The Juridical and Legal Legitimacy of Digital Assets in the Metaverse

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Abstract

The metaverse is a novel and unprecedented entity that has emerged with technological advancements and has garnered attention in the fields of communication sciences, computing, and electronics. However, the unique characteristics of this space, particularly the possibility of conducting transactions and exchanges within the metaverse—entirely within a hyper-reality and virtual reality framework—necessitate a juridical and legal study of this phenomenon from this perspective. The fundamental question examined in this article is whether digital assets in the metaverse have legitimacy under Iranian jurisprudence and law. This article adopts a descriptive-analytical approach and examines the posed question using a library research method. The findings indicate that transactions conducted within the metaverse satisfy all essential conditions for the validity of transactions under civil law. However, in Imamiyyah jurisprudence, most jurists consider transactions based on tokens and cryptocurrencies as void or impermissible. Property is defined as something that can be exchanged and holds economic value. Since this concept has lost its traditional meaning due to political and economic transformations and is no longer confined to physical objects in contemporary commerce, it can be argued that from a legal perspective, the recognition of assets within this space is accepted. Although physical delivery and possession of assets in the metaverse are not possible, the fact that the transacted item exits the seller's ownership, enters the buyer's asset portfolio, and the buyer gains access to it constitutes a valid form of delivery.

Keywords: Metaverse, Ownership, Digital Assets, Property, Assets

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1. Introduction

The rapid advancement of modern technologies and their consequent fundamental changes in the global economic structure have introduced novel and unprecedented issues in the fields of jurisprudence and law. Analyzing and addressing these issues within the framework of legal reasoning has become an inevitable necessity. In reality, the universality of these advancements necessitates that governments and relevant institutions enact and publish laws and regulations governing this domain to effectively manage its social, legal, political, and economic consequences. The regulation of transactions within the newly established metaverse in Iran has also garnered attention, as failure to properly utilize this emerging force in the absence of explicit and precise legal frameworks may lead to numerous challenges. This issue has both theoretical and practical implications that affect financial relationships and transactions within the digital space, particularly those based on cryptocurrencies and tokens. Given the rapid expansion of transactions in this domain and the increasing interest of major corporations and enterprises, addressing this subject is of significant importance.

Over the past two decades, the expansion of cyberspace has facilitated the emergence of a new generation of virtual assets. The distinctive characteristics of these assets, particularly the ability to conduct financial transactions entirely within this vast digital environment, necessitate a jurisprudential and legal examination of their status. Since cyberspace lacks any tangible physical representation and everything within it is immaterial, the realization of property in the metaverse is met with skepticism. Whether the concept and instances of property are applicable and realizable within the intangible and non-physical space of the metaverse, and whether this phenomenon represents a novel and distinct category of virtual assets in the legal realm, first requires legal recognition and then the establishment of an appropriate legal regime. The crucial question is whether virtual assets can be analyzed within the framework of traditional non-virtual property classifications and integrated into the existing legal system of property and ownership. Additionally, the legitimacy of owning something that lacks physical existence and material dependence on an external base from the perspective of jurisprudence and law must be examined.

2. Digital Assets in the Metaverse

Virtual land ownership in the metaverse enables individuals and businesses to create their own exclusive spaces in the digital world, much like in the real world. The value of these virtual lands, similar to real estate, can appreciate over time, offering significant financial returns to early adopters. Virtual lands have a wide range of applications, including the construction of private homes, recreational centers, virtual businesses, galleries, or even entire digital cities. This emerging sector of digital real estate is rapidly becoming one of the economic pillars of the metaverse.

