



Research Paper

Requirements and Legal Nature of Crude Oil Sales Contracts as a Method of Reimbursement to Contractors in IPC Model Contracts

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Abstract

In the new model of Iran's oil contracts, the contractor is entitled to two types of payments for the risks incurred and the investment made. One is the reimbursement of expenses he incurred during the development and production period, and the other is the oversight of his profits as an oil contractor. In these contracts, according to the principle of ownership and sovereignty of the government and that all the extracted oil belongs to the government, it is foreseen that according to the nature of the contract and financing, part of the extracted oil is allocated to provide payment of these amounts. The offset process is done through the long-term oil sales contract. Dependence of the sales contract on the upstream contract, which is subject to basic rules such as ownership and sovereignty, along with the commercial nature of oil sales, require recognizing the nature of such contracts and analyzing them in the system of international trade law. This article seeks to understand this nature with a descriptive and analytical approach which finally leads to the conclusion that the nature of these contracts is a combination of private and public law rules with the predominance of powers based on public law of the host government.

Keywords: Host government, International oil company, Investment, Nature of the attached oil sales contract.

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The Function of Compulsory Insurance in Environmental Compensation of Oil Pollution

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Abstract

Oil resources are God-given riches whose extraction and exports, especially in the Middle East is important for economic development but alongside that, protection of environment as the third generation of human rights is a public duty for all countries. among pollutants that affect marine environment, oil is among the most important. Oil causes damage and loss even in small quantities on marine life and compensation is not easy because of vast volume of pollution. In petroleum industries risk of pollution exists in different steps of activity such as discovery and excavation and development and transit so in international and national arenas different legislative documents have been ratified. In oil pollution incidents, recognition of the responsible is difficult and enforcing payment is also fraught with trouble, so firstly the system of responsibility based on guilt is not efficient and the system of responsibility based on absolute responsibility is appropriate and purchasing insurance coverages is a mechanism through which this system can function efficiently.

Keywords: Civil liability †Insurance †Oil pollution.

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Research Paper

Force majeure Claim Based on COVID-19 in LNG Sales Contracts

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Abstract

The global emergence of the coronavirus called COVID-19 is one of the greatest challenges of our time. The outbreak of this disease has caused problems in various areas of contracts. One of these areas is the energy sector and LNG sales contracts, which due to the restraining measures of various governments, has faced a decrease in demand and an increase in contractual concerns about the implementation of obligations in existing LNG purchase and sale contracts, especially gas and oil supplies. There are differing views on whether the COVID-19 is an instance of force majeure. It seems that in the first place, this disease and its consequences can appear as a force majeure and meet its standards, but there are principles such as the principle of sanctity of contracts and the existence of capacities such as the condition of receiving or paying and deviating from the destination. In LNG sales contracts, it can lead to managing the consequences of the virus and challenge the force majeure claim therein.

Keywords: COVID-19, diversion clause ,force majeure, LNG sales contract ,quarantine ,take or pay clause.

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Managing Risks of Capital Applicant in Holding Tenders of Oil and Gas Upstream Development Contracts within The Adverse Selection Model (Case Study of Selection of Exploration and Production Companies)

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Abstract

The information asymmetry between the National Iranian Oil Company and the companies applying to enter into oil and gas development contracts is the cause of the phenomenon of adverse selection in those contracts. This study seeks to answer this question: what are the legal and contractual solutions for managing risks due to adverse selection, and whether the selection process of exploration and production companies guarantees the prevention of adverse selection or not. For this purpose, the findings of economics have been used in the framework of the adverse selection model with the aim of identifying legal and contractual tools to manage these risks. Examination of the evaluation processes of exploration and production companies indicates that the methods adopted for the evaluation and screening of applicants are not sufficient and this process can be considered as an example of adverse selection. In this regard, designing and establishing a comprehensive contractor evaluation system, assigning the evaluation of financial capacity of contractors to credit rating agencies and using the capacity of contractual conditions to implement signaling and screening patterns are some of the strategies that can minimize client risks relevant to adverse selection.

