

Iran

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1. Fintech regulatory framework: a summary of the most relevant laws and regulations concerning fintech and financial innovation.

Iran does not have a comprehensive fintech law: the regulations on fintech activities are instead dispersed across multiple legal and regulatory frameworks. The regulatory approach has evolved incrementally in response to technological developments in the market. In this context, the Central Bank of Iran (CBI) has issued various regulations, directives and policy statements addressing areas such as digital payments, digital banking initiatives, digital asset exchange activities, digital custody solutions (wallets) and microfinancing. In addition, the High Council of Cyberspace, as Iran's principal policymaking and coordinating authority in the field of cyberspace, plays a significant role in formulating high-level policies that affect digital and fintech-related activities.

Capital market regulators, namely the Exchange and Securities High Council ('Securities Council') and the Securities and Exchange Organization (SEO), have adopted regulations governing digital capital raising through crowdfunding platforms, as well as certain technology-driven asset management activities. The Central Insurance of Iran (CII) has also introduced regulations relevant to online insurance distribution and insurtech services, as discussed below.

Several fintech segments, including digital savings mechanisms and digital investment funds, remain unregulated. Other fintech-related services, such as know your customer (KYC) processes, credit scoring, financial management and risk analytics tools, are generally subject only to applicable general laws and regulations.

Digital payments

The CBI regulation on digital payments has established a three-tier structure comprising:

- a central payment network called Shaparak, which connects the CBI, banks and payment service providers (PSPs);
- PSPs; and
- payment facilitators, which are intermediaries between PSPs and merchants providing goods and services.

The CBI's Regulation on Establishment, Operation and Monitoring of Payment Service Providers (the 'PSP Regulations') approved in 2011 is discussed in section 3. In addition, the CBI's issued its principal regulation governing payment facilitators in 2018. This regulation sets out, among other things:

- corporate and management requirements applicable to payment facilitators;
- the qualification process (including required contractual arrangements with a PSP and with Shaparak);
- the scope of permitted activities (which is generally limited to providing payment services to sellers); and
- capital adequacy requirements, KYC, record-keeping, reporting, anti-money laundering (AML) and counter-financing of terrorism (CFT) rules and settlement processes.

Under this framework, PSPs are entrusted with supervisory responsibilities in respect of the payment facilitators with whom they enter into payment agreements. The CBI has also issued a specific regulation on card-not-present (CNP) payments, originally adopted in 2017, which addresses matters such as risk management (including via transaction limits), transaction authentication, record-keeping, incident reporting and outsourcing. In 2022, the CBI introduced digital checks as a valid instrument of payment. At present, most banks issue digital checks to their customers, and the CBI has mandated all banks to accept digital checks issued by other banks.

Digital banks

Over the past decade, digital banking has expanded in Iran, driven in part by the digital banking mandate which was set out in the Fourth Development Plan Law 2004 and the subsequent Digital Banking Regulations approved by the Council of Ministers on 13 March 2008.

The Council of Ministers regulations, which cover mobile and online banking, as well as the required supporting infrastructure, such as point-of-sale and ATM networks, imposed obligations on the CBI, other governmental bodies and banks to facilitate the rapid expansion of secure digital banking services.

More recently, the CBI issued a new directive on the legal framework applicable to neobanks and other digital banking activities. Under this directive, independent operation of neobanks is expressly prohibited. Such units may not be presented in a manner suggesting that they constitute an independent credit institution, and previously operating neobanks are now required to consistently identify the licensed bank under which they operate. The directive further sets out a licensing and supervisory regime applicable to digital banking units.

Digital custody

Digital wallets are primarily governed by two regulatory instruments: (1) Directive Number H54251T/107837 of the Council of Ministers dated 6 November 2018 (the 'Fintech Directive'); and (2) the CBI's Digital Wallet Operators Regulation 2020 (the 'Wallet Regulation').

Further details are discussed in section 3.

Digital asset exchanges

The CBI has also issued regulations governing the trading of crypto assets, which are discussed in section 2.

Digital lending

There is no standalone regulatory framework specifically governing digital lending or lendtech activities in Iran. Digital lending operates within the general banking and credit regulations issued by the CBI; only licensed banks and credit institutions are permitted to act as lenders.

