

DOI: <https://doi.org/10.54663/2182-9306.2023.sn12.5-24>*Research Paper*

## **Legal Protection of Customer Privacy on E-Commerce: A Comparative Study of Iranian and American Law**

Zahid Hussain \*

Asadullah Khan Mari \*\*

### **ABSTRACT**

According to the most recent research, Iran's legal system needs to be continuously improved to keep up with international trends, particularly in the area of consumer rights. The Islamic Sharia, on which Iranian laws are based, may require further clarification and formulation in the form of legislative regulations that are appropriate when dealing with individuals. Equal rights for all parties involved in the contract and also the assistance of consumer rights are two essential provisions that should be included. Sharia prohibits a wide range of actions, but since the consumer is the most vulnerable party associated with a contract, laws designed to safeguard him must be explicit and robust. This study compared Iranian regulations for consumer rights in e-commerce with American regulations using the descriptive method to describe, analyse, and compare them. The study's goal is to create Iranian laws and laws for e-commerce consumer rights. This study came to the conclusion that there is a need to create Iranian protection laws for consumers for e-commerce and raise awareness levels of the law using a variety of strategies, including education, advertising, government funding, and bolstering the functions of neighborhood associations that protect consumers. The study also shows that there are e-commerce fraud practices and techniques that require regulation and sanctions to protect consumers. A comprehensive law which safeguards private data across all digital purchases is also required, as are some of the restrictions within the Iranian e-commerce law.

**Keywords:** E-Commerce, Customer, Online Shopping, Iranian E-Commerce Law, Consumer Rights.

\* Department of Business Administration, Shaheed Benazir Bhutto University, Pakistan. E-Mail: [zahidhussain9341@gmail.com](mailto:zahidhussain9341@gmail.com)

\*\* Department of Business Administration, Shaheed Benazir Bhutto University, Pakistan. E-Mail: [asadanmol12@gmail.com](mailto:asadanmol12@gmail.com)

**Received on:** 2022/09/26

**Approved on:** 2023/02/11

Evaluated by a double blind review system

## 1. INTRODUCTION

The customer and the vendor sign an agreement in e-commerce, but frequently the customer is unaware of the vendor's location and is unable to see the product in person or confirm its standards, necessitating the creation of new restrictions to give the customer legal rights. A disagreement may arise because many online commerce agreements are made with customers who do not understand the significance of legal security and signed agreement requirements, which helps make numerous customers distrust electronic trading (Ayob, 2017). The search for customer special rights in e-commerce agreements is thus a crucial issue. Despite the fact that there are numerous prior investigations and studies that discuss consumer rights in commerce normally, they would not dive deeper into the area of online commerce and don't describe the legal mechanisms that protect a customer from fraud. The study aims to organize and develop appropriate legal protection for the Iranian customer in e-commerce, so this safety should be available at whatever level of the agreement. The study's goal is to organize and establish an effective legal protection for Iranian customers in e-commerce, but that protection should be available at any agreement level. It is additionally involved with raising Iranian consumer awareness levels of their protection in business activities so that they can't yet be revealed to theft or fraud of their personal data, in addition to other crimes and contraventions that harm e-commerce in Iran (Elsan, 2017).

The focus of the article is on the necessity of providing legal protection for Iranian consumers engaging in online shopping as well as the creation of all regulatory requirements. The article also describes and analyses the Iranian legal system, its connectivity with Islamic law, and compares it to American law to highlight the advantages and disadvantages of Iranian e-commerce law. This study focused on the rules applicable to it to ensure that the customer in Iran is completely informed about the legal aspects of electronic commerce exchanges.

The article's focus is on examining the customer protection regulations and laws in Iran's e-commerce laws, and it intends to compare those regulations and laws with those in America to find out what they have in common and where they differ, as well as to learn from their respective e-commerce personal experiences.

What is the history of Iranian state regulation of e-commerce law?

What are the strategies the Islamic Sharia's rules offer to obtain data protection?

What are the means made available by Iranian legal requirements to protect customers?

How much is Iranian law keen to provide legal protection to stop contraventions of customer privacy in online transactions?

When comparing Iranian law to international standards, is the legal setting conducive to protecting consumers

The study approach employs several different strategies, including the following: The descriptive-analytical method relies on systematically describing the evidence and traits associated with the particular issue and on analysing the content in use to address the research issues. In order to determine the advantages and disadvantages of Iranian e-commerce law, the study also employs a comparative analysis between Islamic Sharia when it is implemented into Iranian law and American law. Finding the distinctions between the rules and gaining insight from someone else's personal experience are the goals of comparative investigative work. The study covers several parts, looking into Iranian online consumer protection. As a result, a part of the book examines how to detect fraud in operational processes in accordance with Sharia law, Iranian law, and American law and compares them. The other part focuses on information data protection in order to highlight those Iranian regimes which are supposed to take care of this one, in addition to the American experience with it given its significance and to stop individuals from using it improperly. The research's recommendations and findings are described after the findings of comparisons, descriptions, and analyses of Sharia terms and conditions and Iranian and American statutes and regulations are displayed.

