

# Legal Conceptualization of Healthy Economic Competition in the Digital Space and Sanctions for Its Violation

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## Abstract

Healthy economic competition in the digital space is regarded as one of the fundamental components of sustainable economic development and the improvement of the quality of goods and services. However, ensuring the integrity of this competition in an environment where modern technologies and cyberspace constitute the primary domain of economic activities requires the formulation and enforcement of effective legal sanctions. In this regard, the central question of this article is: "What sanctions for the violation of healthy competition are provided in Iran's domestic laws?" An examination of domestic laws and regulations reveals that sanctions are categorized into three general domains: criminal, civil, and administrative-disciplinary. In the criminal domain, penalties such as imprisonment, fines, and other deterrent measures are imposed against intentional and organized offenders, playing an important role in preventing monopolies, price-fixing conspiracies, and serious violations. In the civil domain, mechanisms such as compensation for damages, the right to terminate contracts, and the imposition of financial penalties are designed to protect the rights of victims and to remedy the harm caused by violations. Furthermore, intellectual and moral property rights, as one of the key pillars of healthy competition in the digital space, are reinforced through legal protections. In the administrative and disciplinary domain, tools such as monetary fines, revocation of business licenses, and corrective measures by institutions such as the Competition Council are envisaged to prevent anti-competitive behavior and ensure transparency in digital markets. Altogether, these sanctions establish a comprehensive framework for addressing violations and preserving healthy economic competition in the digital space. The methodology of the present article is descriptive-analytical, and the analytical tool is library-based research.

**Keywords:** healthy competition, unfair competition, digital space, sanction.

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## 1. Introduction

With the expansion of the digital space and the growth of online platforms, the structure of economic markets has undergone fundamental changes. Many economic interactions that were previously carried out in traditional formats are now taking place in the digital environment. This transformation has not only changed the methods of supply and demand but has also made the nature of economic competition more complex. In this context, the issue of healthy competition, which has always been one of the main pillars of the market economy, faces serious challenges in the digital space {Porter, 1980 #274592; Schumpeter, 1942 #274595}.

In traditional markets, healthy competition was primarily recognized by criteria such as the prohibition of collusion, abuse of dominant position, discriminatory pricing, and anti-competitive behaviors {Stiglitz, 2015 #274596; Tirole, 2017 #274597}. However, in digital markets, factors such as exclusive access to data, algorithmic decision-making, network effects, and the power of platforms have reshaped the nature of competition {Parker, 2016 #274591; Brynjolfsson, 2014 #274572}. In such an environment, dominant firms can exploit new technologies to secretly and less detectably disrupt competition—for instance, by prioritizing their own products in search engines or restricting competitors' access to user data {Bahadori Jahromi, 2024 #274571}.

Given these transformations, the concept of healthy competition requires reconsideration and redefinition at the legal level; because the existing legal tools in many countries are insufficient to identify and counter anti-competitive practices in the digital space {Vakilmoghadam, 2022 #274598; Mirmajidi, 2022 #274587}. Moreover, the mere identification of violations without effective sanctions cannot ensure the actual realization of healthy competition {Evenett, 2005 #274574; Lande, 2013 #274583}. In this regard, certain legal systems such as the European Union and the United States have moved toward reforming competition regulations and have introduced new sanctions, including heavy fines and, in special cases, criminal penalties for anti-competitive practices in the digital domain {Huschhelrath, 2013 #274579; Richard, 1990 #274593}.

In Iran, although some general regulations on competition are provided under the Law on the Implementation of General Policies of Article 44 of the Constitution, the concept of healthy economic competition in the digital environment has not yet been clearly defined, and effective sanctions—particularly concerning technology-based violations—are either lacking or ineffectively enforced {Riyazi, 2021 #274594; Abdoli, 2022 #274569; Ghanavati, 2020 #274576}. This study seeks to clarify the legal concept of healthy competition in the digital space by reviewing theoretical and comparative foundations and to analyze the role of sanctions against violations in Iran's legal system.

