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The Function of Standardized Contracts in Ensuring Transparency and Legal Security in Immovable Property Transactions (A Critical Analysis)

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ABSTRACT

The phenomenon of standardized contracts in immovable property transactions represents one of the prominent manifestations of transformation within the private law system and the transition from the absolute dominance of individual autonomy toward institutional governmental regulation in transactional relations. These contracts are designed with the objective of harmonizing contractual provisions, reducing ambiguity, and enhancing predictability in transactional relationships. Within the framework of the Law on Mandatory Official Registration of Immovable Property Transactions (enacted in 2024), they function as an effective instrument for ensuring transparency and legal security. At the same time, although contractual standardization contributes to acceleration and efficiency within the registration system, it raises fundamental challenges from the perspective of contractual justice and the protection of the weaker party's autonomy of will. Employing a descriptive–analytical approach grounded in comparative examination, the present study explains the nature, functions, and limits of the juristic and legal legitimacy of standardized contracts in immovable property transactions and demonstrates that the legitimacy of such contractual frameworks depends upon compliance with principles of transparency, procedural justice, and the public interest.

Keywords: *Standardized contracts; Immovable property transactions; Legal security; Contractual transparency; Transactional justice*

Introduction

The transformation of contract law throughout the twentieth and twenty-first centuries reflects a transition from the contract as an expression of individual will to the contract as an instrument for regulating economic relations. This transformation, particularly within the context of immovable property transactions, has led to the emergence of a new phenomenon known as standardized or uniform contracts. In such contracts, individual contractual freedom is replaced by pre-drafted templates and regulatory structures. Within this framework, the contract is no longer merely a symbol of mutual consent but functions as a mechanism for ensuring order, transparency, and public trust in economic relations (1, 2).



In the Iranian legal system, which is grounded in Imami jurisprudence and the principle of autonomy of will, the emergence of standardized contracts raises fundamental questions concerning the relationship between freedom of contract and public order, as well as the legitimacy of limiting private consent in pursuit of collective welfare. On the one hand, Article 10 of the Iranian Civil Code and the jurisprudential principle of fulfilling contracts emphasize the primacy of individual will and the binding force of private agreements. On the other hand, economic and social necessities require regulatory state intervention to guarantee transactional balance and procedural justice (3, 4). This duality constitutes the core theoretical issue surrounding standardized contracts. From an economic perspective, contractual standardization serves as a means of reducing transaction costs, increasing predictability, and strengthening legal security; however, from the standpoint of contractual justice, there exists a risk that the will of the weaker party may be diminished under structural dominance exercised by powerful institutions (5, 6). Accordingly, analyzing the function and legitimacy of standardized contracts requires a multidimensional approach integrating jurisprudential, legal, economic, and institutional dimensions within a coherent analytical framework.

In light of the *Law on Mandatory Official Registration of Immovable Property Transactions* (enacted in 2024), these questions have gained increased importance, as the legislation seeks to institutionalize transparency and legal order in the real estate market through mandatory registration and the use of standardized contractual forms (7, 8). Consequently, the relationship between contractual standardization and legal security is no longer merely theoretical but has become a central axis of private law policymaking in Iran. The present study therefore aims to demonstrate that standardized contracts, despite promoting efficiency and transactional order, attain juristic and legal legitimacy only when aligned with principles of justice, transparency, and collective welfare. A critical analysis of this phenomenon is significant because it clarifies how the Iranian legal system may adapt to the requirements of the regulatory state while preserving its jurisprudential foundations (2, 6).

Theoretical and Conceptual Foundations of Standardized Contracts

The phenomenon of standardized contracts arises from the evolution of classical contract theory and the transition from an individualistic conception of autonomy of will toward a collectivist model of regulating private relations. In contemporary societies, the massive volume of transactions, the complexity of economic relations, and the need for speed and coordination in exchanges have directed legal systems toward accepting contractual forms that organize agreements within predetermined and uniform frameworks. Standardized contracts represent an attempt to balance contractual freedom with economic order. On the one hand, by reducing transaction costs and facilitating contract formation, they enhance market efficiency; on the other hand, by limiting the scope of individual autonomy, they carry the inherent risk of becoming instruments of economic domination and undermining contractual justice.

A precise understanding of the nature, objectives, and consequences of standardized contracts therefore constitutes a prerequisite for analyzing their function in ensuring transparency and legal security in immovable property transactions. Such understanding must be examined both from a theoretical and conceptual perspective—namely their relationship with foundational principles of contractual freedom and commutative justice—and from a functional and economic perspective concerning their role in optimizing transactional relations.