## **2. IRANIAN LAW AND AMERICAN LAW BOTH REQUIRE PROTECTION FOR CONSUMERS**

Islamic Sharia prohibits fraud under all circumstances and doesn't take into account the user's location or nationality. Fraud is never acceptable. As stated in many verses in the Qur'an and Sunnah, Islam acknowledges the moral implications of securing consumer rights, and this is why Iranian laws implemented in stopping commercial scams and enforcing punishments against individuals who practice them, as well as most agreements on preventing fraud, because doing so harms consumers, and all mechanisms aim to increase customer confidence. In e-commerce, which aims to enhance the economies of nations and the growth of trade (Basiji, 2018). There are certain situations in e-commerce that violate Islamic law. For instance, it is prohibited for a vendor to sell products that he does not even own according to the Sharia laws outlined inside the Qur'an and Sunnah, and this is why the Prophet Muhammad mentioned (act prohibiting the selling of Gharar) (Salehi, 2015). Numerous online retailers of consumer electronics sell goods made by well-known corporations like Iran's Digikala. The customer selects the item, pays the price, and the retailer then contacts Digikala to arrange delivery. As a result, there are many views regarding it in Islamic law that also aim to forbid it because the customer perceives the item is possessed by an entity involved in the online, which functions as a marketing firm for other websites. Consequently, the Ministry of Commerce is tasked with regulating this matter in accordance with Islamic Sharia by enforcing restrictions that govern marketing activities and necessitate disclosing all ownership information about products to customers. Additionally, in other writings asserted in the Iranian Digital Law, it is stated that the customer has the option to cancel the agreement in the event that the product is delayed in arriving. This authority has also been stated in the regulations of Sharia whenever the product has a flaw. As a result, there are distinctions in the way the restrictions are phrased that the Iranian judicial system may perceive separately. The Iranian government has established a procedure to counter commercial fraud inside the Iranian Ministry of Commerce. This system includes the following as fraudulent items: anything that is no longer appropriate for extraction, use, or usage and does not adhere to the specific requirements of the endorsed required standards. A fraudulent item is an item that is modified or interfered with in a

certain sense but has also ended up losing anything of its content or moral principle. As per Iranian Standards and Measurement Authority rules and regs, the products must satisfy these specifications and requirements (The Iranian law against fraud). The Iranian Ministry of Commerce wanted to establish numerous regional advisory boards that adjudicate fraud claims after the anti-fraud framework was released (Besharat, 2014). These working groups are responsible for ensuring that the protections of the anti-fraud system are followed. These working groups obtain customer complaints about commercial fraud, and they also possess employees in charge of markets and goods, working together with other governmental organizations to make arrests and conduct investigations.

Many customers who engage in e-commerce and internet shopping are unaware of all the legal ramifications of such transactions and limit their online shopping to simply browsing products, clicking "Agree," and making a purchase without having read the agreement's terms. In this, harm was done to each other, so the Iranian government organized business operations through an e-commerce law that mandated that businesses obtain a licence from the Ministry of Commerce, show that on their webpage, and make clear all information pertaining to their products and pricing. The customer must also be able to see the firm's name and location so that he may try suing in the event of a disagreement in the future. According to Iran's e-commerce law, the shops must possess a Maroof certificate, which is given to those who engage in e-commerce through social networks, if they do not already have a commercial registration approved by the Iranian Ministry of Commerce (Almehaimeed, 2020). The consumer has access to all of this personal data so that he may confirm, before transacting business with an online marketplace, that perhaps the Iranian Ministry of Commerce has approved it. The advantage of determining whether the shop is licenced or not is that, if a consumer used to have an issue with that as well, he would make a complaint with the Iranian Ministry of Commerce (Morrison, 2010). The customer must apply by submitting a complaint to the Ministry of the Interior through local police or digital security protocols in this case, as the disagreement is associated with the data crime law, if an online marketplace does not possess a commercial registration or a Maroof certificate. As a result, the legal authority is different from the first instance

where the Ministry of Commerce law applied to the complaint. Regardless of the importance of registering the online marketplace with the Iranian Ministry of Commerce, whether through a trade register or a Maroof certificate, there are additional benefits for the vendor, including preventing trademark infringement and boosting customer confidence. Therefore, the work will be completely safe and both sides' rights will be preserved the more trustworthy the formal negotiations are (Salehi, 2014). While using internet sites to make purchases, we frequently see businesses posting ad campaigns and special offer words that entice customers. It's probable that there are no real deals available and this is a fraud tactic. Additionally, a lot of businesses show ads for the item, or the price is obvious, but when customers choose, they move to the terms page, which contains a lot of terms and is authored in really small print.

