

Ethical Considerations in Contracts

Vahed Homayon Aghamirloo¹, Seyyed Mehdi Ghoreishi^{2*}, Salman Alipour Ghoshchi²

1. Ph.D. Student in Private Law, Faculty of Literature and Humanities, Urmia University, Iran.

2. Department of Islamic Jurisprudence, Faculty of Literature and Humanities, Urmia University, Iran.

Corresponding Author: Seyyed Mehdi Ghoreishi, Department of Islamic Jurisprudence, Faculty of Literature and Humanities, Urmia University, Iran. E-mail: sm.gorshi@urmia.ac.ir

Received 15 May 2025

Accepted 16 Jun 2025

Online Published 19 Oct 2025

Abstract

Introduction: Contract drafting should not be examined only from a legal perspective. Ethical considerations should also be considered in contracts. The purpose of the present study is to examine ethical considerations in contracts (specifically, contracting agreement in the field of urban construction), which was written using an analytical-descriptive method based on reliable data.

Material and Methods: The present study is a review of articles, books, and ethical charters in the field of contracts. To achieve the goal, articles and books in this field were reviewed.

Conclusion: Given the high volume of working capital in the industry and construction sector, as well as the complex relationships between contractors, executors, consultants, and other natural and legal persons involved in the implementation of industrial and construction projects, there is a need for contracts that clearly and specifically define the subject, obligations and duties of the parties, the amount and time of project completion, and other important matters. This transparency reduces insoluble disputes and dissatisfaction. Research results show that many decisions, behaviors, and performance of managers and employees in organizations are influenced by their ethical values. This makes ethical behaviors have a significant impact on productivity, improved communications, and risk reduction in organizations. Therefore, paying attention to ethical principles is an inevitable necessity for organizations.

Keywords: *Ethical considerations, Contractual and legal obligations, Contracting agreement*

How to Cite: Aghamirloo V.H, Ghoreishi S.M, Alipour Ghoshchi S. Ethical considerations in contracts. Int J Ethics Soc. 2025;7(3): 11-21. doi: [10.22034/ijethics.7.3.11](https://doi.org/10.22034/ijethics.7.3.11)

INTRODUCTION

Contractual agreement is a type of administrative contracts that are usually concluded by institutions, public and administrative organizations, as employers (which embody the implementation of public interests), with individuals within the framework of accounting laws and financial regulations and the provisions of general conditions. Among these contracts are contractual agreements in the field of urban construction, which have important effects and require the necessary attention and policy-making with regard to urban components in this field.

In the Iranian legal system, contracts play a fundamental role as an important tool for regulating the legal relations of individuals. However, due to the need to maintain public order and observe public interests, contracts cannot be regulated absolutely and without any restrictions. These restrictions are known as the principle of limitation in contract law. The principle of limitation means imposing legal restrictions on the terms and conditions of contracts, which are applied to prevent social, economic and moral problems from arising in contracts.

We should note that the contractor must fulfill his obligations in accordance with the professional principles of his job, so if these professional principles are observed but damage is still caused to others, this will not constitute a liability for the contractor; because if the contractor complies with the technical rules and principles to the extent of work and technical custom, these actions are legal and will not result in any liability for the contractor. If there is any doubt about whether or not he is responsible, he should be considered exempt from liability, taking into account the principle of non-existence. However, it is important to note that it should not be assumed that the effects of the contractor's actions are not harmful and do not result in any damage.

Of course, there is no doubt that the contractor's actions must be flawless and free from any defects, because in construction, the slightest negligence can cause many human and financial consequences, and for this reason, it can be said that the contractor's commitment is a commitment to the result and must be reflected in the result desired by the employer. Undoubtedly, in all contracts, what adds to its durability and credibility is paying attention to ethical considerations.