Definition and Nature of Standardized Contracts

Conceptual Analysis of Adhesion and Standard Contracts in Comparative Legal Systems

Adhesion contracts and standardized contracts are among the defining phenomena of contemporary law, emerging from industrial and economic developments of the twentieth century. Their common characteristic lies in the predominance of pre-formulated unilateral will over contractual content, such that the other party typically retains only the option to accept or reject the agreement rather than negotiate or modify its terms (2). For this reason, legal literature—particularly within the French legal tradition—refers to such agreements as *contrats d'adhésion*, while Anglo-American law recognizes them as adhesion contracts or standard form contracts.

In French law, recognition of adhesion contracts dates back to the post-Second World War period, when the need for economic order and consumer protection led to limitations on the classical principle of contractual freedom in favor of economic public order (9). Within this system, standardized contracts are regarded as regulatory instruments through which the state, via limited intervention, approves or supervises contractual templates to preserve fairness and transparency in transactional relations.

By contrast, the legal systems of England and the United States historically maintained stronger adherence to freedom of contract, imposing controls on standardized agreements primarily through judicial doctrines such as unconscionability rather than comprehensive legislation (10). Consequently, intervention in these jurisdictions is predominantly judicial rather than legislative, allowing courts to invalidate unfair clauses upon finding inequality in bargaining power between the parties (11).

German law likewise assigns a prominent role to standardized contracts. The German Civil Code establishes detailed rules governing standard terms, invalidating any provision that creates a significant imbalance between the rights and obligations of the contracting parties (12). This approach—stemming from a synthesis of welfare-state legal theory and protection of the weaker contracting party—has become a model for numerous European legal systems.

In Iranian law, although the concept of adhesion contracts is not explicitly mentioned in the Civil Code, contemporary legal doctrine and judicial practice recognize them within the framework of Article 10 of the Civil Code and the general rules of contracts (13, 14). Many banking, insurance, and public service agreements fall within the category of standardized contracts. Nevertheless, the absence of a specialized supervisory regime governing such contracts creates the risk of undermining commutative justice and weakening the autonomy of the weaker party, particularly in immovable property transactions, which hold substantial economic and legal significance.

The Relationship Between Standardized Contracts, Freedom of Contract, and Transactional Justice

The principle of autonomy of will, rooted in classical legal individualism, constitutes the foundation of contractual validity in both civil law and Islamic jurisprudence of transactions. Pursuant to Article 10 of the Iranian Civil Code, individuals may conclude any contract within the limits of law provided it does not expressly violate statutory provisions. This rule reflects the well-known jurisprudential maxim that contracts derive their validity from intention, recognizing will as the source of contractual legitimacy and binding force (3, 15).

However, the transformation of economic structures and the expansion of organized economic relations have challenged the classical understanding of contractual freedom, particularly within standardized contracts. These agreements are products of the industrial age and impersonal economic relations, where individualized negotiation

and bargaining have largely disappeared. Contractual terms are predetermined, and the weaker party is often compelled to accept them. This situation creates tension between formal freedom and substantive justice: although parties appear formally free to contract, economic and social pressures effectively compel acceptance of pre-drafted conditions (2, 16).

Standardized contracts thus grant a form of “restricted freedom.” Freedom exists at the formal level, yet the substance of the agreement is predetermined by institutions, corporations, or governmental authorities. From the perspective of legal philosophy, this reflects a transition from individual autonomy toward regulated freedom—often described in comparative law as freedom within a structured framework (17). Such an understanding acknowledges that in complex economic environments, safeguarding justice and legal security may require relative limitations on contractual autonomy in order to prevent domination and injustice.

From the standpoint of transactional justice, standardized contracts are legitimate only when their structure prevents substantial imbalance between the rights and obligations of the parties. Justice in contract law does not imply mathematical equality but rather a reasonable equilibrium within binding legal relationships (16, 18). Whenever a standardized contract places one party in a position of economic or legal subordination, it loses its moral and legal legitimacy and becomes subject to judicial or legislative supervision.

In Iranian law, although standardized contracts—particularly in immovable property transactions and public services—have become increasingly widespread, principles such as public order limitations and the jurisprudential rule prohibiting harm function as corrective mechanisms governing such agreements (4). Accordingly, the relationship between standardized contracts and freedom of will should be understood as regulatory and interactive rather than antagonistic. In this sense, contractual autonomy within standardized agreements is not absolute but remains valid only within the framework of social welfare, commutative justice, and economic public order.

Objectives and Legal–Economic Justifications of Standardized Contracts

The Role of Standardized Contracts in Reducing Transaction Costs, Accelerating Transactions, and Enhancing Public Trust

Standardized contracts, as one of the institutional mechanisms of contemporary economic and legal systems, play a fundamental role in reducing transaction costs and increasing market efficiency. According to institutional economic theory, as developed by Ronald Coase and Douglass North, an effective legal order must minimize the costs associated with searching, negotiating, monitoring, and enforcing contracts, since these costs directly influence economic efficiency and legal stability (19, 20). From this perspective, contractual standardization constitutes one of the principal instruments for achieving this objective.