## 2. Conceptualization of the Digital Space

The digital space refers to an environment in which information and communications are transmitted, stored, and processed electronically and digitally. This space includes internet networks, smart devices, software platforms, and various types of digital data that enable human interaction with modern technologies {Castells, 2010 #274573}. The digital environment is no longer confined to a technical infrastructure but is understood as a new social and cultural structure that influences all dimensions of human life {Hargittai, 2015 #274577}. It has fundamentally altered how information is produced, distributed, and consumed.

From a sociological perspective, the digital space is a new foundation for shaping and redefining communication and human activities in society; a domain in which digital technologies play a critical role in cultural and social changes, influencing behaviors and relationships {Van Dijk, 2020 #274599}. These changes are not limited to the individual level but also impact institutional structures and social norms. For example, the rise of social networks and virtual communities has drawn increasing attention to concepts such as digital identity, networked society, and virtual relationships {Katouzian, 2003 #274581; Klein, 1997 #274582}.

Furthermore, the digital environment constitutes a complex ecosystem formed by the interaction of elements such as communication technologies, users, content, and the legal rules governing the exchange of information {Motchenkova, 2005 #274588}. This ecosystem ensures that online activities and relationships remain dynamic and continuously evolving, thereby affecting access to information, digital inequalities, and technology policies {Nasiri, 2008 #274589}. In particular, the concept of the “digital divide,” as advanced by Van Dijk, points to disparities in access to digital technologies and skills, which may lead to broader social and economic inequalities. These disparities not only involve physical access to the internet and digital

devices but also encompass differences in quality of access, user skills, and the ability to benefit from digital technologies {Van Dijk, 2020 #274599}.

The digital environment is also marked by rapid technological change, which impacts how users and systems interact. Technologies such as artificial intelligence, the Internet of Things, blockchain, and big data are increasingly transforming the digital environment and creating new challenges and opportunities in areas such as security, privacy, economy, and culture {McAfee, 2012 #274586}. For this reason, the digital space is not merely a technical infrastructure but rather a dynamic and complex domain that requires interdisciplinary analysis for comprehensive understanding {Oecd, 2019 #274590}.

### 2.1. *The Economic Dimension of the Digital Space*

The digital space plays a vital role in the global economy, with its economic dimensions significantly impacting market structures, production and consumption methods, and economic interactions. The digital economy includes activities where the production, distribution, and consumption of goods and services are facilitated through digital technologies, with digital infrastructures serving as key drivers of productivity and innovation {Aghion, 1992 #274570}.

One of the most important aspects of the digital space in the economy is the emergence of e-commerce, which has eliminated geographical boundaries and enabled direct interaction between producers and consumers at the global level {Laudon, 2021 #274584}. This transformation has reduced intermediation costs and increased the speed and efficiency of economic exchanges {Malekzadeh, 2020 #274585}. Moreover, the digital space has provided new opportunities for small and medium-sized enterprises to reach broader markets through online platforms {Hunt, 2000 #274578}.

The digital economy has also transformed traditional business models. For example, models such as the sharing economy and platform economy have emerged, based on digital technologies, in which resources are shared, and value is created through user networks {Parker, 2016 #274591}. These models have not only changed the structure of markets but have also complicated the role of governments in regulating economic activities {Fathizadeh, 2015 #274575}. At the same time, the digital space has facilitated the emergence of big data and advanced analytics, enabling companies to base their economic decision-making on real-time data and more accurate analyses. This has improved productivity, reduced risks, and spurred new innovations in the economy {McAfee, 2012 #274586}.