Moral principles are fundamental values that are accepted by the majority of society based on the recognition of norms and beliefs. Moral behaviors are internal guarantees that, by creating trust, preventing opportunism, and optimally adhering to commitments, lead to utility, reducing transaction costs, maximizing wealth, efficiency, and overall well-being. Invoking moral principles without considering utility in exchange as the point of convergence of justice and efficiency distorts exchange justice because a contract that lacks efficiency will not be fair either.

Societies' views on ethical considerations may be revealed in the durability of contracts, for

example, cultural relativism and moral relativism. Researchers describe cultural relativism as the extent to which different societies and cultures have different moral values and standards in the fields of business and organizational life. Those who accept cultural relativism believe that all beliefs (religious, moral, aesthetic, and political) are dependent on the individual within a culture. Types of relativism include moral (where morality depends on society), situational (where right or wrong depends on the situation), and cognitive (where truth itself has no objective standard). Cultural relativism causes the legislative system to face difficulties in defining laws by reducing the set of standards, and the judicial system faces difficulties in interpreting them [1]. Moral relativism considers moral standards, ethical principles, and positions of right or wrong to be based on culture and does not consider right and wrong to be based on an absolute individual, but such a view can pose a serious challenge to the drafting of a durable contract.

Considering the materials presented in the present study, researchers are trying to examine ethical considerations in contracts (specifically, contracting agreement in the field of urban construction) without any type of relativism.

MATERIAL AND METHODS

The present study is a review of articles, books, and ethical charters in the field of contracts. To achieve the goal, articles and books in this field were reviewed.

DISCUSSION

The concept of contract

"Contract" is synonymous with contract and covenant, and contract has been defined as a covenant, agreement, treaty, and pact [2, 3]. In legal terminology, the word "contract" is synonymous with "contract," and "contract" in civil law means: that one or more people make a

commitment to one or more other people and accept it. (Article 183 of the Civil Code) "Contract" can be defined as follows: a contract is an agreement between two or more wills to create legal effects. "Government contracting agreement" is also a contract in its legal sense. (Because it is the result of an agreement between two wills and the intention of the parties in preparing and concluding the contract is to create an obligation) and must meet the requirements of all rules related to contracts. Also, such contracts, considering their special conditions that involve public resources of the society, must meet the specific conditions specified by the legislator.

After stating the above definition, it is necessary to also provide the literal and idiomatic definitions of "contractor" and "employer" as the main pillars of the aforementioned contract. "Contractor" literally means someone who undertakes to do something in exchange for a certain amount of money, and it has been considered synonymous with "contractor" [3].

The idiomatic definition of "contractor" states: that his job is to commit to the act (building, construction, road, etc.) or to transport goods in bulk. In other words, it is a legal entity that is the other party to the contract and has undertaken to implement the subject matter of the contract based on the documents and records of the contract (Article 7 of the General Conditions of the Contract).

The definition of the term "contractor", which is synonymous with "contractor", states: A person who, while entering into a contract or agreement or tender form, undertakes to perform any act or sell a product under the conditions stated in the contract or agreement or tender form in return for a wage or price and for a certain period of time (Article 11 of the Income Tax Law, Land and Real Estate and Stamp Duty, approved on 16/1/1335) [4]. "Employer" literally means "employer" and the one who orders something to be done. Although the employer owns all or part of the

work, not every employer is an employer. For example: Employers who do the work themselves and do not take orders from anyone are not considered employers. In the terminology, the one who undertakes to act or do something on the instructions and for the benefit of the contractor is the employer. In other words, the employer is a legal entity that is one of the signatories of the contract and has assigned the operations subject to the contract to the contractor based on the documents and evidence of the contract (Article 6 of the General Conditions of the Contract). It is worth noting that the laws mention the "government" as the employer, but the "government" is not the employer because the employer is the one who gives orders; while the government does not give orders to anyone, it only states the general policy. What does a contracting agreement mean?

The literal definition of a "contracting agreement" is: It is a contract by which the contractor undertakes to perform the subject of the contract in return for a certain amount of money.