In response to this growing demand, various platforms have been developed for purchasing and developing virtual land. Some of these platforms emphasize user-generated content and creative freedom, while others utilize blockchain technology and non-fungible tokens (NFTs) to ensure the secure ownership of digital assets. One of the platforms that has attracted considerable attention is EarthMeta. With its user-friendly interface and realistic world design, this platform has become an ideal destination for purchasing virtual land, offering diverse opportunities for both novice and experienced investors to explore the metaverse. Unlike many metaverse platforms that focus on fictional or game-inspired environments, some virtual worlds offer a more realistic experience of land ownership. These platforms allow users to buy and develop land in real-world locations. This approach not only provides investors with a sense of familiarity but also enables creative and strategic development. Imagine owning a digital version of a famous city or historical landmark and transforming it into a virtual hub for global visitors, interactions, and participation. These platforms, with map-based interfaces and streamlined purchasing processes, have made it easier for investors to explore virtual real estate options (Apostol, 2025; Rekha, 2025).

As the virtual real estate market grows, selecting the right platform for purchasing land becomes increasingly important. Each platform offers unique features, benefits, and investment opportunities. Buying virtual land is not merely a high-risk investment; just like real estate, the value of metaverse land is determined by factors such as location, scarcity, and usability. Some virtual worlds replicate real-world geographic maps, while others present imaginative and creative realms that transcend the limitations of reality. Regardless of the environment type, land in the metaverse can be developed, leased, and even bought and sold, making it a viable investment strategy for those seeking entry into this emerging market (Uchechukwu, 2023).

A key factor in the success of these platforms is the growing trust in blockchain technology and NFTs. NFTs represent ownership of virtual land, with every transaction recorded on a decentralized ledger, ensuring transparency and security. This process eliminates many traditional property ownership issues, as ownership is permanently and verifiably registered on the blockchain. Platforms that integrate NFTs for land ownership provide a secure means of guaranteeing uniqueness and maintaining ownership without the need for third-party intervention (Kobylnik & Kateryna, 2024).

With an increasing number of users joining the metaverse for personal and professional purposes, the demand for virtual land is expected to rise. The potential opportunities for monetizing digital spaces—through leasing to businesses, advertisers, or event organizers—are substantial. Entire digital economies are emerging within these virtual worlds, where users can buy and sell land, digital goods, and services, further blurring the boundaries between the physical and virtual worlds. The purchase of virtual land in the metaverse is not merely a temporary trend; this market is rapidly evolving into a lucrative economic sector with real profit potential (Sisodia, 2023).

3. The Legitimacy of Ownership in the Metaverse from the Perspective of Jurisprudence and Law

This section examines the legitimacy of ownership in the metaverse from the perspective of jurisprudence and law.

3.1. The Concept of Non-Material Property in Jurisprudence and Law

In linguistic terms, the word "property" means a desired object, something possessed by an individual, and an asset with exchange value. The legal definition of property does not deviate significantly from its linguistic meaning. Although the Civil Code does not explicitly define property in its discussion of assets and instead focuses on its instances, the concept of property can be found in the views of legal scholars. It has been stated that property is something with exchange value that can be subject to transactions. Katouzian identifies two essential elements of property: first, that it must be useful and fulfill a material or immaterial need; second, that it must be capable of being allocated to a specific person or nation (Katouzian, 2021).

The common implication of these definitions is that an object is deemed property if it is socially accepted as an economically valuable entity, such that customary practice assigns an economic counterpart for its acquisition. This distinction is why the defining characteristic of property, as opposed to mere objects, lies in its exchange value (Pour Rahim Qorqachi & Amini, 2016). This exchange value applies equally to physical objects and non-material entities, without affecting the designation of an item as property. Legal scholars unanimously include non-physical entities within the definition of property (Katouzian, 2021; Katouzian, 2024).

The perspectives of non-Shia scholars on this matter are also worth considering. Some Hanafi scholars argue that property is limited to tangible and physical entities. However, the majority of Maliki, Shafi'i, and Hanbali scholars do not limit the definition of property to tangible items. For instance, Al-Suyuti, quoting Imam Shafi'i, states that anything with value, which is assessable in commercial transactions and subject to compensation if destroyed, qualifies as property. Sheikh Naqi Osmani asserts that customary business practices and prevailing conventions play a significant role in defining something as property. Accordingly, intellectual property rights, patents, trademarks, and goodwill—despite being intangible—are considered property because they hold substantial value in modern business and trade (Katouzian, 2024).