These are additional strategies for cheating the customer, who frequently fails to understand the fine print. Customers may be required to pay additional fees not included in the price of the product under these circumstances, and they may not be able to request a refund or make a different decision (Besharat, 2018). The consumer is protected in the United States by a number of entities, such as a law that holds companies accountable for their products in civil lawsuits.

This law gave the customer the right to file a claim due to the harm caused by any item when they demanded that the manufacturer or even the shop owner take some responsibility if the item was found to have a manufacturing problem, manufacturing deficiency, failing to warn, or if the warranty was broken. In relation to the Food and Drug Administration (FDA) for consumer items, there is the e-commerce law and customer protection laws (2009), which are focused on the safeguarding and security of food, drugs, and beauty products that adhere to numerous safety standards. Several of these laws and rules are carried out by the Safety of Consumer Products Authority and the Food and Drug Administration. The authority has the authority to establish requirements and limitations under the 2009 E-Commerce Law and Consumer Rights Laws (CEPR). Additionally, it gives the authority to look into returns and forbid goods that don't adhere to the rules of this legislation. Its main goal is to safeguard the customer by ensuring the goods sector. It also seeks to decrease the likelihood of accidents and deaths brought on by customer merchandise by establishing quality standards and

outlawing it. If there were no clear safeguards protecting the general public from possible product consequences, Juan Cortez, the claimant in *Cortez v. MTD Products, Inc.*, suffered an injury while operating a lawnmower that had been bought from the accused, MTD Products, Inc. Twelve years later, the accused was revealed to be a lawnmower operator who had come across a spilled oil. His hand has been injured after it was pulled into the machine while he was attempting to clean the sensor. Because of errors in the alert card or the fact that the lawn blade was never applicable using the hand monitoring system, the petitioner claimed numerous statements against the accused. The lawnmower was labeled with a notice to customers of the possible hazard of the rotating blade both at the point of sale and for the duration of injuries sustained. On the day of the appeal hearing, the plaintiff's attorney admitted that the mower's poster was carried out in compliance with federal rules (that were unquestionably in force at the time of the manufacturing process) establishing standards for warning signs of hazards and risks associated with lawnmower blades. The plaintiffs acknowledge that there was no code control mechanism used in the production or sale of the lawnmower Mr. Cortez used while he was hurt. According to the court, it is clear from the language of the predictive control agreement in the Consumer Product Safety Act, 15 U.S.C.A. 2075(a), that the parties intend to prevent optimistic state legislation, including laws and regulations, that addresses the same dangers of harm as the enforced federal requirements. The court further stated that the CPSA harms legal system rules and regs and effectively nullifies the statutes passed by the legislature for national standards, resulting in an effect on the creation of the state standards.

### **Legal discussion**

Authorities in charge of enforcing this regulation in the United States have the authority to stop businesses from selling harmful products by requiring businesses to remove and prohibit products if they have been proved to be unsafe. An autonomous governmental agency in Iran called the Professional Agency for Iranian Standards and Regulations is tasked with inspecting goods and returning any that have poor craftsmanship or endanger consumers. The authority conducts arbitrary inspections of goods that enter the country through terminals, airports, or rural port facilities. It has locations throughout Iran's major geographic regions. It has made numerous advances in informing customers about orders,

typical cars of a given type, or computer sellers about difficulties and flaws (Aboosaeadi, 2019). However, the Iranian marketplace continues to sell a large number of hazardous counterfeit goods, some of which are always on display online or in physical storefronts. It is a community mostly because of how many items are imported, how randomly samples are examined, how little the Consumer Protection Act contributes to boosting public awareness and how little commitment and attention there is for it. Due to a significant quantity of customer demands and a large number of manufacturer claims to the Ministry of Commerce, there are many unusually lengthy government protocols for removing counterfeit products and detecting them (Dejkam, 2014). The person who requested inspections and certification from the Iranian Specifications and Standardization Authority is responsible for deciding if the item complies with the requirements or violates them. As a result, while evaluating and analysing, it is obvious that consumer rights measures need to be improved in order to examine products, particularly those offered online. The creation of a civil organization devoted to informing Iranian customers about their legal protections and standardizing the techniques for filing complaints is another important step. The Ministry of Commerce will be in charge of handling any issues that arise in e-commerce, and several online businesses' advertising messages should be reorganized to make it clearer to a customer who is the legal owner of a brand.