In terminology, "contracting" is a contract by which the government or public institutions and organizations entrust the performance of an action or the sale of goods under certain conditions in return for a wage and for a certain period of time to a natural or legal person called the contractor (contractor). The subject of the contract may be the construction of a building or transportation or the provision and provision of goods or the performance of an action (Article 11 of the Income Tax Law of 1339). According to this definition, contracting is of three types:

- Contracting for buildings, bridges, road construction and other facilities.
- Contracting for transportation such as: personnel or petroleum products.
- Contracting for the sale or provision and provision of goods.

In various laws related to private law, the term contractor (contractor) or contracting agreement

is not mentioned. Unlike Iran, in France, the civil code of that country has divided the service rental contract into three parts in Article 1779:

- Work or service contract
- Lease of transport operators
- Contracting.

What is common about the contracting agreement is the same “contracting or government contracting agreement” in which, according to the general conditions of the contract, the contractor, who is a legal entity, undertakes the execution of the subject operations. Also, the “contracting or contracting agreement” is subject to the Public Accounting Law and the Government Transactions Regulations, and the bidding and tendering procedures are also specific to these contracts [5]. In general, government contracting agreements are contracts in which: first, one party is necessarily one of the executive agencies and the other party is a private legal entity, which is generally a contracting company. Second, the subject of the contract is the execution of a development project such as: road construction, building construction, bridges and dams, water or gas piping, and the like. Third, the contract between the executive agency and the contracting company is prepared based on the contract booklet and general conditions of the contract, which are prepared based on the regulations on the implementation standards of development projects, subject to Article 23 of the 1972 Program and Budget Law.

As can be seen from the above definition, the most obvious difference between such contracts and private contracting agreements concluded between individuals is that, firstly: the parties to these contracts do not play a role in preparing the main part of the contract's provisions and determining its effects. In other words, not only is the contractor faced with a pre-arranged contract, but the relevant executive body itself is also unable to change its provisions except in

cases that are clearly in the interest of the government or the type and requirements of the work require it. Second: in some cases, these contracts do not follow the rules governing civil law and are subject to specific public law regulations.

It is worth noting that contracting agreements are more common in construction operations. That is, contractors are more commonly known in construction, and generally contracting agreements, whether in the field of private law or in the field of public law, are related to construction and construction operations. Construction or subcontracting agreements are considered the most complete type of government contracts. These contracts generally consist of an agreement, [6] general conditions of the contract, special conditions of the contract, a general schedule, a list of prices and quantities of work, technical specifications (general technical specifications, special technical specifications), and execution plans (Article 2 of the Contract Agreement). In terms of conflict of documents, the provisions of the agreement take precedence over the provisions of the general conditions of the contract, the provisions of the general conditions of the contract take precedence over the provisions of the special conditions, and the provisions of the special conditions of the contract take precedence over the provisions of supplementary documents and additional contracts, such that the special conditions can never violate the provisions of the general conditions and the general conditions cannot violate the provisions of the agreement [7].

Ethical Considerations in Contracts

In today's fast-paced world of deals and agreements being made every day, it is easy to lose sight of the ethical compass that should guide us. This is because law alone is not enough to validate performance and ethics also need to push it to be more widely enforced and enforced. Ethical

considerations in contract management are therefore more critical than ever [8]. At the core of ethical contract management is a commitment to fairness, honesty and transparency. Contracts are not just legal documents; they are promises that define the relationship between the parties. Ensuring that these promises are kept is an ethical obligation [9].

The Importance of Ethical Considerations in Contracting agreements

Professional ethics in contracting refers to a set of values and standards that contractors are required to adhere to while carrying out a project. Having professional ethics in contracting leads to progress and success in the project and also helps to build trust and mutual respect between contractors, workers, employers and other stakeholders. Since contractors are responsible for the construction and maintenance of structures that affect the lives and safety of people, it is very important to observe professional ethics to prevent possible risks. The most important ethical considerations in this area are [10]:

1. Honesty and transparency

Honesty and transparency are among the most important ethical principles in contracting. Contractors must provide accurate information about costs, schedules, problems and possible changes from the beginning to the end of the project stages, and any mistakes or defects in the project must be clearly communicated to the relevant people.