Therefore, according to customary practice, rational consensus, and the majority of both Shia and non-Shia scholars, the term "property" refers to an entity endowed with the attribute of "property status" or "exchange value," regardless of whether the entity is tangible or intangible. Consequently, in order to apply the concept of the metaverse to property, it is necessary to establish property status as an inseparable element of the definition of property.

3.2. The Concept of Property Status

Property, an *ajwaf waawi* noun, refers to assets and anything owned by a person. Initially, property referred to possessions of gold and silver, later extending to any tangible assets that were collected and stored. The central element in this definition is ownership, though there is a distinction between *property* and *ownership*, which will be addressed later. However, Mostafavi argues that there is no difference between property and ownership. Raghib explains that human possessions are called *property* because they are naturally desired and constantly transferred from one person to another, lacking permanence. Therefore, the non-permanence of property is an incidental characteristic (Raghib Isfahani, 2010).

An important point in the above definition is that some scholars believe the word *property* derives from *mayl*, making it an *ajwaf yaa'i* noun, whereas *property* actually originates from *mawl*. This is evidenced by its broken plural form (*amwal*) and its diminutive form (*muwaira*). A well-known grammatical rule in Arabic states: *"The diminutive, like the broken plural, returns words to their original roots."* Jurists have primarily discussed property in the context of the conditions for reciprocal consideration in contracts, though their opinions vary. One fundamental flaw in defining property is that it leads to circular reasoning. In other words, the definition includes the term being defined, which contradicts the logical principle that a definition must be clearer than the term itself (Raghib Isfahani, 2010).

A second definition equates property with *benefit* but only in a negative contractual sense. This definition does not provide a criterion for property itself but rather focuses solely on what does not constitute property. For instance, the author of *Jawahir* discusses the conditions of reciprocal consideration in contracts and states that anything that cannot be legally owned cannot be sold. He identifies the lack of benefit as the reason for such transactions' invalidity, citing examples such as the sale of cockroaches, scorpions, and other insects, concluding that their sale is invalid due to their lack of substantial benefit (Nurhidayat et al., 2022). Moqaddas Ardabili holds a similar view, stating: *"The sale of something that has no benefit is not valid."*. Sheikh Tusi also lists examples such as wolves and certain insects as items that cannot be considered property (Zaker Salehi, 2014). The author of *Miftah al-Karama* holds the same view regarding the subject of transactions, particularly sales, asserting that anything lacking benefit cannot be considered property and that taking payment for such things is unlawful and void (Fathi Zadeh, 1999; Hekmatnia, 2007; Zaker Salehi, 2014).

It appears that the inability to legally own something results in its lack of property status. The discussion about whether ownership is a necessary condition for property status arises in some legal interpretations. It is also worth noting that some items previously considered without value, such as wolves and milk, might not have been regarded as property in the past because people were unwilling to pay for them. However, in modern times, these same items have gained property status. This illustrates that an object may not be considered property at one point in time but can later acquire property status due to changes in societal customs and economic values. Similarly, something that was once considered property may later lose that status as its economic value diminishes. This supports the argument that property is a subjective construct and that different societies and time periods may assign property status to various items based on rational considerations.

A third definition involves restricting benefit to *rational benefit* through either a negative or positive contractual approach. Sheikh Ansari, who considers property status as one of the conditions for reciprocal consideration, states: *"Each party in an exchange must have property status because a sale is the exchange of property for property."* (Hekmatnia, 2017). This definition relies on the linguistic meaning of property, implying that anything lacking a rational benefit or prohibited by religious law is excluded from property status. For instance, Sheikh Ansari mentions that certain insects are not considered property because they have no commercial value and serve no rational purpose. He also cites pigs and wine as examples of items that, while possessing material benefits, lack *permissible* benefits under religious law. A similar definition is offered by the author of *Miftah al-Karama*, who argues that property in reciprocal transactions must be something customarily exchanged in commerce and possess a rational benefit that is also religiously permissible. Moqaddas Ardabili supports this view, stating that buying and selling anything that is religiously lawful and possesses a rational benefit is valid. Morteza Naraqi also adheres to this view, arguing that property status depends on rational benefit (Haghpanahan, 2023; Momen, 2023; Nurhidayat et al., 2022).