Nevertheless, the development of the digital economy also entails challenges, such as inequality in access to technology, cybersecurity and privacy concerns, and apprehensions about the dominance of large technology firms in markets {Kadkhodae, 2023 #274580; Lande, 2013 #274583}. These issues call for smart policymaking and regulations tailored to the digital environment, to ensure that the economic benefits of the digital space are distributed fairly and that its risks are adequately controlled {Bahadori Jahromi, 2024 #274571}.

## 3. **Competition in Economics**

Competition, as one of the fundamental principles of economic systems, plays an important role in improving market performance. Under conditions of perfect competition, numerous sellers and buyers are present in the market, none of whom has sufficient power to control prices or production levels. This situation ensures that resources are allocated efficiently, and that goods and services are produced with better quality and at more reasonable prices {Stiglitz, 2015 #274596}. In other words, the existence of perfect competition guarantees economic efficiency, which in turn leads to greater consumer welfare.

Competition is also one of the main drivers of productivity and innovation in businesses, as companies are under constant pressure to attract customers and maintain market share. This pressure encourages them to improve production methods and to offer new and better products {Porter, 1980 #274592}. Therefore, competition serves as a factor for technological progress and efficiency gains across industries.

From the perspective of microeconomic theories, competition can lead to lower prices and higher quality of goods, since each economic entity must perform better than its rivals to retain its customers. This dynamic promotes higher levels of innovation in the market {Tirole, 2017 #274597}. For this reason, competition directly contributes to innovation and technical advancement and creates a healthy and dynamic market environment.

At the macroeconomic level, competition contributes to overall productivity growth and sustainable economic development. Economic growth models have shown that competition, by eliminating inefficient firms and empowering innovative ones, is a

key factor in long-term economic growth {Aghion, 1992 #274570}. This underscores the importance of competition for economic development and for enhancing public welfare.

Nevertheless, in many real-world markets, perfect competition is rarely attainable, and markets often tend toward monopoly or oligopoly. Under such conditions, the monopoly power of firms reduces market efficiency and increases prices {Stiglitz, 2015 #274596}. Thus, regulatory oversight of competition and monitoring of economic activities is critically important to prevent market distortion and abusive monopolistic practices {Vakilmoghadam, 2022 #274598}.

### 3.1. *Unfair Competition*

Unfair competition refers to situations where anti-competitive practices—such as abuse of dominant position, collusion, and mergers—push markets toward non-competitive activities {Riyazi, 2021 #274594}. A dominant position allows an individual or business entity, through tangible independent behavior, to obstruct genuine competition against rivals, customers, and consumers.

Unfair competition is essentially unequal competition in which certain economic actors gain greater access to consumer markets while others face barriers or are deprived of equal competitive conditions {Richard, 1990 #274593}. Accordingly, unfair competition describes a situation where firms or market participants employ unfair, unlawful, or unethical practices—such as monopolization, collusion, predatory pricing, or false advertising—to eliminate rivals or capture market share at the expense of market integrity {Klein, 1997 #274582}.

This type of competition reduces market efficiency, increases prices, and lowers the quality of goods and services, ultimately harming consumers and the macroeconomy {Huschhelrath, 2013 #274579}. Unfair competition usually creates entry barriers for other participants and results in monopolistic conditions that suppress innovation and decrease incentives for continuous market improvement {Klein, 1997 #274582}. Moreover, such practices can generate public distrust in the market and diminish economic transparency {Mirmajidi, 2022 #274587}.

From an economic perspective, unfair competition is recognized as one of the most significant problems in free markets, as it disrupts market balance and inflicts serious harm on economic structures when not properly supervised and regulated. To counter this phenomenon, governments and regulatory bodies must enforce antitrust laws and implement stronger oversight mechanisms to prevent economic abuses {Evenett, 2005 #274574; Lande, 2013 #274583}.

### 3.2. *Healthy Competition*

Healthy competition in economics refers to the existence of conditions under which firms or market actors compete within fair legal frameworks, without resorting to unfair or monopolistic methods. This type of competition enhances the quality of goods and services, reduces prices, and fosters innovation, ultimately contributing to consumer welfare and sustainable economic growth {Porter, 1980 #274592}.

