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A Study of the Retention-of-Title Clause in Imami Jurisprudence and Iranian Law and Its Role in Securing the Seller's Rights in Contracts of Sale

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ABSTRACT

The retention-of-title clause, as one of the effective instruments for securing the seller's rights in contracts of sale, suspends the transfer of ownership of the sold property until the full payment of the price. This clause plays an important role in deferred-payment and installment sales by protecting the seller's financial rights, managing risks associated with the buyer's default or bankruptcy, and reducing legal disputes between the parties. In Imami jurisprudence, the legitimacy of this clause is grounded in principles such as the obligation to fulfill contractual conditions, the rule of dominion, and the no-harm rule. In Iranian law, the retention-of-title clause is also recognized as valid by reference to Article 10 of the Civil Code and the principle of freedom of contract, although gaps such as the absence of official registration for this clause have created limitations in its enforcement. In addition, in comparative legal systems such as those of France and Germany, the official registration of the retention-of-title clause contributes to stronger protection of the seller's rights against third parties. This study was conducted with the aim of analyzing the jurisprudential and legal foundations of this clause, examining its challenges, and proposing practical solutions to improve its enforcement in the Iranian legal system.

Keywords: *Retention-of-title clause, seller's rights, installment sale, risk management, Imami jurisprudence, Iranian law*

Introduction

In sale transactions, securing the rights of the seller has long been one of the key issues addressed by various legal systems and Islamic jurisprudence. The retention-of-title clause, as one of the effective instruments in this regard, enables the seller to defer the transfer of ownership of the goods until the buyer has fully paid the price. In legal and jurisprudential systems, the seller, or vendor, as one of the principal pillars of the contract of sale, is the person who, by will and choice, transfers a specific property or right to another person, namely the buyer, in



exchange for a determined consideration, namely the price (1). In Imami jurisprudence, the seller, based on the principle of dominion (“people have authority over their property”), has full authority to transfer ownership of his property, and the contract of sale is regarded as the legitimate instrument for realizing such transfer of ownership (2). These rights are recognized in Imami jurisprudence under the title of “the rights of contracting parties,” relying on principles such as the binding force of the contract and the no-harm rule. The retention-of-title clause is a clause inserted into the contract of sale under which, despite delivery of the sold object to the buyer, the transfer of ownership of the goods remains suspended until the full payment of the price (3). This clause has a suspensive nature, and its main purpose is to secure the performance of the buyer’s financial obligations and protect the seller’s rights against the risks arising from the buyer’s default or bankruptcy. In Imami jurisprudence, this clause, as one of the contractual conditions incorporated into the contract, is deemed legitimate and valid as long as it does not conflict with the essential nature of the contract or with general principles such as the principle of validity and the principle of binding force (4). The retention-of-title clause in contracts of sale is one of the important instruments for securing the seller’s rights and has attracted the attention of many researchers in recent years. Sourgoli, in a study on real and personal rights, introduced the right of ownership as the most complete form of real rights and considered its effects to include absoluteness, permanence, and exclusivity (5). Subsequently, Ghadiri Darbandi introduced the retention-of-title clause as an effective instrument for securing the seller’s rights and stated that this clause makes it possible to repossess the goods in the event of non-payment of the price (6). Mohseni Sani and colleagues regarded the nature of this clause as the suspension of the transfer of ownership and addressed the conflict between the rights of the seller and those of bona fide third parties (7). Moreover, Alizadeh and colleagues examined the legal status of transactions conflicting with a negative result condition and concluded that such transactions, in the absence of ratification by the beneficiary of the condition, would be non-effective (8). In a comparative study, Mahdavi compared the retention-of-title clause in English law with the right of retention in Iranian law and analyzed the similarities and differences between these two legal institutions (9). Mashayekhi and colleagues introduced the retention-of-title clause as a type of security for the seller that preserves ownership of the goods until the full payment of the price (10). Abdolkhani considered this clause an effective security for the seller and emphasized the necessity of expressly including it in the contract (11). In international studies, Al-Zuhairi introduced the retention-of-title clause as an instrument for preserving the seller’s rights in sales contracts, which allows the seller to repossess the goods if the buyer fails to pay the price (12). Al-Jarrah examined the effects of the retention-of-title clause against third parties in the Jordanian legal system and considered the registration of this clause necessary for its enforceability against third parties (13). Finally, Kulthum and colleagues examined the effectiveness of the retention-of-title clause as a special guarantee in commercial transactions and emphasized the necessity of establishing a clear legal framework for it (14). Considering the important role of the retention-of-title clause in transactions, a precise examination of the jurisprudential and legal foundations of this clause appears necessary. This study aims to analyze the jurisprudential foundations of the retention-of-title clause in Imami jurisprudence, examine the legal status of this clause in the Iranian legal system, and analyze its role in securing the seller’s rights, while seeking to propose practical and applicable solutions for improving the enforceability of this clause. The research method of this article is descriptive-analytical, and the study is conducted using authoritative jurisprudential sources, Iranian statutory laws, and the views of jurists.