### **3. PRIVACY PROTECTION UNDER IRANIAN LAW AND AMERICAN LAW**

The Iranian government has been worried about protecting people's privacy, including both their personal lives and the privacy of their houses and families, in addition to the security of the data they keep online. To this end, the government has issued numerous rules and regs that forbid invasions of people's privacy. For instance, Article (40) of an Iranian e-commerce law stresses the need to protect private correspondence sent through phone or postal mail and states that it must be kept private and cannot be made public (E-commerce law Iran). Additionally, it demonstrates the government of Iran's willingness and ability to impose restrictions on employees who agree with details that could harm their prestige or commercial secrets, such as lawyers, who serve important roles because of their personal relationships with clients and understanding of case-related details



(Basiji, 2018). The Iranian Law's Article (12) obligation to abstain on all issues of class and integrity, in addition to not acknowledging private issues, or revealing them in any way, even when the opposition or his prosecutor or witness accounts didn't injure them, was also decided to be imposed on doctors. This means that, despite the fact that the patient isn't going to court or being defended, the doctor should keep all information that is relevant to the patient confidential. Additionally, under Article (23), an attorney is prohibited from disclosing secrets that he has gained confidence in or is aware of as a result of his line of work, even following the conclusion of his engagement, unless doing so would be illegal and violates consumer privacy laws (The Iranian Law) (Alikani, 2018). Regulations pertaining to the morality of healthcare professionals require maintaining patient anonymity and safety, refraining from discussing them, and refraining from portraying patients or their opinions unless certain guidelines are followed. In addition, Iranian law has also approved a number of rules, including the consumer credit structure, like Article (6), that states that people, businesses, and their workers are required to preserve the privacy and security of credit data provided to customers and that it cannot be posted or utilized for any purpose other than under the system. Financial records are regarded as a crucial concern for people because of the significant harm that impacts their account information (Credit Information Law).

Additionally, it is against Financial Regulatory Rules Article (19) for anybody to get any data while performing their job and to reveal it or derive any advantage from it (E-commerce law Iran). Additionally, several Iranian regulations in several different domains aim to safeguard privacy and now have expressed the desire of the administration to make any assault that affects people, like the publication method, illegal. According to Article (69), it is important, depending on the consent to publish, not to violate people's rights and independence, or to extort them or harm their image (Publishing Law) (Abbasi, 2016). The implementation of sanctions that stop invasions of privacy, like the Data Preventing Crime Statute, is another significant and efficient law. For individuals who agree with the personal life of misappropriating handheld phones, or, for instance, dismissing others, hacking webpages, or surveillance, Article (76) contains sanctions that could attain a year in jail and a fine of up to \$2,000 to \$1,000, or any combination thereof carries a maximum penalty. Private communications

are also protected under Article (77) of the Crimes Act. It is prohibited to observe, control, or listen to it unless certain legal exceptions apply. Arguments for Sharia law (The Sharia Law) places some limitations upon that judge till the security of user privacy is obtained, as long as the court filings are general, unless its courts decide, on their own action plan or during the disputants' requests, to ensure anonymity to keep the process functioning (The Sharia Law). According to this statute, individuals are entitled to request that a judge hold a court proceeding in private without inviting the general public. The preservation of customer data was outlined in three ways in Iranian e-commerce law Article (5), as described in the following: Names, location, contact information, account information, or other personal information belonging to the customer must be secured initially.

Secondly, the service provider is not allowed to broadcast or use customer information and may only store it for specific purposes. Offer your assistance. Third, the service provider is also not permitted to save customer data until with permission if the customer requires forming an online account owing to widespread usage of the online commercial site (E-Commerce Law). Last but not least, the latest system released by the Iranian government even now, the e-commerce system inside the Iranian Ministry of Economy and Finance, Article (26) involved this perspective, and specified a few objects, among them that the vendor defends the private information of the digital buyer, describes his obligation, and inhibits its application for unapproved or forbidden reasons (Bagheri, 2016). Due to the harm and aggressive behaviour against human rights which Sharia and Iranian laws defend, the Iranian government has organized and issued legislation to safeguard private information and inhibit its violation. This demonstrates the significance of protecting privacy rights, which is exactly what the Iranian government pursues. Government and private organizations, as well as judicial and academic officials, must raise customer awareness of the need to read commercial commerce carefully, even if there are aspects of information that connect to private information. This doesn't imply that now the rules and regs are adequate to safeguard privacy, rather that the customer would have to be aware of safeguarding his information by making certain that the internet sites he tries to deal with are certificated and licensed (Bagheri, 2015). There are numerous definitions of "private law," but in general, American law defines it as