Within traditional contractual systems, each transaction required an extensive process of negotiation, drafting individualized provisions, and examining specific contractual conditions. Such processes were not only time-consuming but also increased litigation expenses and legal risks. Standardized contracts, by eliminating diversity and ambiguity, reduce expenditures of time, cost, and human resources and enable the rapid and secure conclusion of agreements (1, 21). In effect, standardized forms operate as institutional infrastructures that prevent repetitive negotiations and create substantive stability within transactional relations.

Moreover, standardized contracts play a significant role in ensuring transparency and strengthening public trust. When contractual terms are predetermined and published through official templates, the possibility of subjective interpretation, exploitation of legal ignorance, and disputes concerning contractual content is substantially reduced.

Consequently, transactional relations between natural and legal persons become more transparent, and public confidence in the legal and economic system increases. This issue assumes particular importance in immovable property transactions, where a considerable portion of a society's social and economic capital is concentrated (4, 22).

Contractual transparency itself represents an essential manifestation of legal security, which is widely regarded as a cornerstone of sustainable economic development. The more transparent, documented, and predictable contracts become, the greater the confidence of investors and citizens in the legal system (1, 20). Accordingly, contractual standardization, together with mandatory official registration of transactions, constitutes two complementary pillars for achieving order and legal security in immovable property transactions: one operating at the level of substantive legal content and the other at the level of form and evidentiary certainty.

Nevertheless, the mere existence of standardized contracts does not automatically guarantee justice or transparency. In the absence of effective legal supervision and institutional transparency, standardized forms may transform into instruments of domination by powerful institutions. Therefore, the economic efficiency of standardized contracts becomes legitimate and sustainable only when accompanied by principles of distributive justice and protection of the weaker contracting party—an objective requiring precise regulatory intervention by legislative and judicial authorities (2, 23).

Critical Evaluation: Standardization—Efficiency or the Weakening of Individual Autonomy

Although contractual standardization is frequently regarded, from economic and managerial perspectives, as a mechanism for improving efficiency and reducing transaction costs, it raises a fundamental theoretical and philosophical question: does such efficiency ultimately come at the expense of individual autonomy and the substantive essence of contractual freedom? Addressing this question requires clarification of the relationship between efficiency and justice, as well as examination of how institutional structures influence the will of contracting parties.

At first glance, standardization—particularly in immovable property transactions—offers undeniable advantages. By harmonizing contractual provisions and reducing ambiguity, standardized forms prevent conflicting interpretations, enhance legal predictability, and reduce litigation (1, 20). Likewise, in markets characterized by high transaction volumes and the need for rapid contractual formation, such as land registration systems or urban service frameworks, standardized contracts strengthen institutional efficiency and legal order (21).

However, the same feature of predetermined contractual terms may diminish the element of genuine consent that constitutes the foundation of contractual legitimacy. Under such circumstances, individual will ceases to create obligations independently and instead performs merely the function of accepting a preconstructed will (16). The contract thus shifts from being an instrument of free will to an administrative mechanism governing economic behavior—a transformation described as the movement of contract from the domain of private autonomy into the sphere of public administration of social relations (2).

Western legal systems have attempted to mitigate this risk through judicial and legislative oversight mechanisms governing standardized contracts. In Germany, detailed statutory provisions control unfair contractual terms and invalidate clauses that create substantial imbalance between parties' rights and obligations (12). Similarly, reforms of the French Civil Code introduced fairness-based standards into adhesion contracts, integrating substantive justice considerations into contractual regulation (17).

In Iranian law, although the Civil Code does not explicitly regulate standardized contracts, general principles—such as contractual freedom within legal limits and public order restrictions—together with jurisprudential doctrines such as the prohibition of harm, provide potential mechanisms for supervision and adjustment. According to the rule prohibiting harm, any contractual condition causing unjust detriment to one party and disrupting commutative justice lacks legitimacy (4, 24).

Accordingly, the legitimacy of standardized contracts within the Iranian legal system depends upon adherence to corrective principles and preservation of substantive justice. Standardization becomes legitimate and efficient only when it establishes equilibrium between order and freedom—ensuring transparency and legal security while preserving at least a minimal space for expression of will and negotiation within contractual details. Otherwise, economic efficiency may be achieved at the cost of undermining the ethical and legal foundations of the institution of contract. As emphasized in contract theory, a contract is just only when consent is both free and informed; otherwise, formal freedom sacrifices substantive justice (3).

