

# Obstacles and Consequences of Membership of the World Trade Organization on the Performance of the Iranian Insurance Industry

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**ABSTRACT:** The insurance industry is one of the most important service industries in the national economy, and there is usually a widespread investment in it. The World Trade Organization and its predecessor have been created to liberalize trade in goods and services. The General Agreement on Trade in Services is specifically devoted to the business of services, one of the financial services referred to in this agreement, the insurance industry. The present research is based on the impact of Iran's accession to the World Trade Organization on social security. In Iran, joining the World Trade Organization faces a number of legal obstacles that make this difficult. Considering this importance, in this research, attempts have been made to examine the dimensions of the impact of Iran's accession to the World Trade Organization on the insurance industry of the country. Hence, the research findings show that Iran's accession to the World Trade Organization has had a positive impact on the country's insurance industry, and in spite of the short-term detrimental effects of this accession, it will lead to the promotion of the Iranian insurance industry in the long run and the dynamics of the insurance system in Iran.

**Keywords:** Iran's insurance industry, WTO, penetration rate, per capita premium.

## INTRODUCTION

One of the indicators of capability in each economic structure is the way in which its insurance system functions. Therefore, in today's world, where the economic growth and development of any country is international, countries have come up to improve their development indicators in order to be able to speak on the international scene. In this way, in the cycle of improving the economic situation and, consequently, increasing their effective role, they will strengthen the economy and play an influential role on the world stage. The insurance industry as one of the development indicators has been viewed as one of the major economic entities and supports the activities of other entities. In other words, the insurance industry has a role in collecting premiums received in economic development, and on the other hand by facilitating security and assurance for service activities, production, and ..., the company facilitates the process of construction, progress and progress.

However, in addition to the fact that insurance can provide financial security for business activities, it can increase the efficiency of businessmen, properly distribute the costs, increase the creditor's insurance, provide financing for future potential earnings and even save. In short, the concept of creating security for producers and investors is commonplace for insurance. Therefore, in the present research, efforts will be made to examine the impact of Iran's accession to the World Trade Organization on the country's insurance industry. There is no doubt that the accession of the Islamic Republic of Iran to the World Trade Organization could have had various consequences for the country's insurance industry and, in this regard, has had several opportunities or threats. In fact, Iran's membership in the World Trade Organization will lead the country's insurance industry to face different opportunities and challenges, and will be able to recognize its weaknesses and strengths and adapt it to international standards. In this regard, first of all, what are the legal barriers to Iran's accession to the World Trade Organization and, consequently, the General Agreement on Trade in Services?

### **Research background:**

There is no definite research on the effects of the accession of our country to the World Trade Organization on insurance, especially social security. A similar investigation has been conducted that refers to some of them.

Mr. Kashkorroi (1362) has published his dissertation titled "The World Trade Organization and the relative advantage of Iran's textile industry in the field of clothing production." The main goal of the project is to identify the sector or parts of the country's apparel industry, which will have a comparative advantage at the time of accession to the WTO, so that it will now be planned to strengthen these sectors and invest in it. Therefore, this treatise first discusses the general principles of the WTO and the conditions to be accepted for accession, and then the main concepts of the absolute advantage and relative advantage of the Ricardo diode are discussed, and in the end, two benchmarks for calculating the relative advantage of "relative advantage" The cost of internal resources has been revealed and the disadvantages and advantages of each have been addressed.

Given the fact that the relative benchmark index reveals relative advantage in both production and export, the relative advantage of the apparel industry was calculated using the revealed relative advantage index. The result of this study is the lack of comparative advantage in this sector of the industry. Then the apparel industry was divided into 14 groups - according to product category - and the index was calculated for them. None of the above mentioned groups had a comparative advantage in the past; therefore, calculations were made for microcosms with a total of 280 tariffs, and then, in order to identify the future prospects, the cost index of domestic garments was calculated for one of the garment items, which according to The 4 parameters that were selected - the calculated value of the revealed comparative advantage or the export performance, the stability in the trend that indicates the stability of exports and the existence of demand for global imports, the growth rate and volume of exports of the commodity-will have a better future, then The cost of domestic supplies for the selected product was estimated at WTO accession.

Comparing this commodity with a similar commodity, both of which had an advantage in terms of the cost of domestic resources, the second item had no comparative advantage in terms of comparative advantage, another important parameter was proposed for determining the relative preferences or preferences. The algorithm used in this project can introduce the priority goods for export development to the planners.