legislation that prohibits violations of privacy protection and protects data from release or improper use pertaining to specific people. indicating that neither organizations nor people may divulge personal information that has been obtained from a person. Unless expressly permitted by law or with a person's consent, others however, based on the rules issued by an act of parliament; the problem of obtaining personal information is controlled under the sort of this information. For instance, health care information is protected by Healthcare Insurance Capabilities and Compliance Regulations, and financials are subordinate to the Financial Accounting Guidelines Board's regulations. Several of the datasets protected under the Combined Protection Act do not receive the same level of protection by U.S. law as they do under the Common Privacy Act, which has led to numerous legal conflicts. Below are a few instances of US regulations that have a significant impact on online transactions and thus are focused on Preserving private (Zahedidarkhaneh, 2017). The principal national statute that safeguards health information, protection, and safety has been the Health Insurance Portability Act (HIPAA), passed in 1996. HIPAA places constraints on healthcare institutions to follow best practices in three aspects: administrative protection, physical security, and technology security, in order to ensure the protection of patient information. This law is crucial for patients since it guarantees that every bit of data revealed to healthcare providers, in addition to any details they generate, transmit, or store, is subject to rigorous security protocols and that the patient has had the power to select who else can access his info or medical file (Bagheri, 2016).

The Financial Reform Act of 1999 is another name for the Gramm-Leach-Bliley (GLB) Act. This law is essential since it immediately prevents protection under the law of client data that pertains to their profile and finances. It is a national statute in the United States that requires banking firms to uphold online privacy and describe how personal information is transmitted and kept safe for their clients.

A federal legislation known as the Family Education Rights and Privacy Act (FERPA) safeguards the confidentiality of individual educational data. It offers parents or qualifying kids the opportunity to request the school to see their child's data. This law intends to protect kids by giving parents access to information about their children's education levels, which has an influence on their future learning resources.

A statute known as the Children's Privacy Protection Act (COPPA), which went into effect in 2000, seeks to safeguard children's online privacy. The COPPA Act is administered by the Department of Commerce by imposing urbanisation on Internet corporations to acquire personally identifiable information or data without parental agreement from children below the age of 13 or from adolescents between the ages of 13 and 15 (Blythe, 2006).

The 1986 Electronic Privacy Act safeguards the provisions of that law (ECPA) This regulation applies to spoken and digital information that takes place via communication systems and is preserved on servers. This law's objective is to safeguard user information provided through digital communications, preventing unauthorized parties from accessing and utilizing it.

The Computerized Fraud and Abuse Prevention Act (CFAA), which was published in 1986 and has since undergone multiple revisions, aims to safeguard Internet-connected gadgets. The most recent addition, which was made in 2008, was designed to encompass a wide variety of activities, with the primary goal being to protect computers that are attached to systems or networks or that are used for commerce within and outside of the United States.

### **Legal discussion**

Due to the importance of protecting patient records and the need for healthcare organizations to maintain a large amount of data that's also useful for developing clinic planning and evaluating the spending plan as well as other data that is particularly sensitive to patients, the restrictions decided to impose constitutional immunity and sanctions in the event of violation of confidentiality rules and regs and accessing health records without authorization. Such information is the outcome of a direct and intimate connection among customers, doctors, and lawyers. Therefore, it is obvious there is a substantial relationship between mechanisms.

Governments are interested in placing limits on financial systems to preserve consumer privacy, preventing anybody who lacks lawful authority from disclosing or using client information. Due to the fact that handling bank details and accounts via e-commerce websites to make purchases requires it, such methods are relevant to consumer rights in

e-commerce. Regardless of the need for complete federal laws to guarantee customers' rights to privacy in e-commerce, the United States is regarded as a nation of court decisions, which is crucial for safeguarding e-commerce customers' privacy (Elsan, 2022).

The Iranian and US governments are both extremely worried about academic achievement and the regulatory requirements that are put in place to safeguard student private information, although in Iran the Department of Education, which is in charge of education, is required to create its own mechanisms and regulatory requirements related to how the administration is doing in the US, to ascertain who has the right to examine student data in accordance with law. Although Iran has organized a variety of international deals, including those relating to the protection of children, the legislation that is currently in effect in the United States places limitations on businesses and marketing to ensure that they preserve children's privacy and don't hurt them. With its limits on businesses that engage in e-commerce or its provision of advertising that might have an effect on children and teenagers, Iran is meant to gain from this experience in terms of protecting children. Here on the Web, you can find a lot of information and advertisements concerning many habits and businesses, like smoking, as well as some that don't care about the customer's age. preserving online information by laws from mail and others that are legally protected, whether it's in Iran or the USA. Even without approval of a prosecutor, letters and conversations are still not accessible in Iran, yet sadly, a lot of people, particularly in Iran, do not understand how risky it is to view 3rd party data. Because of a lack of public rights, businesses frequently access data, collect contact information, and send out a lot of advertising and unpleasant emails. As a result, the Saudi government must increase the public's understanding through advertising and seminars in colleges and universities.

