Cross-border Trade among Iran, Iraq and Turkey The Need for Harmonizing Private International Law of Contracts Dr. Mojtaba Asgharian

Visiting Assistant Professor of International Law, Kharazmi University, Tehran, Iran

[Email: mojtaba.asgharian@yahoo.com]

Despite some international and regional efforts for harmonization of private international law among states, no significant step has been adopted by Asian countries. Given the constant flow of natural and legal persons between neighboring countries in certain sub-regions of Asia, private international law aspects of daily life are becoming increasingly challenging.

In this paper, a particular attention is to be paid to a sub-region composed of three countries including Iran, Iraq and Turkey. The records indicate that an abundance of legal and natural persons which are the nationals of one of these countries are doing cross-border businesses in any of the two other neighboring countries. Such cross-border commercial activities are often disturbed with the different and sometimes congruent conflict of laws rules existing in each of these territories .

Constant difficulties arise when the courts in each of these countries do not recognize the parties' choice of the applicable law or the parties' choice as to the competent court to hear the disputes arising out of the contract. Similarly, the recognition and enforcement of foreign court judgments is often an uncertain process.

This paper first intends to draw a brief sketch of the conflict of laws rules of these three countries with respect to contracts. Then, the practical difficulties which arise for private business persons will be highlighted. Afterwards a proposal is made for the harmonization of the pertinent conflict of laws rules .

It is trusted that such a proposal for harmonization will have a drastic positive impact over the promotion of cross-border trade among the target countries since it will enhance the certainty

and foreseeability criterion which are crucial elements of any legal system and even more crucial for business people