The Function of Standardized Contracts in Ensuring Transparency and Legal Security

Transparency and legal security are foundational pillars of any transactional system; without them, no stable economic order can emerge, and public confidence in markets and legal institutions erodes. In this context, standardized contracts play a pivotal role in establishing and reinforcing both elements. Standardizing contractual terms and requiring their official registration not only promotes uniformity in interpreting and performing obligations, but also prevents ambiguity, inconsistent interpretations, and opportunities for abuse. Moreover, the *Law on Mandatory Official Registration of Immovable Property Transactions* (enacted in 2024), aimed at enhancing transparency and evidentiary reliability in real estate transfers, represents a key point of convergence between the regulatory policies of the state and the system of standardized contracts. In practice, the linkage between official registration and contractual standardization creates the conditions for legal security and judicial predictability, such that disputes are reduced and distributive justice in transactional relations is strengthened.

Contractual Transparency within the Framework of Official Registration of Immovable Property Transactions

The Role of Standardized Contracts in Clarifying Terms, Reducing Ambiguity, and Preventing Abuse

Standardized (uniform) contracts, as a product of modern developments in transactional law and market regulation, play a fundamental role in clarifying contractual content and precisely delineating the parties' rights and obligations. By eliminating or reducing vague and open-textured clauses, such contracts ensure that the parties' intent is expressed in a clear, measurable, and pre-defined framework. In effect, standardization creates a form of "shared legal language" between contracting parties, minimizing discretionary interpretation and disputes arising from divergent understandings of contractual wording (3, 13).

A major problem in traditional contracts is ambiguity in terms and inaccurate interpretation of clauses, which constitutes a primary source of many civil and registration-related disputes. Standardized contracts, by defining key terms, conditions, obligations, and remedies with greater precision, prevent such ambiguities and function as a structural guarantee of transparency in transactional relations (25, 26). In addition, clarity of terms not only facilitates performance of obligations but also increases legal predictability and enables parties to assess contractual risks more effectively (2).

From an economic perspective, standardizing contractual terms reduces transaction costs and mitigates information asymmetry. When contractual terms and conditions are drafted in a public and uniform manner, the costs associated with negotiation, drafting, and monitoring performance decrease, thereby improving the efficiency of the transactional system (1, 11). Accordingly, standardization is not merely a legal technique but also an economic instrument for improving market performance.

Beyond technical and economic dimensions, standardized contracts also have a preventive function against exploitation of the weaker party. In many transactional relationships, one party—due to limited legal expertise—may be compelled to accept terms imposed by the stronger party. Standardization, through transparent and pre-defined templates, can partially correct this imbalance and reduce the likelihood of exploitation or abuse by the dominant party (6, 27). Nevertheless, transparency achieved through standardization remains relative: absent effective governmental and legislative oversight over the drafting and implementation of such contracts, standardized templates themselves may become tools for constraining genuine autonomy of will. Therefore, legislative intervention to define supervisory frameworks and establish specialized mechanisms for reviewing standard terms is essential to ensure real transparency and justice in the contractual marketplace (6, 10).

The Link Between Standardized Contracts and the Mandatory Registration Law

A close and systematic connection exists between standardized contracts and the legal requirement of official registration of immovable property transactions. Both institutions serve a shared objective: ensuring transparency, predictability, and legal security in transactional relations. In this sense, the 2024 mandatory registration law can be viewed as an institutional manifestation of public-law regulatory policy that, in its operational logic, relies on the use of standardized contractual templates (7, 28).

Before enactment of this law, a significant portion of immovable property transactions in Iran was conducted through informal (ordinary) documents, a practice that generated uncertainty of title, conflicts of interest, and an increase in registration-related litigation. By adopting the mandatory registration law, the legislator sought to prevent such disorder by systematizing both the form and the substance of real estate contracts and requiring their official registration (8, 22). This requirement should not be understood as mere coercion; rather, it constitutes a form of legal standardization that produces unity in the interpretation, validity, and effects of real estate contracts.

The nature of the mandatory registration law also signals a movement from absolute contractual freedom toward a regulatory contractual order. Within this framework, standardized contracts and the official registration template both function as binding structures designed to realize legitimate intent and prevent infringement of rights. From the perspective of the “regulatory state,” the law may be understood as an attempt to reconstruct legal trust through “soft” regulatory interventions rather than harsh coercion: by defining uniform contract templates and requiring their official registration, the state does not simply remove autonomy, but prioritizes transparency and the identification of the parties’ real intent (21, 29).

Official registration under the mandatory law also generates reliable data within registration and judicial systems. From a law-and-economics perspective, this supports the formation of a transparent real estate market in which ownership, transfers, and obligations are traceable and evidentiary. In this environment, standardized contracts operate as the technical instrument of transparency because uniform templates facilitate data compatibility across registration systems (30, 31).