For various reasons, such as the numerous organizations involved in commerce and law, many people are unaware of the proper authorities in the Iranian state, particularly when submitting a case with the courts. For instance, the authorities don't really know if the customer travels to local police or consumer rights associations after being assaulted with their personal data. There has to be a mechanism to identify for the customer the proper authorities who can file a lawsuit against the aforementioned Iranian organization

that has a poor executive or questions from the Ministry of Commerce. The fact that its provider had to get permission to save customer data is among the benefits of Iran's e-commerce laws. If this stipulation is met and the customer wants to open an account online, it will prevent online trading organizations from randomly storing customer data without the customer's knowledge or permission. Customers are aware of the businesses that gave them permission to save their information in the event they become victims of online theft. In this case, the article's discussion of how the Iranian government is organized via privacy laws makes the solution to the seventh issue evident. The article illustrates through the previously mentioned data the function of the Iranian government in preventing and detecting fraud in business dealings, particularly in e-commerce, and enforcing rules and regs that force businesses to be clear about contractual terms, the price of goods, delivery procedures, payment options, corporate information, and identify themselves in order to safeguard the customer.

Additionally, the Iranian government has played a significant role in the safeguard of customer data through the issuing of regulatory requirements in numerous fields that forbid the utilization of personal information in methods that are unlawful. Additionally, the Iranian e-commerce legislation makes it the responsibility of the vendor to safeguard customer information to ensure that it is not utilized for other reasons, and certain sanctions might also result in the closure of the firm's site for types of data violations of privacy.

#### **4. RESULTS**

The tenets of Islamic law serve as the foundation for the decisions and guidelines made by Iranian courts as well as the state legislature. As a result, Iranian laws do not contravene the laws and rules of Sharia, although this does not preclude or restrict the Iranian government from having the authority. Instead, this could declare a number of laws that support the growth of commerce and business and thus are in accordance with international deals, provided that they do not contravene the Sharia clauses that formed general clauses and supplied the framework for rules in transactions. In accordance with international agreements, the Iranian government has adopted a number of rules, including the Company Act and the E-Commerce Law, that control Iran's competitive

industry. Iranian companies have grown significantly and the government is taking note of this fact despite the lack of laws that restrict online commercial transactions since the establishment of a customer protection organization, which frequently serves the functions of monitoring and increasing awareness. Even though the Islamic writings are obvious today regarding business contracts, there are numerous infractions in e-commerce, including fraud, the sale of void goods, and the sale of goods that belong to the property of others. This technique, which involves reserving goods in various markets and displaying them online for sale without handing over control to the vendor, must have recently risen in popularity, and it has led to a number of issues when arguing the validity of the agreement and its inefficacy in court.

According to the study, it is against Islamic Sharia to buy something that is not one's own. The customer selects the item and spends the money without knowing who owns it, as there are a lot of businesses and online profiles that show it. Therefore, it is believed that the Ministry of Trade will manage this problem in a general pattern. Iranian and American laws stress the prohibition of theft across all of its manifestations, in line with the Sharia regulations found in the Qur'an and the Sunnah. Commerce is focused on making a profit, and maybe some businesses make a profit irrespective of the harm they cause to customers, which obviously makes commerce fraud prevalent.

Regarding e-commerce in Iran, it has emerged that a sizable portion of customers who are authorized by the Ministry of Commerce are unsure of the legitimacy of the online business. This demonstrates their knowledge of the law. Several non-original items are unfit for usage because Iran is among the countries that import far more commodities from these other nations. Although the Ministry of Commerce's attempts to stop the sale of fake goods, many users complained against them. Additionally, the Consumer Protection Law plays a very limited function in informing consumers and recommending that they check the legitimacy of the store prior to entering into an agreement in order to verify that it is within the Ministry of Commerce's jurisdiction. The research showed that whenever the Iranian government started to increase taxes heavily to boost the economy as well as tax corporations heavily to promote citizen jobs as well as the 2030 vision's implementation, E-commerce has transformed conventional companies in order to avoid paying excessive taxes and public budgetary charges as well as to cover store and other

expenses like rent. Consequently, the offending trader now has a decent alternative in the Iranian online marketplace.

Another of the benefits of the Iranian e-commerce law is that it protects the buyer whereas if the vendor imposes additional conditions for the buyer's advantage, such as extending the window of time in which the buyer has the option of returning the item or allowing the return of a few items as outlined in Article 13 of the Iranian e-commerce law. According to the Iranian courts, the vendor inserted a significant condition into the agreement. Because of legislation imposed restrictions and granting the authority to add a few circumstances between the stakeholders to certain restrictions, if a dispute arose here between the parties that the vendor did not implement, the customer is entitled to sue for damages in court as a result of the vendor's breach of the agreement signed to avoid criminal fraud. Since it includes data about clients' money or other crucial information as defined by Islamic law, Iranian law, and American law, privacy protection is both very essential and very required. They have all been worried about keeping their privacy. Additionally, the Iran E-commerce Law plays an important role in preserving privacy by holding the retailer accountable for maintaining the user's privacy. This is a great accomplishment for the Iranian legislator, as the legislation also establishes a time limit for storing this information or the penalty for using it without the user's permission. In the legal profession, knowledge currently plays a small role. Although the progress that has been made in the e-commerce law to date, it would be ideal if the law specified the kind of data that is maintained so that there would be no doubt about whether the information is basic, personal, economic, etc.