The Concept of the Seller's Rights

In legal and jurisprudential systems, the seller, or vendor, is one of the principal pillars of the contract of sale who, by will and choice, transfers a specific property or right to the buyer in exchange for a determined consideration, namely the price (1). In Imami jurisprudence, the seller, based on the principle of dominion ("people have authority over their property"), has full authority to transfer ownership of his property, and sale is recognized as the legitimate instrument for such transfer of ownership (2). In Iranian law, Article 338 of the Civil Code defines sale as the transfer of ownership of a specific object in exchange for a determined consideration, and the seller lawfully transfers his ownership to the buyer (15).

The seller's rights in a contract of sale concern the protection of the seller's interests before and after the conclusion of the contract and include the right to receive the price, the right to rescind in the event of the buyer's breach, the right to withhold the sold object until receipt of the price, and, in certain cases, the right to repossess the sold object (4, 16). These rights are recognized in Imami jurisprudence under the title of "the rights of contracting parties" and on the basis of principles such as the binding force of the contract and the no-harm rule. In Iranian law, these rights are also provided for within the framework of the general rules of contracts and the provisions of the Civil Code. In addition, the seller may benefit from security instruments such as the retention-of-title clause or securities in order to preserve his rights.

In Imami jurisprudence, the seller must possess legal capacity for disposition; that is, the seller must be mature, sane, legally competent, and acting with intention and consent. Otherwise, the contract will either be void or require ratification (1). In addition to transferring ownership, the seller is obligated to deliver the sold object, bear liability in the event of defect, and provide the buyer with the possibility of benefiting from the property sold. Imami jurists have addressed in detail the seller's responsibilities concerning reciprocal liability, the conditions for the validity of the contract, and the option for defect (17). Moreover, in cases such as the insertion of a deferred-payment condition or a retention-of-title clause, the seller may refrain from transferring ownership or delivering the sold object until the condition is fulfilled.

In Iranian law, in addition to transferring ownership, the seller has other duties, such as preparing the official deed, delivering the sold object, removing legal obstacles to the buyer's enjoyment of the property, and responding to hidden defects in the sold object. If the buyer fails to pay the price, the seller may also use instruments such as the right of retention, a resolutive clause, a retention-of-title clause, and recourse to the court for rescission of the contract or compensation for damages (1).

In modern jurisprudential and legal developments, the seller's role has extended beyond the transfer of ownership and has expanded to the management of risks arising from delayed payment of the price, denial of ownership, or the buyer's acts of disposition prior to the complete transfer of ownership. Instruments such as the retention-of-title clause enable the seller to preserve ownership of the sold object until the full performance of obligations and, in the event of breach, to defend his rights (18). These instruments significantly help reduce transactional risks in line with the principles of equity and contractual balance.

The Seller's Obligations in the Contract of Sale

In Imami jurisprudence, the seller's obligations in the contract of sale are not limited merely to delivery of the sold object and guaranteeing its soundness; rather, they have a broader meaning that includes the duty to provide

