due to registration mistake or fraud, a compensation mechanism is available. In Iran's system, although Article 1 and its related provisions restrict claims based on unregistered instruments, and mechanisms are anticipated for recording ownership assertions and supporting documentation for legacy transactions, a systematic regime of direct compensation for registration error is not yet firmly embedded. Accordingly, drawing on the insurance/state guarantee principle can meaningfully enhance the legal security of property transactions in Iran (Fernado, 2021; Foody, 2024).

In light of the above principles, a first reform strategy for Iran, based on the English experience, is to develop a comprehensive compensation mechanism for losses caused by registration mistakes. The 2024 law's approach to liability of officials and related actors can be treated as an initial step, but it would benefit from expansion into an institutional system—such as an insurance mechanism or a dedicated compensation fund—capable of addressing any registration defect in a predictable and non-fragmented manner. Such a structure would increase public trust and reduce transactional risk, thereby strengthening economic security (Oliinyk et al., 2022; Simon & Antonia, 2024).

A second strategy concerns completing the mirror principle in practice. Where the law requires that transactional data and related public-law obligations be captured within the electronic registration system and anticipates data interconnection with other public institutions, expanding reliable accessibility of these data—within appropriate legal constraints—can reduce information asymmetry and increase purchaser confidence, consistent with the transparency rationale of title registration (Aharon, 2023; van Oosterom et al., 2009). In parallel, structuring the role of intermediaries and requiring integration of draft contractual information into the registration workflow can further strengthen monitoring capacity and transparency in real estate transactions (Javaherkalam, 2025; Roark & Fox O'Mahony, 2023).

A third strategy is the careful adaptation of the curtain principle to prevent the registration system from becoming unnecessarily complex while preserving market functionality. The aim is not to obscure essential rights, but to ensure that certain arrangements that do not require detailed public disclosure do not impose disproportionate burdens on transactions. In Iran, improving the design of legacy-claim registration and streamlining conversion pathways from prior documentation to official registration can reduce transfer costs and increase transaction speed without undermining transparency and economic security, provided that the system remains auditable and legally reliable (Pawlowski, 2023; van Oosterom et al., 2009).

Ultimately, through precise implementation of the 2024 law and structured learning from the English model, Iran can achieve a higher level of transactional transparency and economic security. Comparative assessment indicates that the 2024 law constitutes a meaningful step toward transparency and economic security, but reaching the operational performance of the English system requires strengthened executive mechanisms, reliable compensation guarantees, broader (yet legally calibrated) access to data, and reinforcement of a legal culture committed to official registration. Effective deployment of the electronic registration infrastructure, regulation of real estate intermediaries and notarial offices, and robust institutional interoperability among registration authorities, tax bodies, and judicial institutions can substantially improve achievement of transparency and economic security objectives (Alijani & Javaherkalam, 2024; Simon & Antonia, 2024; Tabatabaei Hesari, 2024).

6. Conclusion

The Law Mandating Official Registration of Immovable Property Transactions can be regarded as one of the most significant legal developments of the past decade within Iran's registration system, aiming to establish transparency in transactional circulation, prevent violations, and strengthen public confidence in the economic sphere. From legal, economic, and institutional perspectives, implementation of this law carries consequences that extend beyond the domain of land registration itself and are directly connected to the foundations of economic security and institutional trust within the country. A comparative analysis between Iran and England demonstrates that genuine realization of transactional transparency and economic security depends on three fundamental pillars: transparency of ownership information, legal certainty of registration, and state responsibility for registration errors. In the English legal framework, these pillars have been institutionalized through structured registration principles that allow individuals to rely confidently on land registration data when engaging in transactions. This reliability and certainty of registered information constitute the underlying basis for market confidence and economic stability.

In Iran, although the new legislation has been enacted with the objective of mandating official registration and eliminating informal property transactions, several essential prerequisites must be fulfilled to achieve its full potential. First, integration and interconnection among registration, taxation, banking, and municipal systems are necessary so that ownership information can be verified instantly and reliably. Second, the establishment of a comprehensive compensation mechanism for registration-related losses and the recognition of governmental responsibility for administrative errors are indispensable conditions for enhancing public trust and strengthening the legal credibility of the registration system. Third, empowering notarial offices and providing continuous professional training for notaries in registration technologies and data analysis can significantly improve the operational effectiveness of the law. Fourth, intelligent and electronic supervision of registration procedures should replace fragmented traditional monitoring structures in order to prevent corruption, forgery, and collusion in property transactions.

Drawing on the English experience, it may be concluded that transparency and economic security are achieved not merely through the proliferation of regulations but through the institutionalization of data-driven trust within the registration system. When citizens and economic actors possess confidence in the accuracy, efficiency, and comprehensiveness of registration data, incentives for official registration increase and reliance on informal and opaque transactions declines. Moreover, full implementation of the new law has the potential to substantially reduce property disputes, stabilize ownership relations, and enhance the efficiency of the judicial system. At a broader level, if accompanied by adequate technological infrastructure and effective supervision, the law may contribute to economic justice, attract domestic and foreign investment, and improve national performance in economic transparency indicators.

Accordingly, the Law Mandating Official Registration of Immovable Property Transactions represents a foundational step toward transitioning from a traditional registration model to a data-oriented and trust-based system. Its ultimate success, however, depends upon fulfillment of institutional, technical, and legal requirements and on constructive learning from effective international models such as the English land registration system. Continued structural reforms in the registration sector, recognition of governmental responsibility for registration errors, and expansion of technological capacity and professional training within notarial institutions can transform this law into one of the most effective instruments for achieving transactional transparency and economic security in Iran.

Ethical Considerations

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

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Conflict of Interest

The authors report no conflict of interest.

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