The rules of Islamic Sharia are focused on both the interests of buyers and sellers, and thus work to protect the user's rights and shield the vendor from harm. According to Islamic law, the purchaser is entitled to reconsider his decision and return the item to the vendor, but only with the vendor's consent. This signifies that the item must have some flaw or reason for the purchaser to refuse it. The Iranian E-Commerce Law's Article 13 made reference to this when it said that the customer has 7 days to cancel the transaction. The period started on the day the product is delivered or the e-commerce provider is obtained, but the system makes the customer liable for late fees unless otherwise stipulated, so this must be changed to cover these fees if the customer did not receive



value from the provider or even the product. This must also be noted in US rules and regs, which give the customer the freedom to modify his mind and return the item within a specified time frame, which is good since it protects the vendor from harm. However, this resource must be updated so that the customer bears the expense of the termination date. The Iranian E-Commerce Law specified in Article 13 the requirement of dismissing the product sales agreement and bringing the goods back to the vendor in accordance with these circumstances. If the article stated some products that the purchaser isn't permitted to return, the Iranian law was using the term "dismissal", and this term doesn't quite conform with Islamic Sharia's rules, so the right to terminate the agreement is not included in the right to end the contract. It is as a result of the contract's unenforceability or a flaw in one of its components. Due to the distinction between terminating an agreement and having the option to return an item under the law, the option to terminate an agreement should be reformed as the option of the customer to alter their desires.

Additionally, the Iranian E-Commerce Law specifies a six-month window during which the customer has the option to terminate the agreement and return the item. However, this window is too limited because certain items may show faults after just one week, so it is crucial to reexamine this section until it reaches line with Islamic legal concepts and grants the consumer's right inside a long enough window.

## **5. CONCLUSION**

Iran plays a significant role in the protection of consumers, and there are numerous laws there that make it illegal to violate customers' rights when shopping online. The Iranian government promulgates its laws in accordance with Islamic Sharia's guidelines, which forbid any abuse of consumers' rights. For instance, Islamic law forbids, for instance, the selling of goods that aren't the vendor's property, have flaws, or injure consumers. It also forbids the sale of goods that are stolen in commerce. Each of these directives in Islamic law's rules are meant to safeguard the losing party, the customer. The Iranian government is constantly working to improve the business climate in order to draw in capital and expand the number of traders. The Iranian government has published numerous rules, including laws governing e-commerce, corporations, and computer

security. The Telecommunications Law as well as the Data Crimes Act are also included. These rules are all connected to the laws governing internet commerce. In similarity to the Customer Rights Organization, whose function necessitates more labour and commitment to fulfill, this organization also has objectives that have to be met that the customer is informed of. The agreement's customer protection phase was centred around the most crucial concerns: criminal actions like fraud that cause a lot of harm to customers. Iran is making steps to criminalize and punish digital retailers where customer fraud has been demonstrated, despite the fact that the principles of Sharia law provided in the Qur'an and the Sunnah are unanimous in their condemnation of fraud or customer injury. The prohibition of user privacy usage is included in the basic principles of Islamic law, as is the criminality of violations and the publication of personal data without authorization. The Iranian government has taken a number of steps, such as e-commerce law restrictions, to prohibit the use of customer privacy protection without its knowledge or permission. Consumer awareness of the impact of data security must still be raised, and e-commerce market regulation must be strengthened.

### **Recommendation and Solutions**

It is suggested that Iran's Customer Protection Law be put into action by giving its participants education in e-commerce and expanding its membership. Additionally, they must be given legal rights and the ability to bring legal action against businesses that violate the laws and affect society. By lowering administrative fees to create competitiveness and rewarding Ministry of Commerce employees for their efforts in supervising, it is beneficial to assist and provide incentives to online retailers who endeavour to enforce that law and protect the public. The customer wants to feel the power of the controls that are supposed to protect him, so it is critical to identify the people responsible for violations again, devise a plan of action, and stay in touch with customers who reported them until the violation is reported to the business. The Commerce Department as well as other departments must collaborate to boost consumer awareness through providing education programmes focusing on customer rights and responsibilities, their incorporation into the education curriculum, and the utilization of TV and social media platforms. Departments like the Department of Media and the Department of Education are also particularly worried about this. Even as legislation is