In addition, by stabilizing a unified model for registering real estate contracts, the mandatory law contributes to judicial predictability and dispute reduction. When the text, content, and legal effects of contracts are defined within a uniform framework, the interpretive practices of judges and registration authorities are likewise guided by consistent standards. In this way, standardized contracts under the mandatory registration regime become an effective tool for achieving formal justice and economic public order (2, 26).

Legal Security and Predictability in Real Estate Transactions

The Impact of Standardization on Reducing Litigation, Strengthening Evidentiary Force, and Creating Stable Legal Practices

One of the core functions of contractual standardization in modern legal systems is dispute reduction and the reinforcement of legal security in transactional relations. In immovable property transactions—often characterized by substantial legal and economic complexity—uniform contractual templates and their official registration under the 2024 mandatory registration law place the parties' intent within a clear, verifiable, and legally reliable framework. As a result, many disputes rooted in misunderstanding, restrictive interpretation, or disagreement over contractual terms are neutralized before they arise (22, 26).

Analytically, the standardized contract functions as an instrument of “soft legislation” in private relations: by harmonizing legal terms and clauses, it creates unity in interpretation and performance in a manner resembling general mandatory rules. This unity in drafting and interpretation fosters stability in legal and judicial practice because courts confront uniform, pre-defined texts, thereby enhancing coherence and consistency in judicial reasoning and outcomes (2, 13).

Moreover, increasing the evidentiary force of official, standardized contracts directly reduces the judicial burden on courts. When contractual terms are recorded in a transparent, documented, and official format, claims concerning proof of ownership, proof of obligation, or interpretive disputes are minimized. This becomes even more significant in light of the mandatory registration policy approach that treats non-registration as undermining evidentiary reliability, thereby reinforcing a legal environment in which “legal security” is achieved through predictability of legal outcomes and stability in enforcement (7, 30).

From an economic perspective, standardization in real estate contracts reduces litigation costs and strengthens public trust. When citizens are confident in the clarity and evidentiary reliability of officially registered contracts, compliance incentives increase and the motivation to bring opportunistic or unfounded claims decreases. In other words, standardization creates a form of structural legal deterrence—produced not through punishment, but through clarity and order—that reduces conflict (1, 32).

Finally, the interaction between standardization and official registration generates analyzable and monitorable legal data, which in turn equips legislators and the judiciary with policymaking tools. Such data enables identification of effective legal patterns, weaknesses in contract drafting, and high-risk legal areas, thereby supporting the dynamism and continuous reform of private law (31, 33).

Analysis of the Relationship Between Legal Security and Economic Public Order in Light of the Regulatory State Theory

In recent decades, the theory of the “regulatory state” has emerged as one of the most influential analytical frameworks in both public and private law. According to this theory, the modern state no longer performs merely

sovereign or coercive functions; rather, it assumes a regulatory, coordinating, and stabilizing role aimed at guaranteeing economic and legal stability (34). Within this framework, the relationship between legal security and economic public order in real estate transactions is interpreted not as conflicting with freedom of contract but as interacting with it. Through instruments such as mandatory registration laws and standardized contracts, the state seeks to render the rules of economic interaction transparent and predictable.

Legal security, in its precise meaning, requires the existence of clear, stable, and foreseeable rules upon which individuals may organize their economic and transactional decisions (13, 35). From this perspective, the *Law on Mandatory Official Registration of Immovable Property Transactions* (enacted in 2024), together with the expansion of standardized contracts, serves this very objective. By regulating contractual templates and imposing registration requirements, the state creates a framework in which the rights and obligations of contracting parties are defined precisely and with minimal room for dispute. Such a mechanism enhances legal predictability and economic stability in the real estate market, thereby strengthening public trust in the legal system (22, 26).

Economic public order, as a complementary concept to legal security, refers to the principle that markets and private relations must not deviate from social equilibrium, distributive justice, and collective welfare. Within regulatory state theory, this order is achieved not through coercive intervention but through the establishment of supervisory rules and behavioral standardization (3, 6). Accordingly, by employing mechanisms such as contractual standardization, registration oversight, and formal transactional procedures, the state does not directly interfere with contractual content but instead provides the “conditions of possibility” for legal trust (2, 29).

Under this theoretical approach, legal security and economic order represent two manifestations of a single regulatory reality: the former realized at the normative level through stabilization of rules, and the latter achieved at the institutional level through regulation of market behavior. Consequently, standardized contracts and official registration should not be viewed as instruments restricting freedom but rather as mechanisms organizing and guaranteeing market efficiency. The state thus shifts from the role of a coercive intervener to that of a “regulator of trust,” reproducing economic order within private relations by establishing clear and predictable legal rules rather than limiting contractual autonomy (1, 36).

