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The Role of International Arbitration in Resolving Disputes Arising from Iran's Cross-Border Electronic Commerce

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Extended Abstract

Introduction

By removing geographical barriers, accelerating transactions, reducing operational costs, and diversifying business models, cross-border e-commerce has become an important component of the global economy. Nevertheless, its virtual and transnational nature gives rise to complex legal and technical disputes concerning applicable law, jurisdiction, electronic contracts and signatures, digital evidence, data protection, cybersecurity, intellectual property, online payments, smart contracts, and the enforcement of obligations across different legal systems.

Traditional litigation is often unsuitable for resolving such disputes because it may involve lengthy proceedings, high costs, jurisdictional conflicts, limited tech-

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nical expertise, and difficulties in the recognition and enforcement of foreign judgments. International arbitration provides an effective alternative due to party autonomy, procedural flexibility, confidentiality, the ability to appoint arbitrators with legal and technological expertise, and the broad enforceability of arbitral awards under the 1958 New York Convention. Moreover, electronic arbitration and Online Dispute Resolution (ODR) facilitate online case registration, digital submission of documents, remote hearings, electronic communication, and the issuance of electronic awards. This study examines the role of international arbitration in resolving disputes arising from Iran's cross-border electronic commerce and identifies the legal, institutional, and technological requirements for its effective implementation.

Methodology

This research adopts a descriptive-analytical method combined with a comparative legal approach. Relevant Iranian legislation, international legal instruments, institutional arbitration rules, academic literature, and selected international experiences concerning electronic arbitration and ODR are reviewed and analyzed. Particular attention is paid to the 1958 New York Convention, the UNCITRAL Model Law on International Commercial Arbitration, the UNCITRAL instruments on electronic commerce and electronic signatures, and the practices of major international arbitration institutions. The study also evaluates international ODR experiences and digital arbitration procedures to determine their applicability to Iran's legal and commercial environment. The analysis focuses on the compatibility of electronic arbitration with fundamental procedural principles, including party autonomy, due process, equality of the parties, confidentiality, data integrity, and the enforceability of arbitral awards.

Results

The findings demonstrate that international arbitration is generally more appropriate than national court litigation for resolving disputes arising from cross-border electronic commerce. Its flexibility allows parties to determine the applicable law, seat and language of arbitration, procedural rules, and qualifications of arbitrators. This reduces jurisdictional uncertainty and improves the predictability of digital commercial relationships. The possibility of selecting arbitrators with expertise in information technology, data protection, blockchain, artificial intelligence, and electronic contracts is particularly valuable in technologically complex disputes.

Electronic arbitration and ODR can further reduce the time and cost of proceedings by eliminating unnecessary travel, enabling remote participation, and facilitating the secure and efficient exchange of digital documents. Artificial intelligence may support document review, legal research, case management, pattern recognition, and risk assessment. Blockchain technology can also help verify the authenticity, integrity, and chronological registration of electronic evidence. However, these technologies should assist rather than replace human decision-making unless adequate legal and ethical safeguards are established.

Several obstacles may limit the effectiveness of electronic arbitration in Iran. These include uncertainty regarding the legal status and enforcement of electronically issued awards, differences among national systems concerning digital evidence and electronic signatures, ambiguity over the seat of arbitration, cybersecurity threats, inadequate data-protection standards, possible breaches of confidentiality, unequal access to digital infrastructure, and a shortage of arbitrators with combined legal and technical expertise. Algorithmic bias, lack of transparency in artificial-intelligence systems, and uncertainty regarding responsibility for technology-related errors may also undermine procedural fairness and public trust.

International experience indicates that technology alone cannot ensure successful ODR. Effective implementation requires coherent legislation, institutional support, secure technical infrastructure, reliable digital identification, robust cybersecurity protocols, transparent procedural rules, trained arbitrators and mediators, and effective mechanisms for recognizing and enforcing awards.

Conclusion

International arbitration can play a strategic role in strengthening legal certainty and commercial confidence in Iran's cross-border electronic commerce. Its flexibility, confidentiality, specialist decision-making, and international enforceability make it well suited to disputes generated by digital transactions.

Electronic arbitration and ODR can further improve access to justice, reduce costs, and accelerate dispute resolution, provided that procedural fairness and information security are adequately protected.

Iran should therefore develop specific regulations governing electronic arbitration and ODR, clarify the validity of electronic arbitration agreements and awards, strengthen the legal framework for digital evidence and data protection, and harmonize domestic rules with internationally accepted standards. Establishing modern arbitration institutions and secure ODR platforms, training technologically competent arbitrators, adopting cybersecurity and digital-identity standards, and promoting cooperation among the judiciary, universities, professional associations, and technology authorities are also necessary. These reforms could enhance Iran's participation in global digital trade and create a more reliable environment for domestic and foreign businesses.

Key words: International Arbitration, Electronic Commerce, Dispute Resolution, Artificial Intelligence, Digital Transparency

Conflict of Interest

The authors declare that there is no conflict of interest in conducting this research study.