2. Respect for the contract and obligations

Respecting the provisions of the contract and obligations regarding maintaining quality, schedule and budget is another principle that contractors are required to observe in order to have professional ethics. Contractors must fulfill their obligations during the project, and if the contract needs to be changed, it must be done in

accordance with the agreement of the parties and the restrictions must not be abused.

3. Observing justice and fairness

Contractors must be fair and treat all people involved in the project fairly, including workers, suppliers, customers and colleagues. Any discrimination and unfair treatment against relevant people are against professional ethics in construction.

4. Observing safety and health in the workplace

Contractors are responsible for protecting the lives of workers and other people involved in the project, therefore they should not spare any effort to make the workplace safe and comply with all safety standards. Preventing and anticipating possible accidents and preventing their occurrence are important and valuable principles in the professional ethics of contracting. Contractors are also obliged to provide a healthy environment with all welfare and health facilities for the peace of mind of workers.

5. Compliance with standards and laws

Construction, environmental, labor and safety laws are among the regulations and standards that contractors must comply with while carrying out the project. Compliance with these principles not only helps to maintain the health of the community but also prevents future problems.

6. Maintaining quality and performance

Contractors should not use cheap and low-quality materials because they may cause problems in the future. Therefore, paying attention to the quality of materials, equipment and the way the work is performed is very important.

7. Respecting privacy and confidential information

Given that contractors have access to customer and employer information, observing professional ethics in order to protect the privacy of individuals is very valuable and important. Therefore, contractors should not use this

information for personal and commercial interests.

8. Social responsibility

Contractors must be responsible for the obligations that exist. This responsibility includes things such as respecting workers' rights, protecting human rights, and paying attention to the environment. In fact, contractors should pay attention to the long-term impact of their work on society and the environment, hence observing social responsibilities creates a positive image of contractors in society.

9. Fair resolution of disputes

In the event of any problems and disputes arising during the project, the contractor should resolve the problems by observing professional ethics and negotiation principles and adopt a fair and just approach.

10. Conflict of interest

Addressing situations where the convergence of personal interests of contract managers or beneficiaries creates the possibility that the fairness of the contract will be affected, which can be a critical consideration.

Contractual and Legal Obligations of the Contractor

• Contractual Obligations of the Contractor.

In contract contracts, after the contracting party is selected and the contract is concluded based on the terms proposed by the employer that are accepted by the contractor or the terms that may be agreed upon during the negotiations, the contract is concluded. Then the contractor begins to fulfill his contractual obligations and, as a result of accepting the said contract, he is obliged to fulfill the requirements (legal duties). Here, the nature of the contractor's obligations and obligations is discussed.

The obligations of the contractors are not limited to what is stated in the contract and its annexes, but the contractor, by entering the contractors' council and accepting the implementation of the

construction projects, is committed to complying with laws and regulations that are not mentioned in the contract. (Instructions are communicated to the contractor, the full compliance of whose provisions is necessary and essential by the contractors). Also, the contractor is obliged to perform the duties that the law has directly created for that contract and despite his will (obligation arising from the law); some jurists have also called these obligations "legal obligations" or "obligation without a contract" [4].

After the execution of the operations subject to the contract, the contractor's obligation does not end, but he is obliged to deliver the work and then, within a period called the "guarantee period", the duration of which is specified in Article 5 of the contract, to eliminate any defects and shortcomings that result from the improper execution of the contract. This obligation is a continuation of the contractor's contractual obligations. With the end of the guarantee period, the contractor's contractual obligations end and after that the contractor is not responsible for any defects and shortcomings that occur.