In other words, the greater the coherence and transparency of legal and registration rules, the more effective the regulatory function of the state becomes in stabilizing economic public order. Conversely, ambiguity, inconsistency, or regulatory conflict leads to reduced market confidence and increased litigation, which themselves indicate regulatory failure. For this reason, the mandatory registration law and policies promoting contractual standardization—understood as institutional expressions of the regulatory state—were adopted not merely for control, but to create institutional reliability and legal predictability within the real estate market (7, 31).

Jurisprudential and Legal Evaluation of Standardized Contracts

The question of the legitimacy of standardized contracts in Iranian law, particularly in light of the foundations of Imami jurisprudence, represents one of the most challenging issues in the law of transactions and private law theory. Although such contracts are widely accepted in modern economic systems as instruments of efficiency, transparency, and transactional order, a jurisprudentially grounded legal system must confront the essential question of whether imposing pre-drafted contractual forms and limiting contractual autonomy is compatible with principles such as fulfillment of contracts and the prohibition of harm.

Imami jurisprudence emphasizes the primacy of consent and the effectiveness of contractual will while simultaneously recognizing—through secondary rules and considerations of public welfare—the legitimacy of governmental intervention aimed at preventing harm, corruption, and injustice. This duality between autonomy of will and public interest constitutes the theoretical intersection between standardized contracts and Islamic transactional jurisprudence.

From a legal perspective, the issue of legitimacy also relates directly to the principle of contractual freedom embodied in Article 10 of the Iranian Civil Code and the limits imposed upon it. Requiring individuals to employ predetermined contractual models may appear, at first glance, inconsistent with freedom of consent; yet in practice, such regulation promotes public order and protects the weaker contracting party. Consequently, a jurisprudential and analytical examination of standardized contracts provides a foundation for redefining the relationship between autonomy of will and economic public order within the Iranian legal system.

Jurisprudential Examination of the Legitimacy and Effects of Standardized Contracts

Implied Will, Customary Consent, and Limitation of Autonomy in Light of the Principles of Fulfillment of Contracts and Prohibition of Harm

Within Imami jurisprudence, the principle of autonomy of will constitutes one of the fundamental bases of contractual validity, and the Qur'anic command to fulfill contracts represents a central normative foundation of contract law, emphasizing the obligation to respect agreements and mutual consent. This rule signifies that whenever a contract is formed through valid consent, fulfillment becomes legally and morally binding.

A significant question concerning standardized or adhesion contracts, however, is whether consent expressed within a pre-drafted framework—without the possibility of altering contractual terms—may still qualify as genuine consensual agreement. Imami jurists generally accept that contractual will may be expressed either explicitly or implicitly, and that custom often plays a decisive role in interpreting consent (15, 37). Consequently, although the individual's ability to modify contractual terms is limited in standardized contracts, implied consent and customary silence may signify acceptance, particularly where the party knowingly enters the transaction with intent to be legally bound. In such circumstances, "customary consent" may substitute for explicit negotiation, provided that contractual provisions do not conflict with religious or statutory rules (25, 38).

Nevertheless, the obligation to fulfill contracts is not absolute. In Imami jurisprudence, the principle prohibiting harm operates as a governing rule that limits contractual autonomy whenever enforcement results in substantial harm, injustice, or disruption of public order (24, 39). Accordingly, although the default rule requires honoring agreements, such obligation remains conditional upon the absence of excessive personal or social harm.

Thus, within standardized contracts, if one party—typically the weaker party—is placed in a position of compelled acceptance of unfair conditions, governmental authority and legal institutions may intervene, relying upon the principle prohibiting harm, to amend or invalidate unjust terms (23). In other words, Imami jurisprudence simultaneously recognizes autonomy of will and affirms the legitimacy of limiting that autonomy in order to preserve substantive justice and prevent harm.

This reflects a form of jurisprudential equilibrium between two foundational principles: respect for consent as the source of contractual validity, and the necessity of intervention to prevent injustice and protect public order. On this basis, requiring the use of standardized contractual templates or mandating official registration of uniform real estate contracts—when aimed at protecting public welfare, preventing corruption, or eliminating ambiguity in

transactions—not only remains compatible with the principle of fulfilling contracts but also derives jurisprudential legitimacy from the principle prohibiting harm (4, 13).

Examination of Imami Jurists' Views on Adhesion Contracts and Mandatory Pre-Drafted Contractual Forms

In Imami jurisprudence, the validity and enforceability of contracts are grounded in mutual consent and the intention to create legal effect. A contract is therefore considered consensual in nature, becoming binding once voluntary agreement between the parties is achieved. Nevertheless, the emergence of adhesion contracts and standardized contractual forms within modern economic systems has raised questions concerning the limits of autonomy of will and the legitimacy of imposing pre-drafted contractual structures. In such contracts, one party—typically institutions, corporations, or governmental bodies—predefines contractual conditions, while the other party retains only the option of acceptance or rejection without genuine bargaining power.

