



Research Article

ANALYSIS OF THE LEGAL FOUNDATIONS OF
ELECTRONIC BANKING IN IRAN**Author:** ¹Dr. Hossein Ghanbari* ¹Graduated in criminal law and criminology and a practicing attorney at a courthouse.**KEYWORDS**

Electronic Commerce Law, Online Banking, Applicable Law, Competent Jurisdiction, Digital Signature

ARTICLE HISTORY**Received Date:** 07/01/2026**Revised Date:** 08/01/2026**Accepted Date:** 23/02/2026**Published Date:** 18/03/2026**DOI:** 10.69557/ujrra.v5i1.268**CORRESPONDING AUTHOR****Seyedeh Ehteram Gholamian**

<https://orcid.org/0009-0004-8057-836X>

ABSTRACT

In recent decades, the use of computers and other modern communication technologies to conduct commercial transactions has become increasingly common worldwide. Although an electronic contract is not fundamentally different in nature from a traditional one, the formal characteristics of the digital environment introduce new concepts and features to such agreements. Given that financial and economic matters have always posed significant challenges for societies, internet banking must be regulated by a coherent legal framework that addresses the needs of both customers and service providers—not only domestically but also at the international level—while also supporting the continued development of this technology. Key legal issues associated with electronic banking include matters of contract law, such as determining the time and place of contract formation, the method of affixing a valid signature, and the allocation of the burden of proof in disputes between banks and clients. This article examines electronic banking exclusively from the perspective of the legal and regulatory concerns that have emerged alongside its development and expansion.

INTRODUCTION

In the modern world, electronic commerce has become a key indicator of social progress and development. Today, countries are actively working to build the necessary infrastructure to support its growth. One of the most important branches of electronic commerce is electronic banking. Electronic banking utilizes information technology to overcome the traditional constraints of time and place in banking services. By providing banking services and facilities through online networks, electronic banking improves accuracy and speed, reduces costs, and eliminates redundant administrative procedures.

However, as the banking system has advanced alongside the expansion of governmental bodies and public institutions, various issues have emerged regarding electronic financial and monetary transactions conducted through the banking network—issues that warrant careful consideration. In a comprehensive study conducted in 2017, Mirmohammad-Sadeghi and Azari Matin analyzed the differentiating strategies within substantive cybercriminal law compared to other modern banking offenses. Their research provided recommendations for defining the criminal framework related to offenses involving electronic signatures, concluding that an outcome-oriented differential approach is more effective than other penalty systems (Mirmohammad-Sadeghi & Azari Matin, 2017, p. 55). Electronic banking can generally be described as the use of advanced communication and network technologies to facilitate the transfer of funds within the banking system. Two core components of electronic banking are electronic money and electronic funds transfer (Seyed Javadin, 2006, p. 170). Broadly speaking, electronic banking refers to the optimal integration of a bank's activities through the application of modern information technologies, aligned with banking processes and organizational structures, to efficiently deliver the services required by customers. Given the growing importance of Internet banking, the present study focuses on examining the legal dimensions of this form of banking.

Research Background: Despite the limited availability of domestic resources, valuable studies have been conducted using various models and theories, yielding diverse results. Some of these studies include:

A study titled *“Factors Influencing the Adoption of Electronic Banking Among Parsian Bank Customers”* was conducted by Zohreh Dehdashti Shahrakh, Assistant Professor at Allameh Tabataba'i University, and Mohammad Mehdi Kavarouei, an M.A. graduate in Marketing Management from the same university. The findings indicate that six factors—perceived usefulness, perceived ease of use, perceived enjoyment, security and confidentiality, quality of internet connection, and informativeness—positively influence customers' adoption of electronic banking services at Parsian Bank.

A master's thesis titled *“Investigating Variables Affecting the Adoption of Electronic Banking Technology in Bank Melli Iran”* was conducted by Majid Salavati at the Faculty of Humanities, University of Mazandaran. Using the Technology Acceptance Model (TAM), the study found that perceived ease of use and perceived usefulness have a significant impact on customers' intention to use electronic banking technologies.