Keywords

Adverse selection, Bidding risks, Exploration and Production Company, Financing contract.

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Legal Analysis of Alternative Banking Solutions in Receiving the Proceeds of Crude Oil and Oil Products under Economic Sanctions

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Abstract

US economic sanctions on the Iran's banking sector have made Iran's oil industry more vulnerable than any other industry. In fact, US secondary sanctions, such as extraterritorial sanctions, not only bar non-US banks from any banking transactions with Iran, but also ban Iranian entities from access to strong currencies. The present article reviews, from a practical point of view, certain methods that Iran has used in the face of US banking sanctions to access its most important source of income; *i.e.*, the oil revenues and examines the banking and non-banking solutions and alternatives that has been used by Iran to receive the proceeds of sale of crude oil and oil products.

Keywords: US Banking Sanctions; Financial Institutions; Crude Oil and Oil Products; National Iranian Oil Company

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Research Paper

Elements of Insurance Clauses Stipulated in Upstream Oil & Gas Contracts with Emphasis on the New Model of Iranian Petroleum Contracts (IPC)

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Abstract

Several risks exist in upstream oil and gas industry so the contracting parties try to use legal approaches such as inclusion of insurance contractual clauses to reduce the inevitable economic consequences of adverse risk events. Therefore, along with the main purpose of this study, the main research question is “Are the insurance contractual clauses stipulated in the new pattern of Iranian Petroleum Contract (IPC) comprehensive and efficient enough? Otherwise, what are the elements comprising insurance clauses to be considered?” To achieve this end, insurance contractual clauses have been reviewed in three main models of upstream oil and gas contracts including concessions production sharing and service contracts of 19 different countries in addition to the new pattern of Iranian Petroleum Contract (IPC). This led to the confirmation of the related hypothesis as “there are different elements of insurance contractual clauses stipulated in upstream petroleum

contracts such as insurance rates, waiving subrogation right, *etc.*,” which led to achieving 18 elements as the main conclusions of this study. Then

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comparative analysis of these elements with the related insurance clauses of Iranian Petroleum contract was done, which resulted in identifying the shortcomings of this contract, including the non-consideration of some necessary elements as one of the other results. Finally, suggestions have been made to address the shortcomings of the insurance clauses of this contract, the inclusion of which will increase efficiency, in addition to avoiding ambiguity in interpretation and reducing legal claims in this area.

Keywords: Insurance clause, new pattern of Iranian Petroleum Contract (IPC), upstream oil & gas contracts.

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Research Paper

Analysis of the Effects and Reasons for Accepting and Opposing Compulsory Insurance for Marine Pollution

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Abstract

The principle of prompt, adequate and effective compensation for marine pollution damages has always faced many challenges in the field of marine transportation. One of these challenges is to guarantee the compensation for probable catastrophic losses through a unified system of international compulsory insurance. Compulsory insurance in the framework of an international legal system of civil liability for marine pollution has received some oppositions by some countries, including the United States. On the other hand, many countries have presented many reasons for developing compulsory insurance in the international arena for all types of marine pollution. This article, through an analytical method, will examine and evaluate the reasons provided for and against a compulsory insurance for all types of marine pollution. It emphasizes that compulsory insurance for all types of marine pollution caused by oil or hazardous and noxious substances is necessary, for reasons such as guaranteeing a source of compensation for pollution victims, cover environmental damage and facilitate the access to national authorities and financial resources of the responsible persons and its insurer.

Keywords: Compulsory insurance, Marine pollution, Pollution victims, Damages, Limitation of liabilities.

