

GOVERNMENT'S AUTHORITY TO CHANGE THE LONG-TERM CONTRACTS FOR THE SALE OF OIL (ATTACHMENT OF UPSTREAM CONTRACTS)

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Abstract

According to the legislator, the compensation of oil companies for service contracts (Buyback and IPCs) will be conditioned on gaining commercial production of the field and the place of sale of the same products or proceeds. In this regard, long-term contracts for the sale of oil shall be concluded as an attachment of upstream contracts and for reimbursement of costs and Contractors' fees. The implementation of these contracts over time, changing conditions in the domestic and global markets, the importance of oil in energy supplying, and its political and economic impact on the region and the world, have made these contracts subject to change. Because of the importance of the subject, after determining the nature of long-term oil sale contracts, attachment, will be the subject of this research to examine the authority of the government to change them and the effects and consequences of this change. Finally, an appropriate solution is offered to safeguard the rights of the foreign investor so that his legitimate rights and expectations are safeguarded and upheld, while respecting the government's extra-contractual rights and powers.

Keywords

Changes of contracts Contractor, Host government, long-term oil sale contracts.

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ANALYZING THE CONTRACTUAL MODEL OF NATURAL AND TRANSPORTATION AGREEMENTS VIA GAS SALE CROSS-BORDER PIPELINES BY THE EMPHASIS ON THE “OPTIMUM MODEL FOR IRAN”

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Abstract

The Natural Gas industry mainly consists of three major sections including production, transportation, and distribution. Transportation could be performed by either pipeline or by LNG Vehicles. At the beginning of the industry, indeed between 1920- 1930s, three above-mentioned sections conducted integrally. But gradually the three sections, *i.e.* upstream section as the producers, mid-stream section as transporters and the downstream section as marketing and distribution became totally separated. As a result, in order to manage natural gas market concerned risks, and mitigation of transaction costs, the long-term contract more and more has become the principal instrument. long-term contracts are those contracts that would last for more than five years and in some cases, they last for thirteen years. Iran by having a huge volume of oil and gas reservoirs would play a key role in natural gas markets. The most important agreement for gas exporting concluded with Botash, a Turkish company, which has its own advantages and shortcomings. In this paper, we examine gas sales and transportation agreements from the strategic point of view in order to show deficits of employing only gas sale contracts and then provide with the model of integrated contracts including gas sales and transportation as an efficient contract for exporting gas to the natural markets.

Keywords

Gas Sales and Transportation Contracts, Long-Term Contract, Incomplete Contracts, Transaction Costs.

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THE ROLE OF SUSTAINABLE DEVELOPMENT IN THE GAS EXPORTING COUNTRIES FORUM APPROACH; FROM THEORY TO PRACTICE

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Abstract

The oil and gas sector has the potential to have a positive and negative impact on a wide range of areas covered by the Sustainable Development Goals. Therefore, this potential can make the Gas Exporting Countries Forum an important player in order to participate in achieving the goals of sustainable development. Although the Sustainable Development Goals are at the heart of the Forum's long-term strategic goals, success in this area requires multi-sectoral and multi-disciplinary approaches, which will highlight the role of others in this area. Aware of its responsibility for sustainable development, GECF has taken a positive approach to the principles of prevention, commitment to cooperation and protection of the environment, and the integration and sustainable use of natural resources and other principles of sustainable development. The organization's focus on climate change is also seen as a key step. Because responding to climate change can help advance other sustainable development goals.

Keywords

Principle of Prevention, Principle of Integration, Natural Gas, Environment.

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LEGAL ANALYSIS OF US ACTION IN ISSUING AN ORDER TO SEIZE IRANIAN OIL-TANKERS CARRYING GASOLINE TO VENEZUELA

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Abstract

In July 2020, the United States of America sought to disrupt Iran's trade and economic relations with Venezuela by issuing a seizure warrant of Iranian oil tankers, which was moving to Venezuela. The decision was based on claims that there was a link between Iran's energy revenues in the activities of the Islamic Revolutionary Guard Corps and the affiliation of some oil companies with this organization, which The United States has previously placed this organization on its sanctions list for claiming to be a terrorist entity. Due to the importance of this issue in the national interests of our Country, the legal status of the issuance of a ban on Iranian oil shipments by the United States from the perspective of international law is the main question of this article. The results of the descriptive-analytical studies of the authors confirm that the basis of this action is contrary to the fundamental principles of international law and the seizure of oil cargo and the prohibition of the free navigation of ships are in conflict with the principles of the international law of the sea, the immunity of states and also the rules of human rights.

Keywords

Iran Oil-Tanker Seizure Warrant, Oil Sanction, Unilateral Sanction, Islamic Revolutionary Guard Corps Sanction, International Law.