Research Method This study employs a descriptive and logical–inferential approach. Data

were collected through library-based research, including books, articles, journals, and online sources. Relevant information was extracted, analyzed, and compiled to form the content of this article.

Definitions and Concepts

Electronic Commerce

Electronic commerce encompasses any transaction in which the purchase or sale of goods or services occurs via the Internet, resulting in the import or export of those goods or services. Its scope is extensive, including not only online buying and selling but also other business activities such as procurement, inventory management, production supervision, distribution, logistics, and after-sales services. In a broader sense, electronic commerce significantly overlaps with the concept of electronic business.

Internet Banking

Internet banking is a contemporary form of banking in which services are provided through digital platforms. Since the global expansion of the Internet in 1991, this type of banking has become increasingly prevalent. Researchers often highlight that the introduction of Internet banking within a society can stimulate the growth of electronic commerce. In general, electronic banking entails carrying out banking operations via centralized computer systems and widely accessible networks, without restrictions of time or location, while maintaining secure information exchange.

Examples of electronic banking include the use of bank cards, ATMs, interbank financial communication systems, satellite connections, telephone banking, and remote banking. Among its long-term advantages are improved customer satisfaction and strengthened customer loyalty (Sanayei, 2003, p. 87).

Electronic Money

One of the primary functions of online banking institutions is to develop electronic money systems for use in digital transactions. The earliest instance of electronic money dates back to 1918, when the U.S. Federal Reserve employed telegraph systems to transfer funds. Later, Bank of America became the first institution to automate tasks such as check clearing and account management using computers.

From an economic perspective, the introduction of new forms of credit into national and global financial systems raises concerns regarding monetary backing and potential inflation. Legally, particularly under public law, the issuance of money is both a right and a responsibility of governments. Additionally, electronic money lacks some of the physical characteristics of traditional currency, including tangibility and physical portability.

Digital Signature

A digital signature is a form of electronic signature created using mathematical algorithms to verify and authenticate digital transactions, including emails, credit card operations, and

electronic documents. Digital signatures offer greater security than most other types of electronic signatures. They are message-specific, meaning a new signature is generated for each message, and they rely on a pair of cryptographic keys—public and private—for encrypting and decrypting information during transmission.

Differences Between Digital and Electronic Signatures

An electronic signature is a general term for any signature created using digital technology. In contrast, a digital signature is a specific type of electronic signature that uses cryptographic techniques to ensure higher levels of security and authenticity. Therefore, while all digital signatures are electronic, not all electronic signatures are digital. Electronic signatures may have lower security and can be susceptible to forgery, whereas digital signatures—protected by cryptography and validated through digital certificates issued by trusted authorities—possess legal validity and strong evidentiary value. While electronic signatures are not always legally recognized, digital signatures typically carry legal standing due to their secure and verifiable design.

Analysis of Contractual Aspects in Internet Banking

In Iran, as in many other jurisdictions, banking is defined as the intermediation of funds between providers and users of financial resources, encompassing both the acceptance of deposits under various titles and the granting of loans and financial facilities. Generally, electronic contracts adhere to the same fundamental rules as traditional contracts concerning formation, validity, and legal consequences. However, due to their technical nature and method of execution, electronic contracts require careful interpretation to ensure alignment with the general principles of contract law. Although electronic contracts do not differ from traditional contracts in terms of substantive validity, they create a new environment for contract formation—one for which the legislature has not yet established detailed and comprehensive regulations.

The term *electronic contract* first appeared in the European Union's Electronic Commerce Directive. This Directive confers the same legal status on electronic contracts as traditional written agreements, although it does not provide a precise definition. Legal scholars typically describe electronic contracts as agreements concluded through modern electronic means, including electronic data interchange (EDI), email, or Internet-based platforms (Hance & Balz, 1996, p. 151; Smith, 1999, p. 206).

Some authors define an electronic contract as an agreement in which the offer and acceptance are exchanged through open, remote communication networks using audio-visual tools (Abolhassan Mojtahed, 2000, p. 39). While this definition emphasizes the method of exchanging the offer and acceptance, it does not address the legal consequences of such exchanges. Other scholars describe electronic contracts as agreements in which the offer and acceptance are transmitted via international communication networks through electronic data interchange, with the intention of creating legally binding contractual obligations (Mamdouh Ibrahim, 2005, p. 51).