In practice, the CBI has permitted bank-led digital micro-lending models, under which banks cooperate with fintech companies pursuant to contractual arrangements and based on internal credit scoring systems. Microfinancing and short-term consumer credit products, including 'buy now, pay later' (BNPL) schemes, are increasingly offered through banking applications and e-commerce platforms, although no specific regulatory instrument currently addresses these models.

The CBI has also facilitated digital collateralisation through electronic platforms, allowing borrowers to pledge listed shares as collateral for bank loans. Through various policy statements and regulatory initiatives, the CBI has indicated an intention to further develop fintech regulation, and digital lending is widely viewed as an area likely to be subject to more explicit regulatory guidance in the medium term.

Digital capital raising

Digital capital raising activities are primarily governed by the 2018 Crowdfunding Directive issued by the Securities Council (the 'Crowdfunding Directive'), which constitutes the principal regulatory framework for crowdfunding platforms in Iran.

Crowdfunding operators must obtain a licence from a special evaluation committee established under the Directive. Following approval of a project and execution of the relevant contractual arrangements between the operator and the fund applicant, an exchange ticker is assigned by Farabourse (Iran's exchange for securities and other financial instruments), after which public fundraising may commence.

The Crowdfunding Directive imposes caps on the amount that may be raised per project, as well as limits on the aggregate fundraising activities of each operator. In addition, fund applicants are required to contribute at least ten per cent of the project's capital requirements from their own resources.

As of 2026, no material amendments to the crowdfunding framework have been enacted. However, ongoing discussions within regulatory and academic circles regarding modern digital financing tools suggest that supplementary technical guidance may be introduced in the future.

Asset management technologies

There are currently no regulations in Iran specifically governing asset management technologies (such as robo-advisors, artificial intelligence (AI)-driven portfolio management software or blockchain-based tokenisation of assets). The only specific framework in the capital markets is the Regulation on Algorithmic Trading 2020 issued by the SEO, which may be utilised as part of a fintech-driven approach to asset management. This regulation sets out the technical requirements applicable to permitted machine trading, such as the limits on trading frequency, permitted time windows for order submission, logging and record-keeping requirements, and the ability to immediately cancel orders or terminate algorithms when required by law. High-frequency trading is expressly prohibited. Since 2022, the SEO has prohibited algorithmic trading in all trading symbols of gold coin deposit certificates and CBI gold coins.

Insurtech

Insurtech activities in Iran are primarily regulated under two sets of regulations issued by the CII in 2019, which govern online insurance brokerage, marketing, sales and payment services. These regulations require, among other things, obtaining an electronic commerce licence from the Ministry of Industry, Mine and Trade, as well as compliance with minimum technical and operational standards.

In recent years, the CII has increased its engagement with the insurtech sector, including through cooperation arrangements with Iran's Vice Presidency for Science and Technology aimed at supporting innovation and technology-driven insurance services.

Although insurtech activities remain subject to general insurance and electronic commerce regulations, rather than a dedicated and consolidated insurtech-specific framework, the High Council of the CII has introduced the Executive Regulation on Establishment and Activity of Insurtech Companies. This regulation sets out, among other matters, the definition of insurtech, requirements for establishment and operation, and the relevant regulatory authority. Under this regulation, an insurtech company is defined as a company that uses various forms of innovation and technology, such as the internet of things (IoT), AI and blockchain to provide insurance services through new business models, such as peer-to-peer insurance schemes and performance-based insurance programmes. Further regulatory guidance may be issued in the future, particularly in relation to data governance, cybersecurity and digital service integration.

2. Regulations on crypto assets: a summary of the legal framework regarding crypto assets and how they are regulated.

By introducing a Policy and Regulatory Framework for Cryptocurrencies 2024, the CBI has progressively developed a regulatory framework for cryptocurrencies, seeking to recognise the growing crypto economy while maintaining strict regulatory oversight. This framework builds upon a regulatory trajectory that initially focused predominantly on cryptocurrency mining, an activity which experienced rapid expansion during 2020 and 2021, largely driven by heavily subsidised electricity prices. After a brief period of prohibition in early 2021, the government moved towards regulated authorisation of mining activities, adopting a series of sector-specific regulations governing energy sourcing, licensing and operational constraints. Mining regulation remains an important component of Iran's overall crypto policy, particularly in the context of energy management, foreign currency generation and trade settlement mechanisms. Against this background, the CBI has gradually expanded regulatory attention beyond mining to cover crypto trading, brokerage, custody, taxation and payment-related restrictions.