transparent information concerning the characteristics of the sold object, the absence of hidden defects, and the provision of conditions enabling the buyer's lawful enjoyment of the subject matter of the transaction (19). Imami jurists, by relying on rules such as the obligation to fulfill the contract, liability for possession, and delivery in accordance with the requirements of the contract, organize these duties in a way that prevents harm and uncertainty in the transaction (20). For example, if the sold object contains a hidden defect, the buyer has the option for defect and may rescind the contract or claim diminution in value, which demonstrates the seller's additional responsibility in protecting the buyer's rights. In Iranian law, these obligations are expressly stipulated in Articles 383 to 388 of the Civil Code. According to these articles, the seller is obliged to deliver the sold object at the agreed time and place, and if the sold object has a defect of which the buyer was unaware at the time of the contract, the seller must be answerable for the damages or consequences of rescission (21). Furthermore, the transfer of ownership to the buyer in the sale of a specific object takes place through valid offer and acceptance; however, in the sale of generic goods, such transfer is realized after specification and delivery of the sold object. Therefore, the seller is obliged to fully and promptly provide the prerequisites for such transfer. In addition, in both the jurisprudential and legal systems, the seller is obliged to deliver a sold object that is capable of ordinary use and to place it at the buyer's disposal in such a manner that the buyer can lawfully benefit from it (16). In other words, the seller's responsibility is not merely formal; rather, it also concerns the functionality and effectiveness of the transaction for the other party. This matter becomes particularly important in sales involving consumer goods, commercial property, or capital goods. In the field of contractual obligations, challenges such as delay in delivery, decline in quality, or transfer of ownership despite outstanding debt are also considered among issues related to the seller's duties. For this reason, the retention-of-title clause can play a vital role as one of the jurisprudential and legal instruments for securing the performance of these obligations. In this case, by using this clause, the seller can retain ownership of the sold object until the full payment of the price and prevent future disputes concerning ownership and entitlement (17). In completing the discussion of the seller's obligations, one of the most important issues is the seller's responsibility for risks and damages prior to delivery of the sold object. According to jurisprudential foundations, as long as the sold object has not been fully delivered, the risk of its destruction or defect remains with the seller, unless the parties have agreed otherwise. This principle is also recognized in Iranian law. According to Article 387 of the Civil Code, if the sold object is destroyed before delivery without fault on the part of the buyer, the sale is void (21). Therefore, the seller must deliver the sold object to the buyer in a proper and defect-free condition, and responsibilities arising from the destruction or defect of the goods remain with the seller until delivery. Moreover, within the scope of the seller's obligations, the issue of good faith and informational transparency is also of fundamental importance. According to the general principles of Imami jurisprudence, such as the no-harm rule and the rule against uncertainty, the seller may not transfer to the buyer a sold object concerning which essential information has been concealed or which causes the buyer to be deceived. This issue is also reflected in Iranian law in the doctrine of fraud and misrepresentation. If the seller intentionally provides false information about the sold object, the buyer will have the right to rescind the contract or claim damages. These behavioral obligations demonstrate the importance of fairness and justice in regulating the contractual relationship between seller and buyer. Ultimately, the seller's obligations in the contract of sale are not only an instrument for implementing the parties' will in the transfer of property but also a mechanism for stabilizing trust in economic exchanges and reducing legal disputes (2). The retention-of-title clause, under which the seller retains ownership of the goods until the full payment of the price, finds its meaning within this context and, as a modern security instrument, can be effective in strengthening

the seller's position, particularly in deferred-payment or long-term transactions. Therefore, a precise understanding of the seller's rights and obligations is a necessary prerequisite for examining the theoretical and practical dimensions of the retention-of-title clause in Iranian jurisprudence and law.

1-2. Securing the Seller's Rights

In jurisprudence and law, securing the seller's rights refers to the set of measures and mechanisms designed and applied to protect the seller's legitimate interests in the process of concluding and performing the contract of sale (15). This concept, both theoretically and practically, is based on principles such as contractual justice, balance of obligations, and the principle of the binding force of contracts, and it plays a central role in maintaining legal certainty in transactional relationships. From a legal perspective, the seller, by virtue of the contract of sale, is obligated to deliver the sold object, while the buyer is obligated to pay the price (22). Since the sold object is often delivered immediately, whereas payment of the price may be deferred, installment-based, or scheduled for the future, a situation arises in which the seller is exposed to the risk of the buyer's non-performance of the financial obligation (23). For this reason, the necessity of developing mechanisms to secure the buyer's performance and preserve the seller's right arises. Among the most important legal instruments for securing the seller's rights are contractual security, third-party guarantee, resolutive condition, condition delaying the transfer of ownership, namely retention of title, and compensation for delay in payment. Among these instruments, the retention-of-title clause has a special position because it enables the seller to remain the formal owner of the sold object until the full payment of the price and to prevent the final transfer of the property. This clause is not only precautionary in nature but also has important legal effects, such as creating a type of real security for the seller and reducing the likelihood of disputes after the conclusion of the contract. In Iranian law, the insertion of such a clause is recognized as valid by reference to Article 10 of the Civil Code and the principle of autonomy of will, provided that it is expressly included in the contract and does not contravene mandatory laws or public order (24). On the other hand, jurisprudential principles such as the obligation to fulfill covenants and the principle of justice in reciprocal obligations emphasize the legitimacy of protective measures for the seller. Some jurists have even emphasized the necessity of inserting security clauses in cases where there is a serious risk of harm to the seller, in order to restore contractual balance. Securing the seller's rights is, in fact, a reflection of the philosophy of contract legislation aimed at achieving legal certainty, economic stability, and the prevention of judicial disputes. This matter is especially important in modern commercial relationships, where the volume and variety of obligations have increased, and the absence of effective protective instruments may undermine mutual trust and disrupt the flow of transactions (6). Consequently, securing the seller's rights is a concept that goes beyond unilateral protection and must be analyzed within the framework of the principle of contractual balance, a principle that seeks to preserve the legitimate rights of both parties within the framework of religious and civil rules. The retention-of-title clause is one of the clear manifestations of this security, possessing legitimacy and valid legal effects from both jurisprudential and positive-law perspectives.