According to Article 190 of the Iranian Civil Code, the parties' intention is the most essential element for the validity of a contract. Additional requirements include the legal capacity of the parties, a defined contractual object, and a lawful purpose. Contract law is grounded in the

principle of consensualism, meaning that expressions of intent can be communicated through any customary or appropriate means—whether spoken words, gestures, or actions indicating agreement. This principle also applies to electronic contracts. A data message—which, under the law, represents an expression of intent transmitted or received through electronic means—is treated as the equivalent of a written document. The recognition of electronic signatures as legally valid has addressed one of the major concerns historically associated with electronic contracts.

In assessing electronically transmitted declarations of intent, the traditional rule—that a contract is formed upon communication of acceptance—does not fully apply. Instead, due to the technical nature of electronic communication and the explicit provisions of Article 26 of the Electronic Commerce Act, a contract is deemed to be formed at the moment the data message containing acceptance is sent (Feyzi Chekab, 2004, p. 431).

Electronic Offer An electronic offer differs from a traditional offer in several significant ways:

An electronic offer constitutes a remote declaration of intent. Accordingly, to protect recipients—who are often consumers—the law imposes specific obligations on the offeror. These obligations include providing the offeror's identification and address, specifying the subject matter and characteristics of the contract, stating the price of the goods or services offered, explaining the payment methods, defining the withdrawal period, and clarifying the duration of warranties and after-sales services. These requirements are set forth in Article 33 of the Electronic Commerce Act of Iran.

Electronic offers generally take the form of data messages, which can be converted into comprehensible written language through electronic means. According to Article 2 of the Electronic Commerce Act, a data message is defined as any representation of an event, information, or concept that is created, sent, received, stored, or processed using electronic, optical, or other modern information technology tools.

Because electronic offers are not bound to a physical location, the offeror's geographical position is irrelevant. Unlike traditional offers, which may be limited to a specific place, city, or country, electronic offers inherently acquire a cross-border or global dimension.

In the online environment, an electronic offer is typically created and transmitted through an intermediary acting on behalf of the offeror. However, an offer may disappear from a webpage or an email inbox due to circumstances beyond the offeror's control. In such cases, the offer is considered to have lapsed (Ibrahim al-Dasouqi, 2003, p. 93).

Electronic Acceptance

In contract formation, acceptance is the expression of intent that aligns with the offeror's intention; in other words, it constitutes the unconditional approval of the proposal made to establish a contract (Katouzian, 1995, p. 335). Whether acceptance is declared electronically or through traditional means does not alter its legal effect or its ability to create binding legal relations. Although electronic acceptance does not affect the substantive meaning of consent, the form and method of expressing it may differ. In electronic environments, acceptance is

typically conveyed by clicking a digital statement confirming agreement with the terms of the offer. Some scholars consider the electronic contract to be concluded at the moment the acceptance is sent and received (Feyzi Chekab, *ibid.*). Electronic acceptance can be communicated through various digital channels, such as email, online forms, or electronic payment of the purchase price. However, if the parties have agreed that acceptance must be made electronically, any alternative method—such as traditional mail, fax, or telephone—will not constitute valid electronic acceptance and will be considered ineffective (al-Ahwani, 1995, p. 105).

Determining the Time and Place of Formation of an Electronic Contract:

In contemporary legal systems, four main approaches are recognized for determining the time of contract formation: the time of communicating acceptance, the time of sending acceptance, the time of receiving acceptance, and the time the offeror becomes aware of acceptance. Article 191 of the Iranian Civil Code states: *“A contract is concluded with the intent of creating a legal obligation, provided it is linked to something that indicates such intent,”* which largely corresponds to the broader concept of communicating acceptance (Qasemzadeh, 2006, p. 68). The validity of the time of formation of electronic contracts, although generally governed by the civil law rules and customary practices applicable to contracts, is specifically influenced by the methods of electronic communication and the explicit provisions set forth by the legislator in the Electronic Commerce Act. Accordingly, the time of conclusion of electronic contracts is considered to be the moment the electronic acceptance is sent, even though the Electronic Commerce Act of 2003 (1382) does not explicitly specify the time of contract formation. Determining the place of formation of an electronic contract, given its international nature and the flexibility of electronic tools, is one of the complex issues inherent in this type of contract. The Iranian legislator has addressed the place of offer and acceptance in electronic contracts in Article 29 of the Electronic Commerce Act. According to this provision, if the location of the information system used to send the data is the same as that of the system used to receive it, the place of sending and the place of acceptance are considered the same. However, if these two locations differ, the legislator has provided three alternative rules (Feyzi Chekab, 2004, pp. 434–436):

First option: If the parties have not agreed otherwise, the place of sending the data message is considered the commercial or business location of the sender, and the place of receiving the data message is considered the commercial or business location of the recipient.

Second option: If the sender has multiple commercial or business locations, the location closest to the transaction is considered the place of sending; otherwise, the sender’s principal place of business is regarded as the place of sending.

Third option: If neither the sender nor the recipient has a commercial or business location, their legal residence is used as the determining factor.

Characteristics of Electronic Contracts

By analyzing contract law principles, contrasting electronic and traditional contract formation,

and considering the characteristics of electronic platforms, the essential features of electronic transactions can be identified.

Adhesion Contract Nature

Contracts concluded on online platforms are generally contracts of adhesion. This is because the seller posts goods or services, along with the necessary information and standard terms, on a webpage, and the buyer, if willing to proceed, can only accept the transaction under these pre-established conditions.

Absence of Physical Presence in Electronic Contracts

Contracts in which the parties are not physically present together at the time of formation, and where no direct face-to-face or mental interaction occurs, are generally referred to as remote contracts. A fundamental feature of electronic contracts is that they must be concluded electronically, within a digital environment, without the physical presence of the contracting parties (Ibrahim al-Dasouqi, *ibid.*, p. 72).

Principle of Consent in Electronic Contracts

The principle of consent does not prevent parties from agreeing on a specific form for their contracts. Article 10 of the Iranian Civil Code states:

"Private contracts are valid for the parties who conclude them, provided they do not contradict explicit legal provisions."

The consensual nature of contracts simplifies legal interactions, fosters trust, and promotes good faith in transactions. However, it may also create opportunities for misuse and reduce legal protection, potentially leading to an imbalance between the parties' interests.

At the international level, no formal requirements have been imposed that would undermine the principle of consent in electronic contracts. For instance, Article 5 of the UNCITRAL Model Law stipulates that the legal effect, validity, and enforceability of information should not be denied solely because it exists in the form of a data message. Similarly, Article 9 of the European Union Directive instructs member states to recognize the validity of electronic contracts under existing contract laws, regardless of the electronic medium used, and not to obstruct their formation or use.

International Dimension of Electronic Contracts

Due to the inherently global nature of the Internet, electronic contracts are, by definition, cross-border. The Internet provides an open environment accessible regardless of geographic boundaries. Consequently, in the event of disputes, determining the applicable law and the competent court becomes a critical consideration in international electronic contracts. To address this, parties often include contractual provisions aimed at preventing conflicts regarding governing law and jurisdiction.

Iranian law similarly recognizes the international character of electronic contracts. Article 3 of the Electronic Commerce Act provides:

"In interpreting this law, attention must always be paid to its international characteristics, the

necessity of promoting cross-country coordination in its application, and the requirement of good faith."

Necessity of Electronic Tools for Contract Formation

From the perspective of subject matter, the parties involved, and substantive validity, electronic contracts are fundamentally the same as traditional contracts. Their primary distinction lies in the method and environment of formation, which require the use of electronic software and hardware.

Commercial Nature and Consumer Protection in Electronic Contracts

Electronic contracts are often classified as consumer contracts, as they are frequently concluded between businesses and individual consumers. The Electronic Commerce Act of 2003 includes specific consumer protection provisions—outlined in Articles 33, 34, 35, 41, 42, 43, 48, 49, 50, and 61—to ensure that the rights of consumers are adequately safeguarded in such transactions.