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Comparative Study of Frustration of Contracts in Upstream Oil and Gas Contracts in Iran and Common-law Legal Systems

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Abstract

Upstream oil and gas contracts are of the most important public contracts that have technical, economic, social, legal, financial, political and environmental aspects and are concluded for investing in and oil operations in exploration, development and production. The contract may be hindered or stopped because of contractual excuses. In this study, by studying the upstream oil contracts in the Iranian legal system and common-law, we have examined the frustration of the contract from the perspective of concept and basis, conditions and effects and guarantee of the performance of this excuse. The results show that frustration of the contract is recognized as the most important contractual excuse in the upstream contracts concluded in the common-law legal system. In the Iranian legal system, the frustration of contracts is not recognized with terms and characteristics of the common law system, but examples can be found that are similar to contractual excuses in the upstream contracts of the oil and gas industry. The nature and special features of these contracts make the legal management of the contract to be the main priority of the parties to continue the life of the contract and the effects and guarantees of contract frustration are adjusted according to the specific characteristics of these contracts and different forms of general non-oil contracts.

Keywords

Frustration, Upstream contracts, Oil and gas industry, Contractual excuses, Termination of contract.

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The Necessity of Strengthening Cyber Security of Energy Sector by State

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Abstract

The important role of computer and the Internet and the services that these technologies provide to humanity have made the energy sector dependent on these new technologies. This dependence has led to risks for the energy sector, the most important of which is directing cyber-attacks . In the present study, a question has been raised, *i.e.*, what is the need for states to strengthen the cyber security of their energy sector and what measures should be taken domestically and internationally? Using the descriptive-analytical method, the question has been answered that due to the increasing dependence of the energy sector on cyber technologies and the increasing number of actors and perpetrators of cyber attacks in the world, States need to strengthen their cyber security in their energy sector. What states can do at the domestic level includes increasing the security of domestic systems, recruiting reliable and specialized personnel, and developing clear and strict rules for cyberspace. At the international level, drafting a binding international treaty banning cyber-attacks on the energy sector is the most important measure that they can adopt.

Keywords: Cyber Security, Energy Sector, Cyber Attacks, New Technologies.

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Strategies for Upholding Confidentiality in Petroleum Contracts

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Abstract

Information in petroleum contracts and petroleum projects is inevitably exchanged between investors (contractors) and host states (owners). There are some data in the petroleum industry that are highly valuable, and they can have a major impact on the competition between oil companies. Within a reasonable legal system, transparency is an essential feature that limits confidentiality. Considering this contrast, it is imperative to understand confidentiality strategies in petroleum contracts. This will help us to devise better policies regarding confidentiality and transparency in the oil and gas industry. In this research, we have distinguished and examined confidentiality and transparency strategies in the petroleum contract. According to the results, a strict confidentiality strategy was the worst strategy because it is at odds with international norms and ineffective for keeping information confidential.

Keywords: Confidentiality, Transparency, Petroleum contracts, Confidential information.

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The Importance of Clean Energy from the Perspective of Human rights and human Rights Obligations of States in Energy Supply with an Emphasis on judicial Procedure

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Abstract

From the perspective of human rights organizations, climate change from fossil fuels threatens a wide range of human rights. As a result, States are not unconditional in adopting energy supply policies and have broad human rights obligations. This research, using a “descriptive-analytical” method and using judicial opinions, seeks to examine the importance and position of clean energy from the perspective of human rights. Also, given the harmful effects of climate change, what obligations do States have in relation to adopting acceptable energy policies? The results of the study show that the principles and rules of human rights and international environmental law have identified two categories of “Substantive obligations” and “Procedural” obligations for States to adopt energy supply policies. The findings show that human rights courts and institutions, citing human rights obligations, have required not only States but even oil and gas companies to reconsider their “energy policies”.

Keywords: Climate change, Greenhouse gases, Clean energy, Human rights, States obligations.

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Research Paper

Jurisprudence Basics Water and Islamic

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Abstract

This paper is humbly composed with the recommendation of the authorities of the National Conference of Water Rights, Opportunities and Solutions in a limited time. It includes ownership of water under the titles such as rights or properties belonging to no particular person, the common, belief in isolation or in Anfal with two stipulations, brief and argument. There are also some subjects such as using surface water, criteria and extent of limitation and its differences, Islamic jurisprudence of water and environment and need for its protection against contamination. It ends with spiritual usage of water.

Keywords: Ownership, Usage, Limits, Environment ,Water

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