Despite the attempt to establish clear criteria for property, these definitions have limitations. For example, elements like light and air, though essential and possessing clear benefits, are not considered property due to their abundance, meaning that people are not willing to pay for them.

A fourth definition focuses on identifying the essential elements of property. Some jurists define property by analyzing its fundamental components, though they differ on what those components are. Mohaghegh Iravani, in his commentary on Sheikh Ansari's *Makasib*, states that two elements determine property status: (1) the object must fulfill a need, whether in worldly affairs or in religious practice, and (2) it must not be easily accessible without effort. He argues that these two conditions explain why property status varies, as determining whether something qualifies as property depends on both the level of societal need and the effort required to obtain it. For example, water by a riverbank is not considered property, but in a desert, it is. The farther it is from a water source, the higher its property value. He also notes that some things, such as money and jewelry, derive their property status purely from their role in transactions, even though they are not essential in themselves (Haghpanahan, 2023). Iravani concludes that formulating an exhaustive and precise definition of property is a challenging task.

Despite acknowledging this difficulty, an example of the shortcomings in his definition can be provided. Many items are considered property without requiring effort to obtain, such as discovering a treasure while digging a well. The treasure is valuable even though no effort was made to acquire it. Similarly, wild trees growing in an orchard can be sold for a significant price, yet their value does not correspond to any effort expended in their growth.

Na'ini identifies four essential elements for property status: (1) the object must have either benefit or utility, meaning it must be transferable and usable while remaining intact, like residing in a house, or it must be consumable, like food; (2) it must be rationally acceptable to possess due to its utility or benefit, whether permanently or occasionally; (3) it must not be so abundant or insignificant in value that rational individuals would not pay for it, such as a grain of wheat or river water; and (4) it must not be prohibited by religious law, meaning items like alcohol and pork do not qualify as property (Haghpanahan, 2023).

This analysis shows that Na'ini's criteria are structured logically. However, accepting the third criterion raises issues of circular reasoning. Furthermore, the fourth criterion is debatable. While some jurists argue that religious prohibitions eliminate property status, others believe that religious prohibitions only negate the legal consequences of property status without affecting its essence. Ayatollah Khoei supports the former view, while Imam Khomeini adheres to the latter (Haghpanahan, 2023; Zaker Salehi, 2014).

Ultimately, the definition of property remains contested. Morteza Motahhari argues that property is neither an inherent quality of objects nor a purely contractual designation. Instead, he asserts that property status arises from an interaction between an object's intrinsic characteristics and human needs, creating economic value (Motahhari, 2010, p. 117).

3.3. The Application of the Metaverse to the Concept of Property and Property Status

It is now necessary to apply the previously discussed concepts to the metaverse to determine whether the metaverse can be considered to have property status and whether it qualifies as property. Regarding the intangible, non-physical, and non-material nature of the metaverse, as previously stated, this characteristic does not exclude the metaverse from the definition of property. However, there may be doubts about whether it meets the conditions of property status, which must be examined.

3.3.1. Fulfilling and Addressing Needs

It may be argued that an object's utility derives from its ability to fulfill a human need, whether material or immaterial, whereas the metaverse does not fulfill any such need. However, in response, it should be noted that needs can be met in two ways. In some cases, an object possesses intrinsic value because it directly fulfills a human need, such as gold, clothing, or automobiles. In other cases, an object does not directly fulfill a need and lacks intrinsic value, such as banknotes, which are merely paper with no inherent worth. However, since money is used as a medium to fulfill human needs, it has an assigned economic value (Zaker Salehi, 2014). Although virtual land in the metaverse cannot be considered to have intrinsic value because it does not directly meet a need, it can function as a medium of exchange, similar to paper currency. Because the metaverse can be used as a tool for economic transactions and exchange, it is regarded as valuable and useful. Additionally, rational individuals are willing to pay money in exchange for it, which indicates that it holds economic value in society. Current statistics show that the number of users, participants, and adopters of the metaverse is steadily increasing daily. Therefore, according to the criteria by which an object acquires property status in customary and rational practice, the metaverse qualifies as property, meaning that it is both desirable among people and subject to competitive acquisition (Akbari, 2018).