Performance of Obligations in Electronic Contracts

Most electronic transactions involve the sale of goods or the provision of services. The primary obligation of consumers, as one party to these transactions, is to pay for the goods or utilize the services provided. Electronic payment not only fulfills this obligation but also serves as a practical demonstration of acceptance. Modern electronic interactions have introduced a variety of electronic payment methods, which have largely replaced traditional forms of money, such as cash or checks, thereby facilitating the performance of contractual obligations in the digital environment.

SOURCES OF LAW IN ELECTRONIC BANKING

Chapter 4: Legal Sources Governing Electronic Banking

Legal Sources Governing Electronic Banking in Iran

The legal sources governing electronic banking in Iran consist of laws and regulations that include provisions related to banking and electronic commerce. Specific laws directly relevant to electronic banking include:

Electronic Commerce Act (17/10/1382 [2003])

Although Internet payments are excluded from this law, which means a considerable range of issues between banks and customers fall outside its scope, the Electronic Commerce Act remains a key foundational law in the field of electronic commercial law. Despite certain deficiencies, it should be considered in the legal framework of electronic banking. Major features of contracts under this law include: the remote expression of intent, written-form contracts, applicability limited to commercial transactions and services, and their cross-border nature.

Computer Crimes Act (05/03/1388 [2009])

This law provides the legal basis for combating crimes in cyberspace. If an offense occurs within the context of Internet and electronic banking, recourse to this law becomes inevitable.

Central Bank Regulations

These consist of regulations issued by the Central Bank of Iran governing various aspects of electronic banking, which are binding for banks and service providers operating in the country.

Bank-Customer and Interbank Contracts

Contracts between banks and customers, between banks themselves, and between banks and the Central Bank all play a role in defining the rights and obligations of parties in the electronic banking system.

Consumer Protection Act (15/07/1388 [2009])

This act represents a recent legal source relevant to electronic banking, providing specific safeguards for consumers engaged in online financial transactions.

Anti-Money Laundering Act (02/11/1386 [2007], with subsequent amendments)

This law regulates anti-money laundering measures and is relevant for monitoring electronic financial operations to prevent illicit transactions.

Rules of International and Regional Organizations

United Nations Commission on International Trade Law (UNCITRAL)

Established in 1996, UNCITRAL aims to harmonize international commercial law. Its work includes developing model laws and standard documents to facilitate cross-border trade. Key UNCITRAL instruments include the UNCITRAL Arbitration Rules, the Model Law on the International Assignment of Credit, and the United Nations Convention on Contracts for the International Sale of Goods (CISG).

International Institute for the Unification of Private Law (UNIDROIT)

This organization coordinates cross-border commercial rules. In 1994, UNIDROIT established principles for commercial contracts based on the contract laws of various legal systems. Parties may choose to adopt these principles as governing law in their contracts, ensuring enforceability in both national courts and international arbitration.

European Union (EU)

The EU has enacted multiple directives on electronic commerce. The 1997 Directive established legislative guidance for electronic commerce, guaranteeing that the internal market would not hinder digital trade. Subsequent directives reinforce these principles, including:

- E-Commerce Directive: Addresses key issues regarding contract formation and intermediary liability.
- Electronic Signatures Directive: Recognizes electronic signatures as equivalent to handwritten signatures.
- Distance Selling Directive: Provides significant consumer protection for contracts concluded electronically.

Organisation for Economic Co-operation and Development (OECD)

OECD, with 29 member countries across North America, Europe, and the Asia-Pacific region, assists industrialized nations in regulating economic and commercial rules. OECD has proposed various guidelines for electronic commerce, including:

- The 1980 Guidelines on the Protection of Cross-Border Flows of Personal Data
- Guidelines on Information System Security
- The 1997 Guidelines on Cryptography

International Chamber of Commerce (ICC)

The ICC provides general guidance for secure international digital commerce, establishing a framework for using digital signatures and facilitating global trade.