The Concept and Nature of the Retention-of-Title Clause

The retention-of-title clause is a clause inserted into the contract of sale that suspends the transfer of ownership of the goods until the full payment of the price, even if the sold object has been delivered to the buyer (3). This clause has a suspensive nature, and its main purpose is to secure the performance of the buyer's financial obligations and protect the seller's rights against the buyer's default or bankruptcy. In Imami jurisprudence, this clause, as one of the conditions incorporated into the contract, is considered legitimate and valid as long as it does

not conflict with the essential nature of the contract or with principles such as the principle of validity and the principle of binding force (4). In Iranian law, the retention-of-title clause is also acceptable by reference to Article 10 of the Civil Code and the principles of freedom of contract, provided that it does not contravene mandatory rules and public order (24).

This clause is particularly widely used in deferred-payment and installment sales, and it has features such as the parties' express agreement to delay the transfer of ownership, flexibility in determining conditions, and the seller's ability to repossess the sold object if the buyer breaches the contract (2, 20). In comparative legal systems such as those of France and Germany, official registration of the clause is necessary in order to invoke it against third parties; however, in Iran, there is a legal gap in this regard that may lead to conflicts of interest with third parties (4, 25). This clause is not only a security for the seller but also allows the buyer to benefit from the advantages of the goods before formal acquisition of ownership (20).

Given the existing gaps concerning the official registration of the retention-of-title clause, its importance in regulating the balance among the interests of the seller, the buyer, and third parties becomes even more significant. In the absence of registration or public notice, third parties may rely on the outward appearance of the buyer's possession and assume the buyer's ownership, which may give rise to conflicts of interest and complex legal claims (4).

Jurisprudential Foundations and Evidence for the Legitimacy of the Retention-of-Title Clause

The retention-of-title clause is a condition included in contracts of sale so that ownership of the sold object remains with the seller until the full payment of the price (15). This clause, which in Imami jurisprudence is discussed under titles such as conditional sale or condition of retaining ownership, has been examined from the jurisprudential perspective as one of the conditions incorporated into the contract and is founded on Qur'anic evidence, narrations, and jurisprudential rules. In the following, the jurisprudential foundations of this clause are examined continuously with a specialized and non-repetitive approach (16). The retention-of-title clause is consistent with several Qur'anic verses that emphasize the necessity of fulfilling contracts and preserving the rights of the parties. The verse "O you who believe, fulfill the contracts" generally indicates the obligation to comply with conditions incorporated into a contract. As part of the contract of sale, the retention-of-title clause falls within the scope of this Qur'anic obligation and enables the seller to protect his financial rights by retaining ownership. Likewise, the verse "O you who believe, do not consume one another's property unjustly" emphasizes the necessity of preventing unlawful interference with property. This verse supports the retention-of-title clause as an instrument for protecting the seller's rights against non-payment of the price. The verse concerning the prohibition of deficiency in measure and weight also indirectly refers to transactional justice and the preservation of the parties' rights, with which the retention-of-title clause is consistent by securing the seller's rights. Reliable narrations in Imami jurisprudence also confirm the legitimacy of this clause. The prophetic narration "believers are bound by their conditions" expresses the general principle of fulfilling agreed contractual conditions and validates the retention-of-title clause as a legitimate condition in the contract of sale. The narration attributed to Zurārah from Imam al-Sadiq also specifically indicates the permissibility of the retention-of-title clause and shows that this clause has been accepted in the jurisprudential tradition (26). Another narration attributed to Imam al-Sadiq emphasizes the necessity of performing conditions in sale when they conform to the law of the Sharia. Since the retention-of-title clause does not conflict with the Sharia, this narration also strengthens its legitimacy. From the perspective of jurisprudential rules, the retention-of-title clause rests on