Healthy competition ensures that all market participants enjoy equal opportunities to enter and operate in the market, while preventing abuses such as monopolization, collusion, or rent-seeking. Moreover, it lays the groundwork for technological development and innovation in businesses, since companies must continuously improve their products and services in order to maintain or expand their market share {Schumpeter, 1942 #274595}.

In other words, healthy competition acts as a strong driver of innovation and creativity in the economy, fostering a process of “creative destruction” in which inefficient firms are replaced by efficient and innovative ones {Aghion, 1992 #274570}. Healthy competition also lowers the likelihood of monopolies or manipulated markets, while strengthening market transparency by ensuring that consumers have access to fuller and more reliable information—thereby enabling more optimal economic decision-making {Hunt, 2000 #274578}.

Governments play an essential role in protecting healthy competition by enacting antitrust laws and monitoring market behaviors that could otherwise lead to anti-competitive practices {Kadkhodaei, 2023 #274580}. Ultimately, maintaining healthy competition requires balancing economic freedom with legal controls, ensuring that competition benefits society and the economy as a whole while preventing any abuse or violation. This is the cornerstone of creating a dynamic, fair, and sustainably growing economy {Bahadori Jahromi, 2024 #274571}.

#### 4. Legal Conceptualization of Healthy Competition

In economic law, healthy competition refers to economic activities conducted within a framework of fair and transparent regulations, where firms compete for market share and customer acquisition without resorting to unlawful or unethical practices {Vakilimoghadam, 2022 #274598}. This definition highlights the importance of adhering to fair rules of the game, aimed at preventing unfair conduct such as collusion, false advertising, and abuse of market power, thereby helping to preserve balance and fairness in the market and ensuring that all competitors have equal opportunities to operate {Riyazi, 2021 #274594}.

In European Union law, this concept is emphasized with particular attention to countering anti-competitive behaviors. Article 101 of the Treaty on the Functioning of the European Union (TFEU) categorically prohibits all agreements and collusions that restrict or distort competition, while Article 102 prohibits abuse of a dominant market position {Evenett, 2005 #274574; Huschhelrath, 2013 #274579}. The enforcement of such provisions creates an efficient and fair market in which firms are compelled to engage in healthy competition, thereby effectively curbing monopolistic power—a crucial factor for maintaining economic diversity and preventing entry barriers for competitors {Lande, 2013 #274583}.

In addition, healthy competition law also protects against unfair commercial practices such as misleading advertising, discriminatory pricing, and predatory pricing {Klein, 1997 #274582; Hunt, 2000 #274578}. Such regulations, by ensuring market transparency and consumer access to accurate information, lay the foundation for better economic decision-making and strengthen public trust in the market, ultimately improving the quality of competition and leading to optimal resource allocation {Porter, 1980 #274592}.

Ultimately, the legal framework for healthy competition represents an attempt to balance economic freedom with the regulation necessary to prevent abuses. This balance enables markets to operate efficiently, fairly, and dynamically {Tirole, 2017 #274597}. Establishing this equilibrium fosters innovation, reduces prices, and improves product quality, leading to sustainable economic growth. Thus, healthy competition benefits not only firms but also society and consumers as a whole {Schumpeter, 1942 #274595; Aghion, 1992 #274570}.

#### 5. Sanctions for Violation of Healthy Competition

Healthy competition, rooted in justice and the protection of domestic industries, has been an essential part of the legislator's approach in Iran after the Islamic Revolution {Mirmajidi, 2022 #274587}. In general, economic competition in the electronic environment follows the general rules of contracts, with the principle of mutual consent governing agreements under the Electronic Commerce Law. According to domestic laws, if the parties do not reach agreement on the subject matter of a transaction, no contract is formed {Katouzian, 2003 #274581}.