Governing Law, Competent Courts, and Evidence in Electronic Banking

Determining the Governing Law for Electronic Contractual Obligations:

A contract is the creation of the parties' will, and it is prudent that the parties select the most appropriate law to govern their contract. This principle of party autonomy in contracts has two components:

The parties have the right to freely choose the law governing their contract.

If the competent law is not explicitly chosen, it is necessary to examine whether there is an implicit intention in determining the applicable law (Almasi, 2013, p. 216).

The first and most important response to this challenge was the adoption of the UNCITRAL Model Law on Electronic Commerce by the United Nations General Assembly in 1996. This law, known as the "Substantive Law Convention on the Use of Electronic Communications," was drafted based on the principles of functional equivalence and technological neutrality. The

reason for relying on these principles is that electronic technology evolves rapidly; therefore, the Model Law had to establish technological neutrality as a core principle to remain applicable despite technological advancements in the coming years, covering both current and future technologies, whether wired or wireless, without being repealed by new technologies. This ensures that any country, regardless of its level of information technology, can apply it and provide clear guidance for consumers. If a consumer knows that the same contract, under the principle of functional equivalence, can also be concluded electronically and yield the same results, the principle of functional equivalence can foster legal certainty regarding electronic transactions. The Convention on the Use of Electronic Communications in International Contracts was also drafted to clarify the legal rules governing the use of electronic communications in international electronic contracts. This convention does not create a separate legal regime for electronic contracts but, by recognizing the principle of functional equivalence, equates electronic contracts with paper contracts. Additionally, by establishing the principle of technological neutrality, it provides a framework for applying the convention's rules to electronic technologies, thereby recognizing international electronic contracts and granting them legal effect (Hojjat Zadeh & Noshadi, 2011, p. 267). The Iranian Electronic Commerce Law also recognizes and validates electronic data messages and accepts the principle of functional equivalence between data messages and written documents. Article 8 of the law provides:

"Whenever the law requires information to be presented or retained in its original form, this can also be accomplished by retaining and presenting information as a data message, subject to certain conditions."

Furthermore, Articles 7 and 8 recognize electronic signatures where a signature is required, establishing the legal validity of electronic signatures. By acknowledging that documents and evidence in legal proceedings may be in the form of data messages, the law obliges courts and government offices to assign evidentiary value to data messages. Accordingly, Article 12 of the law accepts the principle of equivalence in the evidentiary value of electronic documents compared to other proof. Thus, pursuant to Article 14 of the law, data messages that are created and maintained securely are considered, in terms of their content and included signature, as the source of the parties' obligations or of the obligor and their legal successor. Consequently, regarding execution and other legal effects, they are equivalent to valid and enforceable documents in judicial and legal authorities.

Determining the Competent Court for Claims Arising from Electronic Contracts:

Similar to the issue of choosing the governing law, various views have been expressed regarding the determination of the competent court and methods for resolving disputes arising from internet banking transactions. Opinions such as the jurisdiction of the court at the place of contract performance, the location of the bank account, or the branch location, similar to traditional banking, are also considered in the context of internet banking.

In this regard, international instruments such as the Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters may not be enforceable due to the inability to determine a physical location and the virtual nature of internet banking relations. Other criteria, such as the jurisdiction of the court at the place of signing the contract

or the local law most closely connected to the dispute, have also been viewed as unsuitable by some scholars. In any case, it should not be forgotten that if the competent court is provided for in consumer protection laws, the possibility of opposing arguments is almost eliminated, and in most cases, such laws establish the jurisdiction of the court at the consumer's place of residence.

In Iranian law, there is no explicit text or decisive judicial precedent for determining the competent court to hear disputes related to electronic consumer contracts. Articles 33 to 49 of the Electronic Commerce Law of 2003, which contain provisions for the protection of electronic consumers, do not include any provision regarding the authority for contractual dispute resolution. According to Article 44 of this law:

"In cases of dispute or doubt, judicial authorities shall adjudicate."