Furthermore, some argue that the metaverse cannot be considered property because rational individuals in society are hesitant to recognize it as such due to its decentralized nature and the uncertainties surrounding it (Akbari, 2018). However, this reasoning is flawed, as the metaverse is highly desirable to those familiar with its market due to the benefits it offers, and there is no doubt about its customary recognition as property. Additionally, as previously mentioned, some forms of cryptocurrency are issued with backing and are supported by governments. Since such digital assets can be used for legitimate purposes, such as purchasing lawful goods and services, they are considered to have legally valid benefits, making their recognition as property under religious law permissible. Therefore, based on the previously discussed concepts, the metaverse, in all its forms and structures, qualifies as a type of property with assigned property status. This status is not granted by governments but rather is socially constructed and recognized by its users.

3.3.2. Existence and Determinability

The objects exchanged in the metaverse are virtual, or in other words, non-physical; the subject matter of contracts in this space has no external physical existence. This raises the question of how the transaction of a non-existent object can be valid. In response, it should be clarified that when discussing virtual objects, reference is being made to items that exist within the digital environment. This leads to the further question: does anything truly "exist" in virtual space? Some scholars argue that this issue requires a functional analysis rather than a purely philosophical one. In digital environments, a virtual object is essentially a collection of data that users can distinguish from other digital elements. This means that every piece of data in a digital space is represented in a specific form within the virtual world, and users engage with these objects in a direct and tangible manner (Zaker Salehi, 2014).

Moreover, most legal and jurisprudential concepts are based on subjective constructs whose existence is recognized through customary social acknowledgment, with legal effects imposed on them by lawmakers. As previously stated, property is an abstract concept and does not necessarily require a tangible, physical subject. One classification of property is based on its physical nature or external manifestation. From this perspective, property is divided into material and immaterial categories. Immaterial property has no external or physical existence and cannot be touched or pointed to; rather, it exists in a conceptual and legal sense. In other words, although it lacks physical embodiment, its existence and value are recognized by custom, and it is legally acknowledged (Zaker Salehi, 2014). This applies to all forms of intellectual property rights, including copyrights and patents. These types of property arise from societal needs and requirements, and as societies progress, their scope continues to expand. One of the latest examples of such property is digital data, which manifests in specific forms within virtual environments. Therefore, virtual objects cannot be excluded from the category of property merely because they lack external embodiment.

In Iran’s legal system, following Islamic jurisprudence, the concept of property applies not only to tangible objects but also to actions and benefits. Financial rights are also recognized as property when they possess economic value. It appears that by expanding the definition of tangible property, digital data can be classified as *'ain* (a legal term for corporeal objects). In legal terminology, *'ain* is defined as something that, if physically present, possesses dimensions of width, depth, and length (Kobylnik & Kateryna, 2024). Digital data undoubtedly lacks these physical attributes. However, the purpose of the traditional definition of *'ain* is to distinguish it from benefits, actions, and financial rights, not to exclude conceptual assets. Accordingly, the scope of *'ain* should be expanded in response to evolving needs and legal developments (Haghpanahan, 2023; Momen, 2023).

This perspective is reinforced by the views of some scholars who argue that external embodiment is not a necessary condition for something to qualify as property (Akbari, 2018; Haghpanahan, 2023; Katouzian, 2021; Nurhidayat et al., 2022). Additionally, some jurists explicitly state that information is a form of property and can be the subject of transactions (Fathi Zadeh, 1999; Hekmatnia, 2007). Based on this reasoning, virtual data is a type of information that can be legally transacted in contemporary law. Therefore, it can be concluded that objects in the metaverse, despite lacking external embodiment, can be regarded as virtual *'ain* with assigned value and benefits. Transactions involving such objects, provided they meet other legal conditions, are valid and enforceable.