In line with this approach, in recent years the Law on Removing Barriers to Production (2015) has emphasized supporting the creation of healthy competition. Article 8 of this law provides for: (1) increasing the competitiveness of domestic goods, (2) promoting the culture of consuming domestic goods, (3) encouraging healthy nutrition, (4) preventing luxury consumption, (5) supporting top producers, exporters, and brands, and (6) restricting advertising of foreign goods. Clearly, to foster competition and protect domestic industries and production, enacting laws that can prevent violations and create conditions for growth and economic development—whether in the physical or digital space—is essential {Bahadori Jahromi, 2024 #274571; Abdoli, 2022 #274569}.

The same principle is also incorporated in the Electronic Commerce Law. Article 33 of this law stipulates that sellers of goods and providers of services must provide consumers with sufficient information, essential for their purchasing decisions or acceptance of terms, within an appropriate timeframe prior to the conclusion of the contract. The minimum required information includes:

- a. Technical specifications and functional features of the goods or services.
- b. The supplier's identity, trade name under which they operate, and address.
- c. Email address, phone number, or other means by which the consumer can contact the seller if necessary.
- d. All costs associated with the purchase of the goods (including the price, taxes, shipping costs, and communication expenses).
- e. The period during which the offer remains valid.

f. The terms and process of the contract, including payment, delivery or execution, cancellation, return, and after-sales services.

In this case, the mutual agreement of the parties is regarded as the formation of a contract, and in the digital environment, it also forms part of the framework of healthy economic competition {Laudon, 2021 #274584; Malekzadeh, 2020 #274585}.

### 5.1. Criminal Sanctions

Criminal sanctions in the field of healthy competition refer to penalties imposed by criminal courts, designed to impose stronger deterrence against anti-competitive behaviors and serious violations in the marketplace. These sanctions include imprisonment, criminal fines (financial penalties with a criminal nature), and other deterrent measures applied against intentional and organized offenses such as price-fixing cartels, monopolistic practices, or economic fraud {Evenett, 2005 #274574}. Due to their severity and criminal nature, such sanctions play a significant deterrent role in preventing intentional and systematic violations in the market and help safeguard the integrity of competition {Lande, 2013 #274583}.

In Iran's legal system, considerable criminal measures have been introduced to support healthy competition. A major part of the mechanisms relating to healthy economic competition in the digital environment concerns "advertising rules," which are also referred to in the Electronic Commerce Law. The validity of electronic transactions under both jurisprudence and domestic law is often considered equivalent to face-to-face transactions, as many jurists have argued that online contracts concluded through audiovisual tools bear the same legal weight as in-person agreements {Abdoli, 2022 #274569}.

Article 50 of the same law provides:

*"Suppliers, in advertising their goods and services, shall not commit any act or omission that may mislead or deceive consumers regarding the quantity or quality of such goods or services."*

Furthermore, Article 51 stipulates:

*"Suppliers who advertise their goods and services shall not endanger the health of individuals."*

Domestic laws, in order to establish a criminal enforcement system, also rely on the Law on the Protection of Authors, Composers and Artists (1979) and other intellectual property frameworks. In this regard, Article 74 of the Electronic Commerce Law (2003, amended 2024/06/19) stipulates that anyone who reproduces, performs, or distributes works covered by the Law on the Protection of Authors, the Law on the Translation and Reproduction of Books and Audio Works, or the Law on the Protection of Software Authors, without authorization, shall be punished by imprisonment of three months to one year and a fine of 500,000,000 IRR {Fathizadeh, 2015 #274575; Nasiri, 2008 #274589}.