What is included in the contractor's obligations are: The obligations that the executive body foresees for the contractor according to the contract and, as the obligor, demands those obligations from the contractor. In general, any obligation that originates from an agreement between the employer and the contractor is considered "contractual" and has the effects of "contractual obligations".

The most important obligations of the contractor can be listed as follows:

1. Carrying out and completing the subject matter of the contract (implementing the provisions of the contract)
2. Carrying out the operations subject to the contract within the specified period.
3. Insuring the facilities subject to the contract

4. Providing a guarantee for the performance of the obligation and the proper execution of the works
5. Accepting obligations by the contractor against subcontractors
6. Obligations towards third parties
7. Other obligations of the contractor, which include the following:
 - Providing the human resources required to carry out the subject matter of the contract
 - Obligations regarding new work and performing the work even when a dispute arises
 - Obligations related to the workplace (workshop)
 - Protecting work and the workshop
 - Obligations regarding the supervisory authority
 - Obligations regarding foreign exchange payments
 - Obligations during the suspension of the contract
 - Obligations arising from termination based on the fault and breach of the contractor
 - Obligations arising from termination based on the employer's interest
 - Obligations at the final stage of the contract (from provisional delivery to final delivery)

• ***Legal Obligations (Requirements or Legal Duties) of the Contractor***

The word obligation literally means compulsion [11] and in legal terminology, it means an obligation that is not a result of a contract and is a result of the law. Of course, some lawyers have also called it "extra-contractual obligations" [12]. By signing a contract, the contractor is required to do things that are unintentionally imposed on him, in addition to what the parties have agreed to by consent. These obligations may be mentioned in the contract or may not be mentioned at all. These matters can be divided into two categories:

1. Laws, regulations, bylaws and instructions issued by competent authorities regarding the implementation of the operations subject to the contract, their quality and quantity.
2. The conditions and circumstances in which the contractor finds himself upon signing the contract and starting the operations, and which may be the source of his liability towards a specific person or persons or the public at large.

Regarding the laws and regulations regarding the implementation of operations subject to contract contracts, it should be said: the conclusion of contract contracts is considered an act of government agency. Therefore, the executive branch, as the employer, is considered a legal entity and is required to comply with the provisions of the contract, just like other members of society. Therefore, given that these contracts are for the public interest of society, the legislator has placed restrictions on the eligibility of persons who can be parties to the contract and also on the manner of implementing these contracts, which the parties to the contract (contractor and employer) are required to comply with.

A contract contains many documents and evidence, all of which are considered part of the contract. These include: guarantees, general conditions of the contract, private conditions of the contract, detailed and executive drawings, technical calculations, etc. These documents and evidence can be divided into two parts: one part is prepared in advance and the parties do not have the right to change it. The second part is the obligations that are created by the parties to the contract or, if approved by a third party, they can be changed if necessary [13].

In contracts where the counterparty is the government or government agencies, in addition to complying with the obligations arising from the contract, contractors are required to comply with specific regulations governing government

transactions and the rights of third parties as provided for in other laws. These regulations were created with the aim of protecting the rights of the government as the manager of public affairs and the rights created for citizens, and although individuals must also comply with them themselves, two examples of government contracting agreements have been specified to ensure their implementation. Among these regulations are the "Law on Prohibition of Intervention by Members of Parliament and Government Employees in Government and National Transactions" approved in 1337 and the "Regulations Governing Exclusive Registered Rights" (in the terms of the General Conditions of the Contract).

The attitude of the general conditions of the contract to termination and cancellation from an ethical perspective.

The way in which the employer exercises the right of cancellation in the general conditions of the contract is criticized by a large group of people who consider the contractor to be under domination. In paragraph "A" of Article 46 of the general conditions of the contract, which states: "The employer may terminate the contract in accordance with Article 47 if the conditions under the contract are met." In this context, the term "may" was used, which in fact meant that if any of the thirteen conditions of this clause occur, the employer may exercise his right to terminate or waive it [14]. This procedure, which cannot be consistent with ethical rules in terms of paying attention to the principle of justice and the parties' discretion, has been referred to in some works as "voluntary termination cases" [15], and from a legal perspective, it also places the employer in a superior position and the contractor in a lower position.