Cryptocurrencies

Generally, the regulations on cryptocurrencies are fairly aggressive towards crypto exchanges. The trading of most crypto assets (such as global cryptocurrencies and gold, metal and hard currency-based tokens) may only take place in those crypto exchanges supervised by the CBI. While traditional exchange houses may apply for a crypto exchange licence, it is unclear whether other exchange platforms are able to obtain such licences. As a general principle, holding and trading cryptocurrencies in Iran is permitted, provided that they are not used as a form of currency in transactions.

Cryptocurrencies are not recognised as legal tender; therefore, the purchase, sale and holding of crypto assets are permitted, while their use as a payment instrument remains strictly prohibited.

This approach has been reflected by the Iran's Parliament in the course of enactment of the Law on Taxation of Speculation and Profiteering 2025, under which capital gains tax is imposed on all crypto assets and cryptocurrencies (with the exception of digital rial, ie, the Central Bank's digital currency, discussed below). As this law represents the first legislative response to the crypto sector, many market players and legal commentators view it as the law has implicitly recognised the legality of holding and trading crypto assets, given that tax is only imposed on the benefit of legally recognised assets.

The CBI has also issued comprehensive instructions for establishment, operation, supervision and dissolution of cryptocurrency brokers. This instruction requires all crypto service providers, including exchanges, brokers and custodians, to obtain an operating licence from the CBI. This instruction also sets out minimum capital requirements, board qualification criteria and restrictions on banking activities such as deposit-taking or leveraged trading (with limited futures permitted).

Despite the presence of active crypto service platforms in the market, no official operating licences have been issued by the CBI to date.

The CBI introduced its Central Bank Digital Currency, known as 'digital rial' and started a 'pre-pilot' phase in late 2022 through limited circulation of the currency by selected banks and commercial retailers. As of 2024, the CBI launched digital rial in the geographical area of Kish Island, allowing banking customers and tourists to use it for purchasing goods and services. No further developments have been publicly reported since then. At present, the digital rial is the only cryptocurrency permitted to be used as a payment instrument in Iran.

The regulatory approach to crypto markets also includes quantitative restrictions. The CBI currently imposes transaction and holding caps on stablecoins for each user across all licensed service providers. The annual purchase limit for all stablecoins is set at US\$5,000 (or its equivalent in other currencies) and the maximum holding limit is US\$10,000 (or its equivalent in other currencies) in stablecoin units. For the purposes of compliance with these limits, the value of stablecoins is determined by reference to the value of Tether, which is generally equivalent to US\$1.

Security tokens and utility tokens

The High Council of Cyberspace has issued a regulation called Creating National Cryptocurrencies and Organising the Use of Global Cryptocurrencies. Under this regulation, the SEO is designated as the regulatory and supervisory authority for security tokens. As a result, the purchase, sale and use of security tokens will be subject to regulations issued by the SEO. However, no such regulations have been published to date.

With respect to utility tokens, the regulatory framework remains largely silent, and there are no indications of utility tokens being issued or used on local platforms.

3. Payment service providers and digital wallets: a summary of regulations applying to payment service providers and/or digital wallets.

Payment service providers

The PSP Regulations set out a comprehensive list of requirements governing the establishment of PSPs, including founders' qualifications, shareholders restrictions and minimum capital requirements, as well as licensing by the CBI, Shaparak's technical approval processes, internal control systems, audit and reporting obligations, and AML compliance.

Digital wallets

The Fintech Directive designates the CBI as the regulator of digital wallets. In this context, the CBI's Wallet Regulation sets out the general framework applicable to open wallets, including:

- the eligibility requirements for wallet service providers (such as minimum capital);
- capital adequacy, KYC, transaction monitoring and record-keeping obligations;
- mandatory internal control mechanisms;
- permitted transactions and turnover caps applicable to commercial and personal wallets;
- the duties and liabilities of wallet service providers; and
- the respective roles of national payment platforms, PSPs and credit institutions.

All wallet and transaction-related information must be recorded in a national database.

Payment facilitators

The High Council of the CBI has recently adopted a different approach to payment facilitating services, formally recognising them as banking activities. Accordingly, the CBI is drafting the Executive Regulations on the Establishment, Operation, Supervision and Dissolution of Payment Facilitator Companies. This draft regulation sets out requirements relating to establishment a payment facility, including board members and shareholder qualifications, minimum capital requirements, the CBI's licensing, contractual arrangements with Shaparak, and reporting and AML obligations.