In another section of the Electronic Commerce Law, under the title "Trademarks," Article 75 (amended 2024/06/19) states:

*"Any person who, in the context of electronic transactions, for the purpose of competition, benefit, or harming business entities, unlawfully acquires or discloses trade secrets in violation of employment contracts relating to confidentiality shall be punished by imprisonment of six months to two and a half years and a fine of 825,000,000 IRR."*

Another important criminal framework relevant to digital competition is the Computer Crimes Law (2009). Article 8 stipulates:

*"Any person who unlawfully deletes, destroys, disrupts, or renders data belonging to another person unprocessable in computer or telecommunication systems shall be sentenced to imprisonment from six months to two years, or a fine ranging from 10 million to 40 million IRR, or both penalties."*

Since in most legal systems the crime of destruction is traditionally considered a tangible and physical offense, the inclusion of criminal sanctions for digital activities in Iran's Electronic Commerce Law reflects the recognition that criminal law is essential for ensuring healthy economic competition in the digital environment. Under the Constitution of the Islamic Republic of Iran, property is categorized as private (Articles 46 and 47), public (Articles 45 and 49), and state-owned (Articles 43 and 49). Consequently, whether the digital space is held non-exclusively by the state, by individuals, or jointly, it requires criminal regulations, the primary manifestations of which are criminal offenses and custodial sentences for violators {Malekzadeh, 2020 #274585}.

Another criminal approach relevant to supporting healthy economic competition in the digital economy is found in the Law on Punishing Disruptors of the National Economic System (1990/12/10). Clause (c) of Article 1 of this law criminalizes "disruption of the national production system," including major abuses involving the unauthorized sale of technical equipment



or raw materials on the free market, violation of related commitments, or large-scale bribery in production or licensing processes, insofar as such actions disrupt national production policies {Mirmajidi, 2022 #274587}. Clearly, if in the context of advertising, product sales, or contractual transactions in the digital environment, disruption of the production or economic system is established, the provisions of this law can also be applied to address criminal violations in cyberspace.

## 5.2. Civil Sanctions

In some cases, the civil sanction for breach of obligations may take the form of rescission or invalidity of the legal relationship; in other situations, compensation for damages serves as the mechanism for penalizing the violator. Since legal acts that breach statutory and contractual duties require not only mandatory sanctions but also consequential sanctions, the legislator and legal system—beyond prohibitions and ethical recommendations—must provide mechanisms such as compensation for damages to injured parties in the digital sphere and financial penalties for violators {Ghanavati, 2020 #274576}.

The establishment of civil sanctions in the context of healthy economic competition in the digital space stems from the emergence of intellectual property rights, or moral property rights, which apply to creations and innovations produced in digital environments {Nasiri, 2008 #274589}. In today's world, where the digital domain is expanding rapidly, creating and preserving healthy economic competition requires a deeper and more comprehensive understanding of intellectual property and moral rights. Intellectual property refers to ownership that grants its holder the exclusive right to benefit from the results and specific forms of intellectual and creative activities. These rights not only safeguard intellectual ownership but also encourage innovation and creativity in various scientific, industrial, literary, and artistic domains, ultimately contributing to sustainable economic and social development and to improving quality of life {Fathizadeh, 2015 #274575}.

Intellectual property, broadly speaking, encompasses rights arising from the creation of intellectual works and innovations across diverse fields. It is generally divided into two main branches: industrial property and copyright. Industrial property itself has two significant categories: first, rights relating to marks such as trademarks and geographical indications, which can receive unlimited protection if their distinctiveness is preserved; and second, rights relating to inventions and industrial designs, including patents, industrial designs, and trade secrets, whose duration of protection is usually limited and subject to time restrictions—particularly relevant to the digital economy {Malekzadeh, 2020 #274585}. Copyright, or the right of authorship, grants authors exclusive rights over literary, artistic, and scientific works, covering a wide range of creations, including written texts, audiovisual works, visual arts, handicrafts, and even computer software. Copyright is further divided into two groups: the primary rights of authors and related rights, which include the rights of performers, producers of sound recordings, and broadcasting organizations {Fathizadeh, 2015 #274575}.