The basic principle in contracts is the consent and discretion of the parties, which has also been taken into account in the general conditions of the contract. Therefore, contracts that are

contrary to Sharia regulations or violate the rights of the parties to the contract are not enforceable. In any case, according to Article 10 of the Civil Code, the principle of freedom of contract is accepted within the scope of Sharia regulations [16]. Therefore, when the parties to the contract (employer and contractor) are in free and equal conditions and consider themselves obliged to respect each other's rights, deviation from these conditions can cause the rights of one of them to be violated.

The basic principle and moral justification that is raised regarding the termination of the contract is social interests and benefits, and in cases where the rights of the public are considered, the termination of the contract can be justified by considering that matters proceed in the interest of the people, because here the public interest and sovereignty come into play and the government, as the guardian of public rights, is obliged to respect the interests of the people [17]. This approach has moral justification if it strictly observes the interests of the public and supports the activities of the government, but if the employer uses the termination and the fact that it is connected to the government as a tool to pressure the contractor, it has no legal or moral justification.

However, the ethical and legal rules that justify the employer's dominance over the contractor emphasize the employer's responsibility and accountability. In this case, it is even argued that the contractor also has extensive powers and rights and is only held accountable if the employer fails to fulfill the obligations, slows down the progress of the obligations, or prevents them from being fulfilled. On the other hand, the ethical rules in the application of termination in contracts should not be such that both the employer and the contractor ignore the rules and principles governing contracts, although in jurisprudence and law, various rules for adhering to obligations have been mentioned, citing the

verse “O you who have believed, fulfill the contracts” [18]. Also, in the verse “Believers are bound by their conditions” Muslims are required to observe their obligations, but these principles and rules should not be in a way that eliminates or negates the conditions governing contracts within the framework of the laws of the country or the economic system, meaning that the parties should not use the principle of good faith and fair dealing in a way that causes the domination of the strong over the weak, but they should consider changing conditions and, most importantly, respecting the public interest. Otherwise, mutual benefit, which is the goal and purpose of any contract, will not be achieved [19]. Therefore, it must be said that ethical principles should be taken into account in the conclusion of contracts and also in the issue of termination, which concerns considering developments and changes resulting from additional or unforeseen costs at the time of the conclusion of the contract between the parties, as well as respecting the public interest.

The above cases may also be made regarding the breach of obligations by the contractor. In this case, it is the employer's responsibility to defend the rights of the public as a representative of the government and the ministry and to commit the contractor to the prompt implementation of the obligations and accuracy in fulfilling the agreed obligations, just as if the contractor does not pay attention to his obligations towards the implementation of the project in question, the employer can use his extensive right of termination to end the obligation [20].

Therefore, ethical and legal principles and obligations govern both the contractor's conditions and the employer's behaviors and activities. But what is clear is that in contracts that are in line with the implementation of projects and development plans for the public, paying attention to ethical principles and standards is very important. Because in this type of contract,

the parties to the contract (employer and contractor) are not the only center of interest, and the public is also the focus of attention as beneficiaries of this type of obligation.

Guarantee of performance of violations by the parties to the contract.

The important features of this section are that the guarantee of performance of violation of the contract will not only be examined with respect to the contractor; rather, the issue of the violation of the government executive body, i.e. the organization or department responsible for implementing the project (as the employer), of the obligations arising from the contract will also be analyzed.

A. Guarantee of performance of violation of the contractor's violation of the legal effects of the contract.

The fulfillment of obligations regarding the execution of the work in the general conditions of the contract is guaranteed by various performance guarantees so that if the contractor fails to fulfill any of these obligations, the employer can use this power and authority and oblige the contractor to fulfill it as much as possible. These performance guarantees vary depending on the case and some of them may be applicable simultaneously or in certain stages one after the other.