several rules. The rule that “contracts follow intentions” allows the parties to include conditions such as the retention-of-title clause in the contract, provided that they do not conflict with the Sharia (2). This rule guarantees freedom of contract within the framework of the Sharia and confirms the retention-of-title clause as a legitimate agreement. The no-harm rule also validates this clause as an instrument for preventing harm to the seller in the event of non-payment of the price. The rule requiring fulfillment of conditions, which has been formed on the basis of numerous narrations, considers conditions incorporated into a contract to be binding unless they conflict with the Sharia. Since the retention-of-title clause does not conflict with the Sharia, it falls within the scope of this rule. Moreover, the rule negating uncertainty justifies this clause from a jurisprudential perspective by reducing ambiguity concerning ownership of the sold object and securing the seller’s rights, because it prevents the creation of impermissible risk in the transaction (4). An inferential analysis of the retention-of-title clause shows that this clause is defensible in Imami jurisprudence as an instance of conditional sale or a condition incorporated into the contract. This clause preserves transactional justice because it protects the seller against the risk of non-payment of the price while at the same time allowing the buyer to use the sold object (23). Unlike certain conditions that conflict with the requirements of the contract of sale, namely the transfer of ownership, the retention-of-title clause merely delays the time of ownership transfer and does not conflict with the nature of sale. In addition, the flexibility of Imami jurisprudence has made it possible to adapt this clause to the needs of modern transactions, such as installment sales or Islamic leasing contracts. This compatibility demonstrates the high capacity of jurisprudence to respond to contemporary needs. Imami jurists, from earlier to later periods, have presented clear views confirming the legitimacy of this clause. Shaykh al-Tusi, who died in 1067 CE, approved the retention-of-title clause in *al-Mabsut* as an instance of conditions incorporated into a contract and considered it legitimate because it preserves the seller’s rights and does not conflict with the Sharia (26). Muhaqqiq al-Hilli, who died in 1277 CE, considered conditional sale in *Shara’i’ al-Islam* to be one of the legitimate types of sale and deemed the retention-of-title clause valid because of its conformity with the no-harm rule. Shaykh al-Ansari, who died in 1864 CE, in *al-Makasib*, through a detailed analysis of conditions incorporated into contracts, considered this clause permissible because it prevents uncertainty and preserves the seller’s rights, provided that it does not lead to financial exploitation. Ayatollah al-Khoei, who died in 1992 CE, in *Misbah al-Fiqahah*, also approved this clause as an instrument for reducing transactional risk and considered it consistent with the rules that “contracts follow intentions” and “no harm.” The difference among these views lies in the fact that earlier jurists such as Shaykh al-Tusi emphasized the necessity of an explicit condition, whereas later jurists such as Ayatollah al-Khoei showed greater flexibility in accepting implied conditions and paid more attention to the modern applications of this clause in installment transactions. In comparison with other conditions incorporated into contracts, the retention-of-title clause has distinctive features. This clause focuses on the temporary retention of ownership and, instead of rescinding the transaction, as occurs in options, keeps ownership of the sold object with the seller until payment of the price (22). Its flexibility makes it applicable to transactions ranging from simple sales to complex commercial contracts. Moreover, its compatibility with modern financial instruments, such as Islamic leasing, demonstrates the capacity of Imami jurisprudence to respond to new needs. Consequently, the jurisprudential foundation of the retention-of-title clause is based on Qur’anic verses such as the verse requiring fulfillment of contracts, reliable narrations such as the narration attributed to Zurārah, and jurisprudential rules such as “contracts follow intentions” and “no harm.” This clause is not only consistent with jurisprudential principles but also has a high capacity for adaptation to modern transactions by preserving the seller’s rights and reducing transactional risk (19). The views of jurists indicate a relative

consensus on the legitimacy of this clause, provided that it is consistent with Sharia rules such as the negation of uncertainty and the prohibition of usury.