In the digital and technology-driven economy, strict protection of intellectual property and moral rights provides the necessary foundation for healthy economic competition. Such protection fosters the development of innovative markets, improves the quality of products and services, and ultimately increases consumer satisfaction and economic growth {Brynjolfsson, 2014 #274572}. Moreover, establishing updated and transparent legal frameworks, employing modern technologies for tracking and managing intellectual property rights, and promoting a culture of respect for these rights among digital economic actors are key factors in ensuring healthy competition {Kadkhodaei, 2023 #274580}.

Healthy economic competition in the digital sphere depends above all on transparency and consumer awareness regarding goods and services. In line with this goal, neither the quantity nor the quality of goods may deviate from the seller's advertising or sales practices. The Electronic Commerce Law explicitly addresses this issue. Article 52 stipulates:

*"Suppliers must advertise in such a way that consumers understand information regarding goods and services accurately, clearly, and precisely."*

Similarly, Article 54 provides:

*"Suppliers must not exploit the specific features of electronic transactions to conceal facts regarding their identity or place of business."*

It is evident that deviation from these established standards justifies civil remedies, namely, recourse to legal institutions for compensation or restitution of property {Abdoli, 2022 #274569}.

The Law on Punishing Disruptors of the National Economic System (1990) also incorporates compensation for damages as part of the civil mechanisms for promoting healthy economic competition in the productive sector, which is applicable to violations in this field {Mirmajidi, 2022 #274587}. For example, Clause (v) of Article 1 criminalizes organized and systematic actions that disrupt the export system of the country, including fraud in fulfilling foreign exchange commitments or in pricing exported goods. The provision allows the competent judge, when determining whether an act is major or significant, to consider the extent of the damage, the amount misused, and the broader corrupting consequences, and to consult the relevant authority as needed.

Along the same lines, the Electronic Commerce Law (2003), in Chapter V titled “Compensation for Damages,” Article 78 states:

*“Whenever, in the context of electronic transactions, damages are caused to individuals due to deficiencies or weaknesses in the systems of private or public institutions—except when the damage results from physical disruption of electronic communication—those institutions shall be liable for compensation unless the damage arises from the personal act of individuals, in which case compensation shall be borne by those individuals.”* {Laudon, 2021 #274584}.

### 5.3. Administrative or Disciplinary Sanctions

The law of healthy economic competition seeks to counter any conduct that disrupts the competitive market environment and, through norms and regulations, aims to systematize anti-competitive behavior {Bahadori Jahromi, 2024 #274571}. With the increasing tendency of business actors to operate in virtual and digital spaces, the formulation of antitrust rules and regulations becomes a fundamental necessity {Kadkhodaei, 2023 #274580}. In this regard, another mechanism to promote healthy competition in the digital space is the use of administrative or disciplinary sanctions, such as government fines, revocation of production or advertising licenses, and similar measures.

Broadly speaking, sanctions for violations of competition law can be divided into financial and non-financial types. Examples of non-financial sanctions include nullification of anti-competitive agreements or contracts, termination of anti-competitive practices, public announcements, prohibitions on commercial activity in specific sectors, and orders to amend company statutes (Article 61 and clauses a and c of Article 51, Law on the Implementation of General Policies of Article 44 of the Constitution, 2007). Financial sanctions include the imposition of fines under clause 12 of Article 61, restitution of assets obtained through violations (clause 8 of Article 61), and obligations to compensate harmed parties under general rules (Article 66). Therefore, violations of competition regulations and the adoption of anti-competitive practices in the digital sphere may result in restitution of property, license annulment, business prohibitions, and cancellation of digital market activities {Vakilimoghdam, 2022 #274598}.

Ensuring transparency and security in financial transactions is a critical issue {Huschhelrath, 2013 #274579}. In domestic law, another mechanism designed from an administrative and disciplinary perspective to implement healthy economic competition or to prevent violations in this field lies in the duties of the Competition Council, explicitly addressed in the Law on the Implementation of General Policies of Article 44. Articles 66 and 67 of this law assign responsibilities to the Council, focusing on countering unfair practices in economic activity—a mandate extendable to the digital economy as well.