3.3.3. The Ability to Be Traded

One of the most significant factors necessitating the involvement of legal systems in virtual spaces, including newly established environments such as the metaverse, is the possibility of virtual transactions or, in other words, commercial exchanges within this space. These transactions take place in the form of buying and selling virtual real estate, properties, goods, and digital assets. Metaverse developers typically sell virtual land plots to users as empty spaces, allowing them to create any structure they wish, such as hotels, art galleries, educational institutions, cinemas, or even stadiums. Virtual landlords consider what to build on their land in order to charge users for accessing the services provided. Purchasing land is one of the most popular ways to generate income in the metaverse, as virtual ownership can be an investment that appreciates over time. Just like in the real world, individuals can act as real estate brokers in the metaverse, assisting others in buying and selling land and earning a percentage of successful transactions. Some investors in the metaverse own vast amounts of virtual land, and real estate brokers help them sell these assets at higher prices in exchange for commission fees (Apostol, 2025; Katouzian, 2024; Kobylnik & Kateryna, 2024; Uchechukwu, 2023).

If a person owns a small, medium, or large parcel of land in the metaverse, they can lease it to game developers, digital entrepreneurs, or individuals who cannot afford to purchase land. The lessees can then operate their businesses on the rented land, while the landlord generates passive income through rent. Users can also establish businesses in the metaverse and begin selling digital assets. One potential business idea is hosting live concerts and performances, as previously mentioned. Numerous business opportunities exist in this space for revenue generation. For instance, game developers can create games within the metaverse—similar to platforms like *The Sandbox*—and generate income as the game's popularity increases (Apostol, 2025; Rekha, 2025).

Since a vast number of virtual land plots exist in this space, after purchasing land, investors may not know how to develop their property. Metaverse architects and designers can assist landowners in constructing various structures on their plots and profiting from them. The metaverse can replicate real-world activities, including advertising and creating competitive markets for brands and even retail businesses. Currently, in-game advertising has evolved into a multi-billion-dollar industry. Beyond online gaming environments, virtual shopping centers have also become primary spaces for advertising and marketing. Over time, this interactive digital environment is expected to transform into a massive commercial channel with a high financial turnover, providing significant revenue opportunities for businesses (Kobylnik & Kateryna, 2024).

These are examples of the transactions and commercial exchanges taking place within the metaverse. To formally recognize these transactions within the Iranian legal system, the legal status of trades involving cryptocurrencies such as Bitcoin and non-fungible tokens (NFTs) must be clarified. The stance of Iranian legislators and government authorities on this matter remains passive and ambiguous, as no clear legal position has been adopted.

4. Conclusion

The challenge of whether metaverse assets qualify as property can be resolved through the acceptance of customary legal principles regarding property status. According to this analysis, the only way to establish the property status of an object is through its customary exchange. If transactions in the metaverse gain widespread global acceptance and the subject matter of such transactions is legally permissible, these exchanges will be considered valid. The lack of a physical form in the traded assets is not a valid objection because the absence of physical embodiment does not prevent something from being legally recognized as property. By expanding the legal definition of *'ain* (tangible property), digital assets can be considered a form of digital *'ain.*

In assessing the property status of assets in the metaverse, a general principle can be applied: any item that has economic value and meets the criteria of transferability and usability is considered property. In jurisprudence and law, property is defined as something that meets two fundamental conditions: (a) it must be useful and fulfill a human need (whether material or immaterial). Additionally, some jurists define property based on customary standards, assigning the recognition of property status to societal conventions. From this perspective, the concept of property is determined by customary and linguistic definitions rather than requiring specific religious validation. According to common understanding, anything that is desirable, valuable among people, beneficial, and fulfills human needs—leading people to compete for its acquisition—qualifies as property.