unique and as there is a demand for experts in this area, there is additionally curiosity about the role of the ministry of education, including Iranian universities defined by legislation agencies, by offering the training of the Iranian e-commerce law, in addition to the ruling by offering training for lawyers from the judiciary to research the legislation of e-commerce. The lawmakers must pay more attention to digital crime in e-commerce that involves fraud, theft, the sale of fake goods, and misleading ads, in addition to the Iranian Digital Criminal Law. Therefore, the Iranian legislature must define each of its digital crime phases, including their definition, legal process, and penalties. The Iranian lawmaker has granted the customer the power to end the contract after reviewing various legal passages in the country's e-commerce legislation concerning the user's freedom to modify their mind. Nevertheless, in accordance with Sharia requirements and laws governing agreements, ending an agreement typically requires that there be a fault in the agreement; as a result, the agreement is cancelled in accordance with the judge's decision. As a result, some legislative documents must be audited and reviewed by Iranian lawmakers. According to the Iranian E-Commerce Law, businesses that are located even outside Iran are required to employ a local member in charge of their operations. This could be the cause of the delay in the growth of e-commerce and the launch of some international goods. According to the study, legal measures should be taken to develop international electronic laws in order to control controlled agreements and establish the venue for lawsuits even without the need for representation inside Iran.

Developed nations' expertise in consumer rights and their knowledge of executive agencies' supervision, sanctions, rules, dispute settlement techniques, and all other processes.

## REFERENCES

- Abbasi, M., & Zare, A. (2016). Electronic contracts in Iran law. *Journal of Social Sciences and Humanities Research*, 4(03), 17-21.
- Aboosaeadi, H., & Taherkhani, H. (2019). A Comparative Study on Patent Attorney in the Islamic Republic of Iran and the World Intellectual Property Organization (WIPO). *International Journal of Political Science*, 9(4), 67-87.
- Ahmadikhah, S. (2019). A Comparative Study on Consumer Protection in E-Commerce Law of Iran and European Union. *International Journal of Advanced Studies in Humanities and Social Science*, 8(1), 1-12.

- Alikhani, M., & Zare, A. (2018). Reviewing the issues and challenges of electronic banking regime in Iran. *Economics*, 7(1), 1-9.
- Bagheri, P., & Hassan, K. H. (2016). Data Privacy in electronic commerce: Analysing legal provisions in Iran. *J. Pol. & L.*, 9, 133.
- Bagheri, P., & Forushani, M. L. (2016). E-Insurance Law and Digital Space in Iran. *The Journal of Internet Banking and Commerce*, 21(1).
- Bagheri, P., & Hassan, K. H. (2015). Access to information and rights of withdrawal in internet contracts in Iran: The legal challenges. *Computer Law & Security Review*, 31(1), 90-98.
- Basiji, A. & Hamidian, M. Explicating and Categorizing the Economic, Technologic and Cultural Effects of Copyright Law Violation on Iran Software Industry.
- Besharat, S. (2018). E-commerce law, and WTO with reference to Iran. *International Review*, (1- 2), 138-145.
- Blythe, S. E. (2006). Tehran Begins to Digitize: Iran's E-Commerce Law as a Hopeful Bridge to the World. *Sri Lanka J. Int'l L.*, 18, 23.
- Dejkam, H., & Alizadeh, M. (2014). Check jurisprudence--rights of pyramid transactions schemes in Iran and Islamic jurisprudence rights. *Advances in Environmental Biology*, 553-561.
- Elsan, M., Deriss, K., & Najafizadeh, L. (2017). Tying Clause in a Franchise Contract from the View of Competition Law: A Comparative Study in Iran and US Law. *Journal Encyclopedia of Economic Law*, 23(10), 21-38.
- Elsan, M., Mazloumi, S., & Fathi, M. (2022). Abuse of rights in banking contracts. Private Law.
- Hajian, A. (2019). A comparative study of commitment to sale and its sanctions in the laws of Iran and France. *Amazonia Investing*, 8(18), 119-132.
- Salehi, A. (2013). Barriers and challenges of e-commerce in Iran. *Advances in Environmental Biology*, 7(8), 1776-1781.
- Zahedidarkhaneh, F., & Saniee, T. Valuation of Factors Affecting Weaknesses Insufficiency of the Legal Rules Tourism in Iran. *International Journal of Advanced Biological and Biomedical Research*, 2(42), 452-457.

#### How to cite this article:

Hussain, Z.; & Mari, A. K. (2023). Legal Protection of Customer Privacy on E-Commerce: A Comparative Study of Iranian and American Law, *International Journal of Marketing, Communication and New Media. Special Issue on Cybersecurity, Privacy, and Data Protection*, February 2023, 5-24.