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THE IMPACT OF ECONOMIC SANCTIONS ON COMMERCIAL DISPUTES RELATED TO SALE OF OIL AND OIL PRODUCTS

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Abstract

The emergency which occurs following the imposition of economic sanctions, necessitates the business transactions to be conducted through non-standard and irregular methods. Using front companies, and intermediaries, and non-transparent ways of making payments have become the necessary part of Iran's foreign trade regime following the imposition of economic sanctions. Disputes that have been brought before Iranian courts in relation to sale of Iranian crude oil through these unusual means prove the specific features of oil transactions that use these irregular methods of foreign trade. This Article studies the different types of new commercial disputes which are created due to imposition of economic sanctions on sale of oil and oil products and proposes contractual solutions to mitigate the likelihood of these disputes.

Keywords

Economic Sanctions, Commercial Disputes, Standard Transaction of Sale of Oil, Breach of Sanctions, Non-Transparency.

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STUDY OF THE CHARACTERISTICS OF EXPERT DETERMINATION IN RESOLVING THE DISPUTES OF THE OIL AND GAS INDUSTRY AND HOW TO IMPLEMENT IT IN THE IRANIAN JUDICIAL COURTS

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Abstract

Choosing the proper method for resolving disputes in the oil and gas industry is important and among these various methods, However, it is less acceptable to refer to an expert-determination than other dispute resolution methods. However, because of the technical nature of issues, the speed and accuracy of experts in decision-making, referring disputes to expert-determination is of particular priority and importance. And in some cases, such as estimating the volume of reserves, the financial value of the benefits of participating and reviewing the base price of gas sales contracts, it is the best possible solution for resolving disputes. For this reason, identifying common expert characteristics in the legal doctrine and documents of international organizations and also examining the special advantages of this method in contracts concluded in the oil and gas industry can help its development in this contractual system. The most important challenge of using this method is its implementation in courts. In this article, by analyzing the legal bases related to the principle of free will and validity of regulatory documents outside Iran, an attempt has been made to provide a solution for the implementation of expert-determination in the Iranian legal and judicial system.

Key words

Alternative methods of resolving disputes in the oil and gas industry, Arbitration, Expert rules of International Organizations Dispute Resolution, Principle of free will

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LEGAL DIMENSIONS OF THE SUBMARINE CABLE; FROM CONFLICT OF INTERESTS TO SOVEREIGN RIGHTS OF THE COASTAL STATE

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Abstract

The Submarine communication cables are regulated under the legal system of the Convention on the Law of the Sea. The coastal state or other states have special rights and interests in connection with submarine communication cables in different maritime areas. In this regard, it is important to examine the legal aspects of the theory of the confrontation between the application of the sovereign rights of the coastal state and the rights of the state seeking the submarine communication cable, which is one of the aims and topics of this article. The research method is descriptive-analytical and relies on the requirements of the Convention on the Law of the Sea to answer this question: what are the legal aspects of coastal state intervention in the submarine communication cable of other states in different maritime areas? The research findings show that submarine communication cable of all states in the Exclusive Economic Zone and the Continental Shelf is the concept of freedom of the seas and free from the permission of the Coastal State. The Coastal State has economic interests in these areas, but is not allowed to prevent submarine communication cable from other states. This situation is a manifestation of the rule of law of the Coastal State. However, as part of its commitment to protect the environment, the Coastal State is preventing or hindering the submarine communication cable of other states. This practice and discernment are associated with the flaws in the exercise of sovereignty in pursuit of the national interests of the Coastal State in these areas. This situation is similar to the exercise of sovereignty in the Territorial Sea, in which the submarine communication cable of other states is prohibited and subject to the special permission of the Coastal State. Accordingly, the submarine cable of other states in the Exclusive Economic Zone and the Continental Shelf similar to the Territorial Sea is also affected by the will and exercise of the Coastal State's sovereignty.

Keywords

Submarine Communication Cable, Territorial Sea, Exclusive Economic Zone, Continental Shelf, Exercise of Sovereign Rights, Freedom of the High Sea.

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AN INVESTIGATION ON THE LEGAL NATURE OF INTERNATIONAL OIL AND GAS PIPELINES: FROM THE PERSPECTIVE OF THE OECD MODEL TAX CONVENTION

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Abstract

The legal characterization of cross-border oil and gas pipelines remains controversial. It can be said that these pipelines shall be considered as “Permanent Establishments” of the oil and gas companies. These pipelines might also be characterized as immovable properties the income of which shall be subject to the rules governing taxation of immovable properties. Pursuant to another view, it can be claimed that oil and gas pipelines only have a facilitating role as they only transport oil and gas products. Thus, it could be discussed that compared to the main activities of oil and gas companies, this facilitating role is of non-central importance for these companies. The adoption of each approach has different financial implications for the companies. This article seeks to put forward some solutions for reducing the ambiguities surrounding the topic and to resolve the conflicts of laws with respect to the characterization of cross-border oil and gas pipelines.