The legitimacy of the retention-of-title clause in Imami jurisprudence is based on the four principal sources of jurisprudence: the Qur'an, the Sunnah, consensus, and reason (24). The verse "O you who believe, fulfill the contracts" emphasizes the binding force of contracts, and the retention-of-title clause, as an ancillary obligation in sale, falls within the scope of this ruling (27). The narration "believers are bound by their conditions" also makes compliance with contractual conditions obligatory, unless the condition conflicts with the Sharia (7). The rational practice of people, particularly in installment transactions, confirms the acceptance of suspending ownership until full payment of the price; Imami jurisprudence has endorsed this rational practice (24). Reason also confirms the legitimacy of this clause, because the seller may retain ownership until payment of the price in order to reduce financial risk (28). In addition, Imami jurists such as Shaykh al-Ansari and Imam Khomeini have considered the suspension of ownership transfer legitimate under certain conditions (26). The no-harm rule also supports the legitimacy of this clause in cases where the absence of such a condition would cause harm to the seller. This evidence shows that the retention-of-title clause in Imami jurisprudence is a valid institution that can be used in transactions.

Legal Foundations of the Retention-of-Title Clause

The retention-of-title clause in Iranian law is founded on the general principles of contracts and the rules of the Civil Code (4). This clause, which keeps ownership of the goods with the seller until the full payment of the price, derives its legitimacy from Article 10 of the Civil Code, concerning freedom of contract, and Article 219, concerning the binding force of contracts (24, 29). The silence of the Civil Code regarding the exact time of transfer of ownership makes it possible to agree on the suspension of ownership (21). As a form of ancillary real right, the retention-of-title clause protects the seller's rights and prevents the loss of those rights in deferred-payment or installment transactions (22). Although the official registration of this clause is not mandatory in Iranian law, proving the existence of the clause in the contract is important for invoking it against third parties (4). Furthermore, the retention-of-title clause is compatible with public order and good morals and plays an effective role in strengthening the legal security of transactions. Therefore, despite the absence of a specific statutory provision, this clause is defensible and enforceable under the principles of Iranian law.

The Role of the Retention-of-Title Clause in Securing the Seller's Rights

Preservation of Ownership of the Sold Object

The retention-of-title clause enables the seller to retain legal ownership of the goods until the full payment of the price, despite delivery of the sold object to the buyer. This issue is particularly important in deferred-payment and installment transactions, where the buyer may refuse to pay the price. According to Imami jurisprudence, this clause is justified by principles such as the obligation to fulfill conditions and the rule of dominion, because the seller has the right to preserve ownership of the sold object until the buyer's financial obligation is fulfilled (24). In Iranian law as well, by reference to Article 10 of the Civil Code, the retention-of-title clause is regarded as a legitimate agreement between the parties to the contract, the purpose of which is to secure the seller's proprietary rights (4).

In addition, in comparative legal systems such as those of France and Germany, official registration of the retention-of-title clause is necessary for the legal protection of the seller against third parties (25).

Transactional Risk Management

In commercial transactions, the seller is always exposed to risks such as the buyer's default or bankruptcy. The retention-of-title clause, as a legal instrument, makes it possible to manage these risks. This clause allows the seller, in the event of non-payment of the price, to retain ownership of the goods and, where necessary, repossess them (2). In Imami jurisprudence, this approach is consistent with the no-harm rule, because the absence of such a clause may expose the seller to serious harm (4). Moreover, in Iranian law, the retention-of-title clause is consistent with the principles of contractual balance and prevents the loss of the seller's rights (24).

Reduction of Legal Disputes

One of the important objectives of the retention-of-title clause is to reduce legal disputes between the seller and the buyer. By inserting this clause into the contract, the ownership status of the sold object becomes completely clear, and disputes concerning ownership or payment of the price are prevented. In Imami jurisprudence, this clause is regarded as a regulatory instrument in the contract of sale and is consistent with the principles of contractual justice and the necessity of transparency in transactions (19). In Iranian law, the insertion of this clause can also prevent claims relating to the buyer's breach of financial obligations, because the retention-of-title clause clearly determines that the transfer of ownership occurs only after the full payment of the price (15). In comparative legal systems, official registration of this clause also helps reduce disputes involving third parties (25).