Imami jurists, when addressing such contracts, have distinguished between formal consent and substantive consent. Some jurists, including Shaykh Ansari and Naeini, relying on the principle that contracts follow intention, maintain that as long as intention and consent to commitment exist, the contractual form itself does not affect legitimacy, even when terms are predetermined (39, 40). According to this view, if the weaker party knowingly and consciously accepts the contractual terms, the contract remains valid, and adherence to its provisions falls within the obligation of fulfilling contracts.

In contrast, other jurists—such as Imam Khomeini and Ayatollah Makarem Shirazi—adopt a justice-oriented approach grounded in the prohibition of harm. They argue that where one party, due to economic dominance or monopoly power, imposes conditions upon another, such consent cannot be regarded as genuinely voluntary. Under these circumstances, the Islamic government is justified in intervening by establishing fair contractual templates, supervising unfair clauses, or even invalidating provisions contrary to public welfare or substantive justice (41, 42).

Analytically, the positions of Imami jurists may be categorized into three principal approaches. The first is the consent-centered approach, which upholds the absolute primacy of autonomy of will and recognizes adhesion contracts as valid so long as intention and consent exist. The second is the justice-oriented approach, which accepts adhesion contracts conditionally, provided that their terms do not result in harm or injustice. The third is the regulatory or governmental approach, which considers the ultimate legitimacy of such contracts dependent upon supervision by legitimate authority and conformity with public welfare considerations (4, 24).

Within this framework, mandatory use of pre-drafted contractual forms in Imami jurisprudence does not negate autonomy of will. Rather, when justified by public interest, it may represent an application of the obligation to fulfill contracts and an instrument for realizing contractual justice. Since fulfillment applies only to lawful and non-harmful agreements, the Islamic authority, acting as guardian of public order, may establish standardized contractual systems to prevent social and economic harm (38, 43).

Legal and Theoretical Critique of Standardized Contracts in Immovable Property Transactions

Potential Conflict with the Principle of Freedom of Contract (Article 10 of the Civil Code)

Freedom of contract constitutes one of the fundamental pillars of Iranian civil law and is rooted in Article 10 of the Civil Code, which provides that private agreements are valid and binding insofar as they do not expressly

contradict statutory law. This provision reflects autonomy of will as the conceptual foundation of private law and forms the philosophical basis for many modern contractual theories within the Iranian legal system (3, 14).

However, the emergence of standardized contracts in contemporary transactional relations—particularly within immovable property transactions—has introduced both theoretical and practical challenges to this principle. In standardized contracts, one party—commonly governmental institutions, banks, or monopolistic corporations—predetermines contractual terms, while the other party possesses only the option of acceptance or refusal. Consequently, the space for negotiation and freely shaped agreement, which represents the spirit of Article 10, becomes significantly restricted (6, 13).

From a theoretical perspective, this phenomenon produces a subtle tension between two foundational concepts: autonomy of will as the source of contractual legitimacy, and economic public order aimed at protecting collective interests. Standardized contracts appear, at first glance, to conflict with freedom of contract because they limit one party's ability to shape contractual content. Yet, from a social-functional standpoint, they seek to prevent disorder, corruption, and infringement of public rights, thereby contributing to contractual justice and preservation of public trust (1, 23).

Imami juristic thought likewise reconciles these values by recognizing that contractual autonomy is not absolute. Through principles such as prohibition of harm and avoidance of excessive uncertainty, freedom of contract is limited whenever its exercise causes societal harm or disrupts public order. Accordingly, statutory requirements mandating standardized contractual forms—when aimed at safeguarding social welfare and protecting public rights—do not contradict the spirit of Article 10 but rather serve to eliminate harm, reduce ambiguity, and prevent corruption (4, 38).

Nevertheless, if standardized contracts escape effective supervision and fairness controls, there arises a risk that contractual order may evolve into contractual domination, whereby stronger parties impose conditions supported by administrative or economic power that undermine genuine autonomy of will. For this reason, legal scholars maintain that the legitimacy of standardized contracts is not intrinsic but conditional upon transparency, balance, and the availability of reasonable opportunities for negotiation (2, 6).