The draft regulation classifies payment facilitating services into two categories: (1) type 1 services, authorised solely to provide internet payment gateways to general businesses and permitted to contract with a maximum of four PSPs; and (2) type 2 services, authorised to provide gateways for both general and specific businesses and permitted to contract with up to eight PSPs.

The CBI is empowered to downgrade a facilitator's licence category (from type 2 to type 1) based on supervisory assessment of performance and violations.

4. Special support for fintechs: a description of special programmes supporting the fintech ecosystem, fintech startups (eg, regulatory sandboxes and accelerator programmes) and regulations regarding special support.

Iran has adopted increasingly supportive policies aimed at fostering an open, competitive and innovative fintech ecosystem. The support framework is multi-layered, ranging from upstream legislative instruments such as the Five-Year Development Plans, to executive-level protections and fiscal incentives.

Strategic and legal support (upstream laws)

The most significant recent support measures are set out in the Seventh Five-Year Development Plan for the year 2024–2029, which constitutes one of the highest-level upstream legislative instruments in Iran. In particular, Article 66 of the Plan introduces a number of mandatory support measures and allocates responsibilities across various government bodies, including:

- granting digital business access to necessary data;
- recognising digital assets as acceptable banking collateral: this effectively addresses the collateral constraints faced by lendtech and crypto asset businesses, and facilitates their access to finance based on non-traditional asset classes; and
- establishing a specialised stock exchange for digital economy companies, with a view to facilitating initial public offerings (IPOs) and improving access to capital.

Executive safeguards

To mitigate regulatory uncertainty, the High Council of Cyberspace established the Committee for Facilitating Digital Economy Businesses in 2025. This Committee is empowered to suspend government regulations or executive measures that disrupt business operations. Furthermore, failure by regulators to comply with the Committee's decisions may result in expedited judicial review, providing fintech startups with a practical mechanism to challenge arbitrary or inconsistent enforcement actions.

Financial incentives

Financial support has been formalised through several key implementing regulations, including:

- Implementing Regulation on Supporting Production in the Digital Economy 2023: Under this bylaw, the government is required to develop protocols for the valuation of digital assets. Expenditures incurred for acquiring or developing such assets are treated as tax-deductible costs.
- Implementing Regulation on Supporting Digital Economy Businesses 2022: This regulation provides tax exemptions for businesses operating on approved platforms and permits the deduction of platform development expenses from taxable income.

- Implementing Regulation on Knowledge-Based Production Leap 2022: This regulation removes historical restrictions on bank investments, explicitly permitting banks to acquire equity stakes in fintech startups and venture capital funds.

Innovation and self-regulatory

From a market-entry perspective, the CBI's regulatory sandbox remains the primary environment for piloting high-risk models such as BNPL products. Within this framework, the CBI, as the market regulator, issues limited permits allowing new businesses to commence operations in the absence of dedicated, product-specific regulations. The sandbox enables the CBI to monitor such businesses and assess their services within a controlled test environment. Based on the outcomes of this testing phase, the regulator may subsequently develop and implement the requirements deemed necessary, provided that the business satisfies the applicable eligibility requirements.

In the crypto asset sector, the regulatory approach is gradually evolving towards greater collaboration. In particular, the Crypto Asset Regulation 2025 formally recognises private-sector associations as participants in the development of technical standards, reflecting a shift towards a partial self-regulatory model in the crypto and digital asset space.

5. Open banking: a summary of regulations regarding open banking and direct or indirect regulations that affect open banking.

Iran does not currently have a single, comprehensive legal framework governing open banking. While the CBI has sought to establish a legal basis for open banking services through broader digital economy regulations, no comprehensive directive has been issued yet. This is primarily due to ongoing concerns regarding customer data protection and cybersecurity risk.

Direct regulatory mandates

Under the Council of Ministers Directive on Micro-Payments 2018, banks are required to open specific application programming interfaces (APIs), and the CBI is mandated to remove monopolistic practices in payment services and to ensure access to banking services by PSPs and fintech companies.