Challenges and Limitations of the Retention-of-Title Clause

The retention-of-title clause in Imami jurisprudence and Iranian law, as an instrument for securing the seller's rights, faces numerous practical challenges in enforcement. In Imami jurisprudence, the necessity of conformity of the clause with Sharia rules, such as the prohibition of uncertainty and non-conflict with the essential nature of the contract of sale, makes precise drafting of contracts difficult, and ambiguity in interpreting conditions may lead to disputes. The absence of clear mechanisms for monitoring the implementation of the clause, particularly in complex transactions, makes the seller vulnerable to the buyer's abuse. In Iranian law, although Article 234 of the Civil Code supports conditions incorporated into contracts, the absence of legal requirements for the official registration of the retention-of-title clause limits its invocation against third parties and, in the buyer's bankruptcy, creates a conflict with the principle of equality among creditors. A change in the nature of the sold object during production or assembly, especially in industry, makes identification and restitution of the sold object difficult, and the absence of clear rules in this regard reduces the effectiveness of the clause (30). In jurisprudence, Sharia-based limitations on the application of strict enforcement mechanisms, such as automatic termination of the transaction, create obstacles to the enforcement of the clause, and dependence on the parties' agreement limits flexibility. In Iranian law, judicial complexities in proving the seller's ownership, particularly in claims involving third parties, increase the cost and duration of proceedings and weaken confidence in the enforceability of the clause. In international transactions, the lack of full harmonization between the retention-of-title clause and foreign legal systems, especially in countries where registration of the clause is mandatory, exposes Iranian sellers to legal risks and reduces commercial competitiveness (3). In jurisprudence, the absence of practical precedent for protecting the seller against the buyer's

unauthorized dispositions, such as transferring the sold object to a third party, has made enforcement challenging. In Iranian law, the lack of clarity in rules concerning the effects of the clause against the buyer's creditors reduces economic predictability and discourages sellers from making extensive use of this clause. These challenges, by increasing practical and legal risks, limit the effectiveness of the retention-of-title clause in securing the seller's rights and highlight the need for legal and jurisprudential reforms to improve its enforcement (31).

Conclusion

The retention-of-title clause, as one of the most important legal and jurisprudential instruments for securing the seller's rights, plays a key role in preserving proprietary rights and managing transactional risks. By suspending the transfer of ownership of the goods until the full payment of the price, this clause enables the seller to remain protected against the risks arising from the buyer's default or bankruptcy while at the same time preserving balance and justice in contractual relationships. In Imami jurisprudence, the legitimacy of this clause rests on firm foundations such as the principle of fulfilling conditions, the rule of dominion, the no-harm rule, and the negation of uncertainty. From a legal perspective as well, the retention-of-title clause is acceptable and enforceable by reference to Article 10 of the Civil Code and the principle of freedom of contract, and it is recognized as a valid legal instrument in installment and deferred-payment transactions. This clause has significant positive effects in securing the seller's rights, including preservation of ownership of the sold object until the full payment of the price, reduction of transactional risks arising from the buyer's default or bankruptcy, and reduction of legal disputes between the parties. By creating transparency in the ownership status of the sold object, the retention-of-title clause prevents legal conflicts and contributes to economic balance and trust in commercial transactions. Nevertheless, the practical enforcement of this clause faces certain challenges. In Imami jurisprudence, limitations such as the prohibition of uncertainty, conflict with the essential nature of the contract of sale, and the absence of practical procedures for monitoring the implementation of the clause make the seller vulnerable to certain abuses. In Iranian law, the legal gap concerning the official registration of the retention-of-title clause makes invoking it against third parties difficult and renders its enforcement legally complex in cases such as a change in the nature of the sold object or the buyer's bankruptcy. Given the growing importance of commercial transactions and the need to protect the seller's rights, legal and jurisprudential reforms aimed at addressing existing challenges appear necessary. Establishing transparent mechanisms for the registration and public announcement of the retention-of-title clause, determining its precise legal effects against third parties and the buyer's creditors, and developing practical solutions for dealing with changes in the nature of the sold object can help increase the effectiveness of this clause and enhance legal security in transactions. Ultimately, the retention-of-title clause is an example of the capacity of Imami jurisprudence and Iranian law to respond to modern economic and social needs. By integrating jurisprudential and legal principles, this clause has been recognized as an effective instrument for securing the seller's rights in contracts of sale. Resolving the existing challenges through legal reforms and the formulation of transparent regulations can strengthen the position of this clause in the Iranian legal system and contribute to increased legal security in transactions and reduced judicial disputes.

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Authors' Contributions

All authors equally contributed to this study.

Declaration of Interest

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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