The contractor is required to perform duties in accordance with the provisions of the contract and the general conditions of the contract, and now the question is what performance guarantee does the government have in this regard as the custodian of public affairs and the protector of public interests.

B. Explanation of performance guarantees in contracts from the perspective of their legal nature and how to apply them.

The government, as the protector of public interests, has the right to protect public interests

and prevent the contractor from violating the terms of the contract or the implementation and enforcement of the contract provisions [21]. Therefore, the government has no choice but to use the necessary performance guarantees in this regard, and the performance guarantees that the government has at its disposal are of various types and types. The explanation of the legal nature of these performance guarantees in administrative contracts is that the application of these performance guarantees is not only to condemn the contractor, but also to protect the public interest. This is because administrative contracts are concluded based on special purposes and it is because of these special purposes that they are different from other contracts in terms of regulations related to the procedures for concluding the contract and the terms of the contract. It is in accordance with the objectives governing administrative contracts that the government uses the powers related to exercising its sovereignty to protect the public interests of individuals, and for this reason it has special and various performance guarantees to prevent violations by the contractor and to ensure the public interest.

CONCLUSION

Given the fact that the executive branch of the government, or in other words, a government organization or department, is responsible for implementing the project as a party to the contract and the guardian of public rights, contracting agreements follow certain prerequisites and arrangements. The purpose of these prerequisites and arrangements is, first of all, to protect the public interest and the interests of the treasury by the government, and then to achieve a minimum and desirable standard for construction works belonging to the general public, and finally, to create a reasonable and harmonious order in the form and shape of these contracts; therefore, for the purpose of

contracting, the contractor must know the governing procedures and laws and the conditions for concluding a contract with the government as the employer, labor laws and regulations, social insurance, taxes, municipal fees and other necessary laws that are government policies, and proceed to conclude it with knowledge, awareness, and taking into account the aforementioned considerations and his abilities in carrying out the subject of the contract so as not to cause damage to the government and himself. The legal effects of a contracting agreement are those that will appear after the contract is concluded, taking into account the necessary and basic conditions for the validity of each contract; Which includes the general effects present in all contracts and the effects of the termination of the contract that are related to specific obligations, rights and privileges arising from the same contract; therefore, the contractor accepts obligations and has rights and powers by concluding the contract. The most important obligation of the contractor is to carry out the operations subject to the contract, which is considered the main purpose of the contract. Also, the powers given to the contractor based on the agreement and general conditions of the contract are very limited and his obligations are very broad. In contracts where the counterparty is the government or government agencies, in addition to fulfilling the obligations arising from the contract to observe labor rights for workers, protect and not occupy adjacent properties and protect underground facilities, contractors are required to observe special regulations governing government transactions and to observe the rights of third parties. These regulations have been enacted in order to preserve the rights of the government as the administrator of public affairs and to observe the rights created for citizens, and this has been an example of showing the right to the city.

Therefore, adherence to ethical principles, if all

parties to the contract are committed to it, is the best possible option for maximum achievement of individual desires. In a moral society, assuming adherence to and commitment to ethical principles in contractual obligations, transaction costs are also reduced due to the rationality of individuals. Therefore, observing ethical principles in contracts increases individual welfare and, in general, increases overall welfare by describing the integrity and continuity of the contractual cycle. The coexistence of ethical principles with contract law not only leads to the optimal implementation of the obligations of the parties but also provides the basis for the fair implementation of the contract. Wherever these ethical principles are invoked, they must be interpreted in accordance with the principle of the rule of will and contractual desirability. Contract adjustment and the obligation to maintain balance and proportionality of consideration throughout the contractual period and the implementation of obligations, which guarantees exchange justice, are derived from ethical principles that strengthen and advance the concept of contract and obligations.