Furthermore, under the Implementing Regulations for Supporting Digital Economy Businesses 2022, the CBI and financial institutions are required to provide 'direct debit' infrastructure to digital platforms. This is the first statutory measure explicitly mandating 'payment initiation services', which constitute a core component of open banking, thereby transforming such services from a voluntary arrangement to a legal obligation.

Moreover, the Seventh Five-Year Development Plan obliges the Ministry of Information and Communications Technology and other related authorities to facilitate the sharing of government and public sector data with digital businesses through the National Information Exchange Centre. This establishes a legal foundation for open finance that extends beyond mere banking data.

Indirect regulations and operational framework

In practice, the CBI has sought to operationalise the open banking ecosystem through role-based and functional regulations rather than a single licensing regime. Recent regulations on lending have increased the demand for open banking data, particularly for credit scoring purposes. The Executive Instruction on Granting Micro-Facilities 2023 requires banks to use internal credit ranking when lending, which in turn necessitates integration with fintech providers for data aggregation, enrichment and verification. Furthermore, Shaparak Company, as the CBI's executive and regulatory arm in the payments sector, has issued specific Web Service Protocols for Interbank Electronic Transfers, which sets out the technical standards for payment initiation. This enables non-bank entities to legally initiate card-based fund transfers on behalf of customers.

Data privacy and market structure

Open banking activities in Iran must comply with strict banking secrecy and data protection regulations. Under Article 11 of the Central Bank Act 2023, the disclosure of confidential information of supervised entities and their clients is strictly prohibited, except where disclosure is required by law or a court order. Furthermore, the CBI Directives No 7075 dated 7 January 1996 and No H.444 dated 25 September 2008 classify account information as confidential and prohibit its sharing by banks without a judicial order, a specific statutory obligation or the explicit consent of the customer. As a result of these constraints and associated liability considerations, open banking in Iran currently operates primarily through a partnership-based model. Under this model, banks and fintech companies collaborate pursuant to bilateral contractual arrangements or authorised API aggregators, ensuring that data access is always contingent on user authorisation.

6. Regulation of virtual asset service providers.

Iranian law does not explicitly use the term 'virtual asset service provider' (VASP). Instead, equivalent entities are referred to under various designations, such as cryptocurrency exchanges, platforms, brokers and digital asset service providers. At present, the only virtual assets subject to a defined regulatory framework are cryptocurrencies.

As noted in section 2, the CBI has issued comprehensive instructions governing the establishment, operation, supervision and dissolution of cryptocurrency brokers. This instruction imposes several requirements on brokers, such as minimum capital requirements, professional qualifications for chief executive officer (CEO) and board members, and compliance with AML policies and regulations. It also classifies brokers into two categories based on their scope of services and minimum capital requirements:

- Type 1: providing sales, purchase, exchange and advice for cryptocurrency subject to a minimum capital requirement of approximately IRR 400bn.
- Type 2: type 1 services, launching and managing cryptocurrency exchange platforms, and market making cryptocurrency subject to a minimum capital requirement of approximately IRR 4tn.

Brokers are prohibited from performing traditional banking functions, such as accepting deposits or extending loans and using crypto assets for domestic payments.

Regulated activities

The following activities are subject to regulation and require licensing by the CBI:

- operation of cryptocurrency exchange platforms, including buying, selling or exchanging cryptocurrency; and
- asset custody, including holding digital assets on behalf of users.

Enforcement and supervision

The CBI serves as the primary authority for enforcement, licensing, supervision and inspection of service providers in this sector. Supporting functions may be exercised by other bodies, including judiciary and law enforcement authorities, the Anti-Money Laundering Council and the Financial Intelligence Unit (FIU).

7. AML and the Travel Rule in crypto asset transactions.

Legal and regulatory framework

Iran has adopted a strict AML framework that imposes obligations on VASPs. The most significant recent development is the adoption of Implementing Regulation on Combating and Preventing Money Laundering 2025, which serves as the implementing instrument of the Anti-Money Laundering Law (as amended in 2019). Under this Regulation, entities providing virtual asset services are classified as financial institutions and are therefore subject to AML obligations equivalent to those imposed on banks.