Despite criticisms regarding the drafting style of this and other provisions of the law, this article can be interpreted to mean that in case of dispute, general principles of judicial jurisdiction should be applied (Mafi, Mohammadi & Kaviar, 2011, p. 181).

It must be acknowledged that merely choosing online banking services cannot be used as a pretext to compel customers to file or defend a lawsuit far from their place of residence. If the internet was invented and expanded to facilitate matters, a solution must be sought that, first, provides a logical and sometimes flexible criterion for selecting the governing law and competent court, and second, establishes alternative rules for resolving disputes arising from internet banking.

To achieve this, three strategies should be considered:

First, by following the 1980 Rome Convention on the Law Applicable to Contractual Obligations and the spirit of the Brussels Convention on jurisdiction, in most cases, the law and court most closely connected to the dispute—preferably except where the parties have chosen the law and court based on the principle of party autonomy—will take priority.

Second, considering the proven advantages of arbitration and alternative dispute resolution methods in commercial disputes, in order to respect party autonomy and maintain business relationships, they should always be promoted and utilized for resolving internet banking disputes.

Third, online arbitration of disputes can also be employed as one of the newest methods for resolving commercial claims.

Admissibility of Electronic Documents as Evidence:

The adjudicating authority, in evaluating evidence, generally considers the reliability, authenticity, and security of electronic data messages or other electronic communication devices. When safety conditions are met, the prevailing practice today is that there is no distinction between electronic and paper evidence, and paper documents do not inherently possess characteristics that place them in a superior position compared to their electronic equivalents. This practice appears correct for two reasons: first, if the possibility of forging or tampering with electronic evidence is an issue, the same concern can undoubtedly be raised regarding non-electronic evidence; second, refusal to accept electronic evidence would result in highly undesirable consequences by reducing the benefits of electronic commerce and internet banking, which should be avoided as much as possible.

In Iranian law, Articles 12 to 16 of the Electronic Commerce Law address the acceptance, evidentiary value, and legal effects of secure electronic signatures. According to Article 12: *"Documents and evidence in legal proceedings may be in the form of data messages, and no court or government office may reject the evidentiary value of a data message solely because of its form or format."*

Although the law does not define electronic evidence explicitly, based on the above, it can be defined as follows:

"Electronic evidence is a data message that parties rely on to prove or defend a claim."

CONCLUSION

The findings indicate that, regarding substantive rules, the principles of technical neutrality and functional equivalence form the foundation of laws governing electronic contracts. These principles ensure that changes in the medium or form of a contract do not affect the legal framework applied to it and that electronic contracts enjoy the same protections as traditional contracts. Although information technologies have posed multiple challenges for private international law—particularly in conflicts of law—they have not resulted in the creation of a separate legal regime for electronic contracts. Instead, countries generally adapt existing legal principles to transactions conducted in virtual environments. With the rapid growth of technology and the increasing adoption of electronic payments, awareness of relevant laws and regulations has become essential. Both users and businesses must familiarize themselves with these rules to safeguard their rights and interests while also mitigating potential risks. Electronic contracts between parties who are not physically present present unique challenges, including limited access to information about the other party, uncertainty regarding the validity of consent, and difficulties in proving the contract or relying on electronic evidence. In drafting Iran's Electronic Commerce Law, special attention was given to the international dimension of electronic contracts. The law was drafted in alignment with the UNCITRAL Model Law, recognizing that cross-border elements are often involved. In the event of disputes, determining the applicable law and competent court is a key consideration for international electronic contracts. Accordingly, parties often include contractual provisions to prevent disputes concerning legal effects, choice of law, or competent courts. If no court is specified, the internet user receiving goods or services may initiate a claim either in the court where the other party resides or in their own local court.

Considering the nature of electronic contracts under this law, these agreements are fundamentally based on information systems and the exchange of data messages, which constitute the expression of will (offer and acceptance) that forms the content of the tradable electronic product. Electronic contracts are regarded as potentially written contracts, and electronic signatures are recognized as a key instrument validating the expression of will in such transactions.