ETHICAL CONSIDERATIONS

Ethical issues (such as plagiarism, conscious satisfaction, misleading, making and or forging data, publishing or sending to two places, redundancy and etc.) have been fully considered by the writers.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interests.

FUNDING DECLARATION

This research did not receive any grant from funding agencies in the public, commercial, or non-profit sectors.

REFERENCES

1. Österman T. Cultural relativism and understanding difference. *Language & Communication*, 2021; 80: 124-135. <http://doi.org/10.1016/j.langcom.2021.06.004>
2. Moein M. Moein dictionary. 1st ed. Tehran: Amirkabir Publication. 2004. (In Persian).
3. Dehkhoda A. Dehkhoda dictionary. 1st ed. Tehran: Tehran University press. 2006. (In Persian).
4. Jafari Kangeroudi M. Legal terminology. 21st ed. Tehran: Ganje Danesh Publication. 2011. (In Persian).
5. Tabatabai Motameni, M. Concept, kinds and rules governing public contracts. *Journal of Legal Research*, 2005; 4(7): 99-127. (In Persian).
6. Esmaeili Harisi E. Fundamentals of Treaty Law. 14th ed. Tehran: Jangal Publication. 2017. (In Persian).
7. Darabi M, Hadavand M. A comparative study of arbitration in construction contract law in Iranian and French law. *The Journal of Modern Research on Administrative Law*, 2020; 2(5): 89-110. <https://doi.org/10.22034/mral.2021.141599.1081>
8. Moradi A, Saberian A. Ethics and excuse in contract execution in Iranian civil & commercial law. *Int. J. Ethics Soc* 2021; 3 (1): 1-8. <https://doi.org/10.52547/ijethics.3.1.1>
9. Hoseininasab F. Reflecting ethics in Iranian law: The place of ethics and good faith in contract implementation. *Ethics in Science and Technology* 2025; 19(4): 124-130. <https://doi.org/10.22034/ethicsjournal.19.4.16>
10. Osman Hasan Al-Khorani S, Jafarazadeh S, Nikkhah Saranghi R. The role of good faith and ethics in international trade agreements and their implementation. *Ethics in Science and Technology* 2024; 18 (4) :51-55. [20.1001.1.22517634.1402.18.4.7.0](https://doi.org/10.22517634.1402.18.4.7.0)
11. Amid H. Amid dictionary. 4th ed. Tehran: Amirkabir Publication. 2010. (In Persian).
12. Katouzian N. General rules of contracts. 3rd ed. Tehran: Behnashr Publication. 2011. (In Persian).
13. Rahmanian M. Legal effects of government contracting agreements. 1st ed. Tehran: Ava Publication. 2016. (In Persian).
14. Ghodsikhah Z, Zahedian M. Jurisprudential-legal explanation of dissolution and termination in contracting contracts. *Journal of Jurisprudence and History of Civilization*. 2014; 12(45): 128-197.
15. Shokri N. Familiarity with the affairs of treaties and contracts. Tehran: Publications of the Organization of Municipalities and Rural Affairs. 2012.
16. Katoozian N. Civil law in the civil legal order. 3rd ed. Tehran: Mizan Publication. 2018.
17. Banaeioskoei M. Modify and terminate the contract if financial impossibility. *Comparative Law Review*, 2013; 4(1): 41-61. <https://doi.org/10.22059/jcl.2013.35229>
18. Jaafari Langeroodi MJ. Law doctrines in Islamic law. 1st ed. Tehran: Ganj Danesh Publication. 2010.
19. Rahimi H, Alizadeh S. Essence of price adjustment in construction contracts in Iran and Fiddich. *Private Law Research*. 2018; 6(21): 147-178. <https://doi.org/10.22054/jplr.2018.8139>
20. Falahzadeh AM, Porsa M. Termination of the contract by the employer. *Vote Review Quarterly*. 2014; 2(4): 37-48.
21. Tabatabaei Motameni M. Administrative law. 2nd ed. Tehran: Tehran University Press. 2001. (In Persian).