In addition, the FIU has recently issued the Instruction on AML Structure 2025, which requires all reporting entities, including crypto businesses, to establish a dedicated AML department and appoint a compliance officer. Moreover, the CBI Policy Framework on Crypto Currencies 2024 explicitly categorises cryptocurrency exchanges and custodians as regulated entities subject to full AML compliance. Earlier, the CBI's Requirements for Crypto Assets 2019 strictly prohibited anonymous transactions and mandated performing comprehensive KYC procedures, as well as record-keeping obligations relating to the origin and destination of transactions.

Although the term 'Travel Rule' as used by the Financial Action Task Force is not expressly adopted in Iranian legislation, the functional requirements of the Travel Rule have now been incorporated under Chapter 6 of the Implementing Regulation 2025.

Scope of imposed obligations

VASPs are required to record specified originator and beneficiary information for internal transfers, including name, national identifier (ID) and addresses, to ensure traceability in both domestic and cross-border transactions. In addition, the CBI is required to establish a unified virtual asset transactions database to receive the required information from VASPs and grant the FIU online and unrestricted access to this database.

In addition, the CBI Policy Framework 2024 requires that crypto assets used for import-related transactions have a clear and traceable transactional lineage.

Current status of implementation

These measures have progressed from regulatory guidance to enforceable legal obligations. The Anti-Money Laundering Law is in full force and provides for criminal penalties in case of non-compliance. In addition, the Implementing Regulation 2025 constitutes a legally binding regulation, while the CBI Policy Framework 2025 operates as a mandatory operational guideline. These instruments function alongside the recent Instruction on AML Structure 2025 issued by the FIU.

Supervisory authority

Oversight is exercised through a dual structure reinforced by the Implementing Regulation 2025. The FIU now acts as the primary authority responsible for receiving suspicious transaction reports (STRs), establishing risk profiles, and maintaining a list of high-risk individuals. Concurrently, the CBI operates as the supervisor for financial institutions, a category that now legally includes VASPs. The CBI is also responsible for technical oversight and the maintenance of the unified crypto transaction database.

8. Enforcement and cross-border recognition of tokenisation and structuring of secured transactions involving crypto assets.

Structure of financial instrument

To date, no digital financial instruments have been formally structured or introduced in the Iranian financial markets. Digital asset tokenisation remains an emerging area and is currently developing only in limited sectors, such as art business platforms, which are generally not subject to financial licensing and supervisions.

Types of collateral for securing obligations

Irrespective of whether obligations arise from financial instruments linked to tokenised assets, the taking of collateral for securing obligations is in practice largely limited to tangible assets – most notably real estates and securities. However, recent regulations have sought to recognise a broader range of assets as collateral. Nevertheless, the practical implementation of such measures remains suspended pending the adoption of executive regulations and the development of

supporting infrastructure, including asset registration systems. Consequently, where a digital asset represents an underlying real asset, it is only possible to create a security interest over the underlying asset itself, rather than over the digital representation. In such cases, the legal regime governing security interests over real assets apply.

Procedures to create and perfect a security interest

As discussed, the absence of a dedicated regulatory framework and operational infrastructure continues to impede the creation of security interests directly over digital assets. By contrast, well-established formalities apply to the creation of security interests over real assets and securities. For example, for registered real estates, the process involves notarisation of the security instrument, registration of the security and payment of the notary fees. When securities are used as collateral, particularly shares in listed companies, the security interest must be exclusively registered with the Central Securities Depository of Iran (CSD).

Recognition and enforcement of a foreign governing law clause by local courts

As a general principle, under Iranian law, contracts are governed by the law of their place of conclusion (ie, where the last signature was affixed to the contract). Where both contracting parties are foreign nationals, they can agree that foreign law governs their contract. Therefore, Iranian courts may recognise a foreign governing law clause where a contract is concluded outside Iran, whether between two Iranian parties or between an Iranian party and a foreign party.

Enforcement procedures to secure lenders

The procedures for enforcing security interests and recovering secured claims vary depending on the type of collateral. For registered real estates or other collateral created by a notarised deed, the lenders can enforce their security rights either through the enforcement body of the Real Estate Registration Organisation or by initiating proceedings before the competent court. Enforcement of security interests over securities is carried out pursuant to the specific procedures prescribed by the CSD.

Public auction requirement for enforcement

Where enforcement is pursued through the courts or the enforcement authority of the Real Estate Registration Organisation, a public auction typically constitutes a mandatory stage of the enforcement process. An exception applies to the enforcement of security interests over securities, which does not require a public auction. In such cases, the securities are sold on the market at the prevailing market price through a stockbroker designated by the CSD.