The items exchanged in metaverse transactions, whether categorized as objects, goods, digital productions, or virtual assets, align with the legal and jurisprudential criteria for property status and can be considered property. Consequently, these assets can be classified as virtual property and officially recognized within the legal framework governing assets and ownership.

Regarding the ability to transfer ownership of these assets, Article 367 of Iran's Civil Code defines *delivery* as follows: *"Delivery is the act of placing the sold item under the buyer's control in a manner that enables them to exercise all forms of possession and benefit."* The realization of this concept is largely a matter of customary and practical perception. According to this provision, the intention is that the subject of a transaction must be placed under the buyer's control in a manner that customary practice recognizes as ownership. Sometimes, this control is achieved through physical possession, while in other cases, physical possession is not required. The linguistic meaning of *qabdh* (seizure or possession) implies that it is an action taken by the buyer, meaning the buyer must exert control over the subject of the transaction. Since in many transactions, physical seizure is not practically possible—yet the legal consequences of possession still apply—the concept of *qabdh* should be understood as *legal dominion* over the asset rather than physical possession.

In the metaverse, the transfer of ownership by the seller functions similarly to real-world transactions. According to Article 367, possession refers to gaining control over an asset and the ability to benefit from it. Although digital assets in the metaverse lack a physical dimension, and direct hand-to-hand delivery is not possible, virtual delivery to the buyer grants them effective control over the asset, allowing them to use and benefit from it. Since virtual assets exist in digital form and both parties are fully aware of the subject matter and its characteristics, the requirement of certainty and determinability is met, eliminating any concerns of uncertainty (*gharar*), thus ensuring the validity of the transaction. Consequently, in metaverse transactions, possession (*qabdh*) is defined as the buyer's ability to exercise control over the virtual asset, rather than physical receipt.

In practice, a seller transfers the asset to the buyer's digital portfolio, completing the delivery process. The transaction in the metaverse typically occurs as follows: the buyer first transfers cryptocurrency tokens as the purchase price and requests the seller to transfer ownership of the virtual land or other digital asset. This ownership transfer is executed through pre-defined protocols, instantly removing the asset from the seller's portfolio and permanently registering it under the buyer's ownership, thereby simultaneously completing the act of *qabdh* (possession) and *iqbadh* (delivery).

Although this subject has not yet been legislated or analyzed in Iran's legal framework, transactional matters have never been neglected in Islamic jurisprudence and law. Based on the principles of *ibaha* (permissibility) and *sihha* (validity), such transactions can be considered lawful. Under Iranian law, as long as a transaction meets the essential conditions for contract validity outlined in Article 190 of the Civil Code, there is no fundamental difference between transactions in the physical world and those in the metaverse. However, since the Civil Code defines a sales contract as *"the transfer of tangible property in exchange for a known price,"* metaverse transactions, which involve non-physical assets, do not fit neatly within this definition. This issue could be resolved if legislators amend the definition of *sale* to *"the transfer of property in exchange for a known price."*

Additionally, under Article 10 of the Civil Code, metaverse transactions can be legally recognized as *innominate contracts* (*'uqud ghayr musamma*), as long as mutual intent is communicated and agreed upon by both parties. In contract law, the general rule is that agreements are consensual, and the declaration of intent can be made through conventional means such as words, gestures, or actions demonstrating mutual consent. In metaverse contracts, the method of expressing intent differs from traditional contracts but remains fundamentally the same. Since contractual intent in the metaverse is conveyed through digital messages and online transaction portals, these agreements can be legally recognized under *innominate contracts.*

As Iranian contract law upholds the principle of *freedom of contract* and recognizes private agreements unless they explicitly contradict the law, metaverse transactions should be deemed valid. Since these transactions do not violate *public order* or *morality*—the primary limitations on contractual freedom—they should be legally permissible as long as they do not involve uncertainty (*gharar*) or usury (*riba*). Therefore, jurists and legal scholars should work toward formalizing these transactions under *innominate contracts* within Iran's legal system.

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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