For instance, Article 66 stipulates:

*“Natural and legal persons harmed by anti-competitive practices under this law may, within one year of the final decision of the Competition Council or the appellate body confirming the existence of anti-competitive practices, file a claim for damages before the competent court. The court shall examine the claim only if the claimant attaches a copy of the final decision of the Competition Council or the appellate body to the claim.”*

The Article continues with a provision:

*“In cases where decisions of the Competition Council or the appellate body are of a public nature and, after finalization, are published in widely circulated newspapers, third parties with standing may, upon receiving certification from the Competition Council confirming the applicability of the decision to them, file their own claims before the competent court. Issuance of a damages award depends on the submission of this certification. At the request of the claimant for such certification, the court shall suspend proceedings until the Council responds. The Council shall prioritize these requests for expedited review.”*



These responsibilities constitute a mechanism to reduce ambiguities in the law and to systematize competition law both in physical and digital markets. Regulation increases the likelihood of private lawsuits in competition law and enhances the effectiveness of sanctions {Motchenkova, 2005 #274588}. The intention, however, is not to increase litigation in digital business, but rather to create conditions that prevent infringement of individual rights. From an administrative and disciplinary perspective, this plays an important role in transparency and fairness in the digital market.

Accordingly, in the context of protecting the rights of producers or business actors in cyberspace, the possibility of initiating lawsuits, revoking licenses of violators, or cancelling the activities of those who infringe on the rights of others or breach competition law is an important and effective measure under the Law on the Implementation of General Policies of Article 44. Article 67 of this law specifies:

*“The Competition Council may act as the complainant in all offenses under this law and may request the competent court to adjudicate claims for damages caused to the public interest.”*

## 6. Conclusion

Healthy economic competition in the digital space, as a key factor for sustainable economic development, maintaining fairness in markets, and protecting the rights of both consumers and producers, requires coherent legal structures and effective enforcement mechanisms. Domestic laws in Iran, including the Electronic Commerce Law, the Law on Removing Barriers to Production, and the Law on the Implementation of General Policies of Article 44, aim to create a fair and transparent competitive environment by providing criminal, civil, and administrative sanctions, each of which plays an important role in preventing and addressing violations. Criminal sanctions serve as deterrent tools against deliberate and systematic violations such as price collusion, monopolistic practices, and economic fraud, ensuring the health of the competitive environment through penalties like imprisonment and fines. Civil sanctions, on the other hand, focus on compensating victims and protecting intellectual and moral property rights, thereby fostering innovation, creativity, and fair competition in the digital arena. Administrative and disciplinary sanctions, such as financial penalties, license revocations, and restrictions on unlawful activities, act as complementary measures that help preserve order and justice in markets.

Transparency in information about goods and services, adherence to advertising standards, and providing sufficient information to consumers are fundamental principles for realizing fair competition, as emphasized in electronic commerce regulations. Thus, establishing a robust legal framework, combined with precise and coordinated enforcement of sanctions, not only prevents the violation of economic actors' rights but also facilitates the development of innovative markets and the enhancement of product and service quality. Ultimately, the continued promotion of awareness in the field of intellectual property rights and the commitment to enforcing laws will be the key to ensuring healthy competition and economic growth in the digital space.

Based on these findings, the following recommendations are offered:

- **Smart monitoring:** Using artificial intelligence to quickly detect and prevent violations in the digital space.
- **Legal updates:** Continuously revising competition laws to align with technological changes and new business models.
- **Education and awareness:** Raising awareness among economic actors and consumers about intellectual property rights and the rules of fair competition.

## Ethical Considerations

All procedures performed in this study were under the ethical standards.

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## Conflict of Interest

The authors report no conflict of interest.

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