Challenges of Procedural Justice, Weakening of the Weaker Party's Autonomy, and the Need for Regulatory Reform

One of the principal criticisms directed at standardized contracts concerns their potential to weaken procedural justice and diminish the role of genuine consent in contract formation. Although such contracts promote order, transparency, and economic efficiency, they may reduce the weaker party to a passive acceptor of predetermined conditions, thereby challenging the essence of contractual freedom and the principle of contractual balance (6, 43). In this situation, the contract no longer emerges as the product of dialogue and negotiation but functions instead as an instrument for imposing superior economic power.

This concern becomes particularly pronounced in immovable property transactions where public institutions, banks, or large-scale developers dominate contractual relations. The weaker contracting party—often a purchaser or housing applicant—typically lacks meaningful bargaining power and is compelled to accept contractual conditions in their entirety. From a jurisprudential standpoint, such consent may not always qualify as genuinely free and voluntary acceptance (4, 24).

From the perspective of procedural justice, a contract cannot be considered substantively fair if one party lacks equal access to information, opportunity for participation, or effective capacity to object during the contracting process, even if the agreement appears formally valid. Procedural justice manifests not only in outcomes but also in the fairness of decision-making processes and legal interactions (2, 5). Without adequate supervisory mechanisms and corrective legal frameworks, standardized contracts may therefore become instruments of structural injustice incompatible with foundational jurisprudential principles such as prohibition of harm and the rule of dominion (23, 38).

Accordingly, the necessity for reform of regulatory and supervisory frameworks governing standardized contracts has become increasingly evident. Such reform should proceed through two principal avenues. First, independent supervisory bodies should be established to review the legitimacy and balance of standardized contractual terms—particularly in real estate transactions—in order to prevent the inclusion of coercive or unfair clauses. Second, pre-contractual transparency and disclosure obligations must be strengthened so that weaker parties fully understand contractual terms, legal consequences, and responsibilities, thereby ensuring informed consent (27, 29).

From a legal policy perspective, the regulatory state must balance economic efficiency with procedural justice through complementary regulatory measures. The objective is not to abolish standardized contracts but to reform their structure so that transactional order is preserved while relative contractual freedom and legal fairness remain protected (1, 34).

Conclusion

The analysis of the nature and function of standardized contracts in immovable property transactions demonstrates that, despite their organizational and functional advantages, this phenomenon presents significant legal and jurisprudential challenges. At the theoretical level, standardized contracts pursue objectives such as transparency, efficiency, and reduction of transaction costs; however, in practice, by restricting the genuine autonomy of the parties and weakening the possibility of free bargaining, they may lead to a departure from the classical philosophy of contract and the principle of autonomy of will. This issue becomes particularly sensitive within the Iranian legal system, which is traditionally grounded in principles emphasizing fidelity to contracts and individual dominion over property, thereby raising concerns regarding contractual legitimacy and justice. From a legal policy perspective, uncontrolled standardization of contracts—without consideration of situational differences and the diverse interests of contracting parties—may transform standardized forms into instruments through which regulatory authorities or large institutions impose their will, converting contracts from expressions of voluntary agreement into predetermined frameworks of administrative compliance. In this context, the role of the state as regulator must maintain a balance between the necessity of legal order and the requirement of transactional justice, since neglect of either inevitably undermines the other.

Within this framework, notary offices occupy a particularly sensitive position as the meeting point between private autonomy and public order. Their function cannot be limited to the formal registration of transactions; rather, under contemporary legal conditions, they must act as legal arbiters and guarantors of informational balance between contracting parties. If notarial offices operate passively as mere signatories of pre-drafted standardized contracts, they inadvertently contribute to the consolidation of unfair transactional structures. Accordingly, their responsibility extends beyond compliance with formal requirements to substantive supervision over fairness and transparency of contractual provisions. The institutional philosophy underlying notarial practice in Iran lies precisely in safeguarding

public order and legal security. From this perspective, the critical and supervisory role of notarial offices must be strengthened—not as subordinate executors of mandatory registration policies, but as guarantors of legal equilibrium. Exercising their statutory authority, notarial officials should refuse to authenticate or register contracts containing unfair terms or provisions that undermine the fundamental rights of the parties.

The analytical conclusion of the present study is therefore that the legitimacy of standardized contracts is neither absolute nor self-evident; rather, it is conditional upon active supervision by notarial institutions and legislative authorities to ensure balance of interests and transactional justice. In the absence of such oversight, standardization risks becoming a mechanism of legal domination rather than an instrument of transparency. Consequently, reform of registration regulations and specialized professional training for notaries in the legal and economic analysis of standardized contracts constitute unavoidable necessities. Such reforms would facilitate a transition from purely formal registration toward substantive supervision, thereby ensuring that the realization of legal security is accompanied by genuine economic justice.

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Authors' Contributions

All authors equally contributed to this study.

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The authors of this article declared no conflict of interest.

Ethical Considerations

All ethical principles were adhered in conducting and writing this article.

Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

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