RECOMMENDATIONS

- In the realm of crimes targeting electronic banking, it is widely recognized that effective prevention and prosecution require coordinated efforts among domestic organizations, institutions, individuals, and international authorities. Accordingly, the Computer Crimes Act must provide the necessary enforcement mechanisms to facilitate such cooperation.
- In countries like Iran, which follow Islamic banking principles, internet banking operations must fully comply with regulations such as the Law on Interest-Free Banking Operations. The transition to online banking should not undermine the enforcement of these rules.
- In the context of internet banking, criminal cases are generally subject to the jurisdiction of the court where the offense occurred, while civil disputes fall under the jurisdiction of the court where the defendant resides. These principles, both at the national and international levels, should serve as the foundation for determining the competent court and applicable jurisdiction.
- Bank managers must be thoroughly informed of their responsibilities regarding the development of electronic banking within their supervised branches. Furthermore, they should ensure that bank staff receive proper training in modern electronic banking practices through structured internships and ongoing professional development programs.

REFERENCES

1. Ibrahim Al-Dessouki, Abu Alil, 2003, *Legal Aspects of Electronic Transactions*, Scientific Publishing Council, Kuwait.
2. Abu Al-Hassan Mujahid, Osama, 2000, *Private Non-Internet Contracts*, Al-Nahda, Cairo.
3. Seyed Javadin, Seyed Reza; Saghtchi, Maryam, 1385, *Electronic Banking and its Evolution in Iran*, Tadbir, No. 170.
4. Jafari Langaroudi, Mohammad Jafar, 1370, *Legal Terminology*, Tehran.
5. Hojjat Zadeh, Alireza; Noushadi, Ebrahim, 1390, *Governing Law of International Electronic Contracts (Comparative Study)*, International Legal Journal, No. 28.
6. Charles H. Martin, *UNCITRAL Electronic Contracts Convention*, translated by Ali Rezaei, Legal Research Journal, No. 47, Summer 1387.
7. Alsan, Mostafa, 1384, *Formation of Electronic Contracts*, Business Research Quarterly, No. 36.
8. Alsan, Mostafa; Ali Dadi, Mohsen, *Internet Banking Law*, Monetary and Banking Research Institute, Tehran, 2nd Edition, 1393.
9. Sanaei, Ali, 1382, *Electronic Commerce in the Third Millennium*, Isfahan, Jahad Daneshgahi Publications.
10. Feyzi Chakab, Gholam Nabi, 1383, *Moment of Contract Formation through Electronic Intermediaries*, Collection of Articles from the IT Law Conference, Salsabil Publications.

11. Ghasemzadeh, Seyed Morteza, 1385, *Civil Law, Principles of Contracts and Obligations*, 2nd Edition, Dadgostar Publishing, Tehran.
12. Electronic Commerce Law, 1382.
13. Consumer Protection Law, 1388.
14. Katouzian, Nasser, *Civil Law, General Rules of Contracts*, Vol. 1, 3rd Edition, Enteshar Company, Tehran, 1374.
15. Kaviar, Hossein, *Determining the Governing Law in Electronic Commercial Contracts*, Master's Thesis, Mazandaran University, 1389.
16. Al-Ahwani, Hossam El-Din, 1995, *General Theory of Obligations*, Vol. 1, Cairo, 2nd Edition.
17. Al-Masi, Nejad Ali, *Conflict of Laws*, 42nd Edition, Tehran, University Publishing Center, 1402.
18. Mafi, Homayoun; Mohammadi, Sam; Kaviar, Hossein, *Concept of Electronic Commercial Contracts and their Relation to International Contracts*, Criminal Law Research Journal, Vol. 1, No. 2, Winter 1390.
19. Moghami Nia, Mohammad, 1391, *Methods of Concluding Electronic Contracts and their Features*, Civil Law Knowledge Journal, No. 1.
20. Mamdouh Ibrahim, Khaled, 2005, *Electronic Contract Formation*, Dar Al-Fikr, Cairo.
21. Mir Mohammad Sadeghi, Hossein; Azari Matin, Afshin, 1396, *Criminal Strategies in Modern Banking with Emphasis on Electronic Signatures*, Rahbord Journal, Spring, Vol. 26, No. 82.