9. Litigation and jurisdiction on crypto assets: legal implications of disputes involving crypto assets.

Disputes involving crypto assets generally fall under jurisdiction of civil, criminal or commercial courts, as there are currently no dedicated or specialised courts for cryptocurrency-related matters.

Publicly available case law on crypto disputes remains limited. Recent court rulings and advisory opinions from the Judiciary's Legal Department have treated cryptocurrencies as intangible property. Nevertheless, practical challenges exist regarding the seizure, surrender or restitution of cryptocurrencies pursuant to court judgments.

A key difficulty arises because enforcement authorities do not mandate crypto exchanges to seize assets of the judgment debtor. This approach is based on the premise that cryptocurrency transactions carry inherent risks borne solely by the parties involved and are not supported or guaranteed by the government or banking system. Therefore, enforcement of such court judgments is typically done by conversion to the monetary equivalent of the relevant assets, calculated at the market price on the date of payment. This reflects the fungible nature of cryptocurrencies, whereby payment of an equivalent value suffices if return of the specific coins or tokens is not feasible.

Regarding submission to foreign jurisdictions or exclusive foreign forum clauses, such agreements are generally not binding or enforceable where Iranian courts have jurisdiction under the Civil Code and Civil Procedure Code of Iran. In such cases, courts may disregard forum selection clauses based on factors such as the defendant's domicile in Iran, the place of contract performance or the location of assets.

However, if the contract has no significant nexus to Iran (eg, if both performance and the parties are located outside Iran or the parties are foreign nationals), courts are more likely to respect an exclusive foreign jurisdiction clause.

By contrast, arbitration agreements receive stronger recognition under the Law on International Commercial Arbitration, which upholds party autonomy. Parties may choose the governing law and a foreign arbitral seat provided that at least one party is a foreign national. Likewise, recognition and enforcement of foreign arbitral awards is generally accepted, as Iran is a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention).

10. Intellectual property (IP) and crypto assets: legal protection, ownership, enforcement, and monetisation of IP rights related to digital and virtual assets.

General overview of the IP framework in Iran

Iran's IP framework is governed by six key statutes, most notably the recently enacted Industrial Protection Act 2024, which covers patents, industrial designs and trademarks. Other foundational laws include the Act on Protection of Software Creators' Rights and the Electronic Commerce Act, which forms the backbone of digital and software-related rights. Internationally, Iran is a party to the Paris Convention and the Madrid Protocol.

Protection of crypto assets under IP law

Although no specific legislation directly addresses IP rights in crypto assets, existing general laws provide a framework for protection. Underlying codes and smart contracts may be protected under the Software Creators' Rights Act. Moreover, Article 66 of the Electronic Commerce Act criminalises the unauthorised use of another party's trademark in electronic environments (such as domain names or online platforms) if it causes deception. This provision is particularly relevant for protecting crypto brands against phishing or fake token listings.

Confidential data, including private keys or proprietary algorithms, is protected under Articles 62 and 64 of the same Act, which define and criminalise the unauthorised disclosure of trade secrets in electronic transactions.

Determination of ownership

Ownership generally vests with the creator. However, under the 'work-for-hire' principle in Article 6 of the Software Act, rights to assets developed by employees belong to the employer unless agreed otherwise. While no formal registry exists for crypto assets, Articles 12–15 of the Electronic Commerce Act recognise secure data messages as valid evidence. This provides a legal basis for using blockchain records to establish priority of creation in disputes.

Enforcement and defence

IP enforcement is conducted rigorously, with specialised IP courts in Tehran handling disputes. The Electronic Commerce Act imposes severe penalties for digital IP violations, including imprisonment for theft of trade secrets and trademark misuse. Crypto assets are recognised as having economic value and are therefore protected under the Computer Crimes Law, enabling prosecution for theft.

Foreign protection considerations

Iran is not a member of the Berne Convention, and software copyright is therefore not automatically protected internationally. However, for patents and trademarks, Iran's adherence to the Paris Convention allows right holders to claim priority dates for international filings. Notably, despite international sanctions, IP owners are not prohibited from protecting or enforcing their rights in Iran.

Monetisation and operational restrictions

Where intellectual property rights over digital assets are legally granted (and registered if required), right holders may monetise their IPs through sale, licensing or franchising.



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