Keywords

Immovable Properties, Legal Characterization, Oil and Gas Pipelines, Permanent Establishment, Taxation.

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SCOPE OF VALIDITY AND BINDING CHARACTER OF DISPUTE RESOLUTION BOARD'S DECISIONS IN OIL MINISTRY WITH AN EMPHASIS ON ARBITRABILITY OF DISPUTES RELATED TO STATE-OWNED COMPANIES' PROPERTY

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Abstract

Although in the case of disputes, the principle of general jurisdiction of the courts has been established for the resolution of disputes, the existence of the Contractual Dispute Resolution Regulation causes some ambiguities in identifying the competent authority to settle disputes of main and sub-companies of Iranian Ministry of Petroleum. Firstly, does the clause of dispute resolution and the nature of the resolution board in the above-mentioned Regulation have the characteristics of arbitration? Secondly, if the resolution board is an arbitrator, does fulfillment of the Regulation related in the case of disputes on properties belonging to the Ministry of Petroleum companies necessitates compliance with provisions of Constitutional law Principle 139? This article proves that firstly, substance of the clause of dispute resolution and stated process of resolution in the Regulation do not encompass arbitration and secondly, if the board is accounted as an arbitrator, disputes on properties of state corporations and disputes on those issues do not directly pertain to state properties and will not be subject to the limitations mentioned in Principle 139 and civil procedural law article 457.

Key words

Alternative dispute resolution, Arbitration, conciliation, Contractual dispute resolution regulation, Properties of state- owned companies, State- owned properties.

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DEFAULT PROVISION IN DECOMMISSIONING PHASE IN JOINT OPERATING AGREEMENTS

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Abstract

The end of an oil field does not mean the end of operating costs for the companies involved in the project and one of the costliest stages of any oil project is decommissioning. This step is basically costly and without economic income for oil companies, considering that it is the last step in implementing an oil project and this has led to oil companies in many cases to default their obligations at this stage. The Joint Operating Agreement is the major legal framework under which oil companies will implement this stage in partnership. Examining the current approaches in the oil industry worldwide and surveying the disadvantages of them and finally providing practical suggestions to prevent breaches of obligations are the topics that will be studied in this article. The result is that improving the efficiency and modifying some of the current mechanisms is a more appropriate way other than creating a new approach to this problem.

Keywords

Default provision, Joint operating agreement, Decommissioning phase, Trustee fund, Forfeiture provision.

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THE ADAPTABILITY OF OPEN PRICES IN THE GAS SALES AND PURCHASE AGREEMENTS WITH THE IRANIAN LEGAL SYSTEM

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Abstract

According to the strong recommendation of the legal department at the National Iranian Oil Company, indicating that the inclusion of Iranian law as the governing law in gas export contracts is preferable, the usual pricing mechanism in this type of contract and its acceptance is essential from the perspective of Iranian law. In gas sales contracts, the transaction is based on a price formula including specific indexes for the contract term, and the price calculation will be postponed until delivery. According to the rules accepted in jurisprudence and the Iranian civil code, the price should be definite and determinate; otherwise, the contract will be void and invalid. The present discussion will try to prove the legal validity of determining the price in the future based on the pre-agreed formula in gas sales contracts by explaining the jurisprudential and legal principles of open price in domestic law and adapting the method of determining the price in gas sales contracts with the mentioned principles. The research findings show that the method of determining the price in gas sales contracts, which is called open price, according to the study, is under the principles of Iranian law and acceptable and does not damage the validity of the contract.

Keywords

Open price, Identifiable price, Undetermined price, Gas sales and purchase agreements, Natural gas pricing.

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AN INTRODUCTION TO ENERGY SECURITY, NATIONAL SECURITY AND CITIZENSHIP (CASE STUDY OF IRAN)

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Abstract

Citizenship is one of the most important concepts that represent the relationship between the individual and society in terms of rights, duties and responsibilities and it determines each person's access to social and economic resources. Energy is also very important in human life today and a direct link to economic security in the context of sustainable development, global environmental security and then on national security. Accordingly, the present study seeks to address the relationship between energy security, national security and civil rights and it has considered the various dimensions of energy security that have affected civil rights on the basis of the rights enshrined in the Charter of Civil Rights and other legal documents. Based on this, we can mention the direct relationship between energy security and civil rights. That is, by securing the next energy from civil rights and then we can talk about citizenship rights and its non-fulfillment will lead to a lack of human security and consequences for national security. The results show that energy insecurity is one of the threats to national security, and looking at from the perspective of civil rights can highlight the commitment of governments to ensure its realization.

Keywords

Energy Security, Citizenship Rights, National Security, Legal Certainty, Sustainable Development, Environment, Good Governance.

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