Mr. Rouhani (2001), in his dissertation titled Analysis of the Subsidy System in the Industrial Sector after Iran's membership in the World Trade Organization, states that the implementation of Iranian laws with the WTO rules on subsidies contained in the Agreement on Compensation Subsidies and Measures "It has been reflected in order to chart the Iranian system of support after the accession to the World Trade Organization in this study.

The World Trade Organization imposes rigorous regulations on subsidies, while subsidies play an important role in the trading policies of countries, especially developing countries. The use of subsidies in the field of economic development, in such a way that the provisions of the World Trade Organization are not violated, requires a strict understanding of the subsidy agreement and its implementation in accordance with the laws of Iran, inasmuch as the system of subsidies of the country has been examined from various dimensions. In general, subsidies in the World Trade Organization are divided into two major groups.

(A) special subsidies; (b) non-observable or non-specific subsidies. Its subsidies are subdivided into two main sub-categories of prohibited subsidies and subsidized subsidies. Such a division is the basis for an examination of the Iranian system of subsidies and according to which the rules of the country's aid are classified into five groups, in which, in addition to the three main categories above, the rules are subject to rules and regulations that do not fall within the definition of subsidy. In reviewing the rules of Iran, first, the laws of the country are sought for subsidies, among which the rules that are supposed to be subsidized are selected and implemented with the agreement on "subsidies and compensatory measures". In the next step, the possibility of maintaining existing subsidies by using the flexibility of the agreement for developing countries has been studied. At the end of the study, the researcher used the obtained results to present a proposal to reduce the effects of interconnection in the industrial sector.

### **3- Theoretical Foundations:**

#### **3-1 world Trade Organization:**

The WTO is an international organization that regulates global trade rules and resolves disputes between its members. Members of the WTO are the countries that have signed agreements (about 30 agreements) with the organization. The headquarters of the World Trade Organization are located in Geneva, Switzerland. By November 2010, 153 applicant countries have become the official member of this major organization in the international economy. In this way, it should be emphasized that the globalization of the word is common in the 1990s. Globalization, as a process of transformation, goes beyond the boundaries of politics and economics and embraces science, culture and lifestyle. Hence, globalization is a multidimensional phenomenon that can be extended to various

forms of social, economic, political, legal, cultural, military, technology, and also social action areas such as the environment. Of course, there is no consensus among scholars on the definition of globalization; they sometimes define it as a purely political concept, while others have defined this concept within the framework of economic, political and environmental changes. Some scientists have been positively influenced by globalization. While others focus only on its undesirable effects on income distribution, social inequality, women and the poor. This unilateralism has led to different views expressed in globalization, which are very different and, in many cases, quite contradictory. In this connection, three concepts are considered: globalization, globalization and integration (Bahrain; 6: 1393). In fact, globalization is a process that is based on the needs of the current world, in which the set of changes and changes is defined on a global scale and is not within the boundaries of the boundaries and has a growing routine and process (Matthieh, 11 : 1391). With this introduction, it should be noted that at present, international economic organizations, and in particular the three international and important organizations of the International Monetary Fund, the World Bank and the World Trade Organization, have played a significant and important role in the advancement and process of globalization of the economy. These three organizations direct national economies towards the global economy, with recommendations that are highly binding. So that the future order of the global economy can be explained within the framework of the goals and missions of the General Agreement on Tariffs and Trade of the GATT and the World Trade Organization. Therefore, the study and explanation of the orientation and principles of the World Trade Organization as an important part of the theoretical foundations of this research can be considered in a more appropriate understanding of the subject of research.

### **3-2 Principles and Objectives of the World Trade Organization:**

Given the fact that the World Trade Organization and the consequences of Iran's accession to it are among the main concerns of the present study, it is necessary to give a brief overview of the principles and objectives of this organization. The World Trade Organization has laid down the principles that member states must adhere to and should be punished if they do not comply. The most important of these principles are:

1-The principle of non-discrimination and unconditional extension: In accordance with this principle, any commercial interest and tariffs applied by a country to any member state shall be universally applicable to all trading partners of the member. The only exception to this principle is the economic convergence of several countries or states, like customs unions between several countries (Bahrain; 8: 1393).

2-It is necessary for countries to behave in the same way with regard to domestic and imported goods.

3-Reduction and stabilization of customs tariffs and elimination of non-traditional trade barriers, with the exception of agricultural products facing payment problems.

4- Setting up a preferential tariff system with the aim of awarding business concessions to some of the products of developing countries, in order to simplify the competition of these countries' products with industrial products of industrial countries.

5- The use of non-tariff barriers to trade such as quotas and the issuance of import licenses is prohibited, and countries can only support the domestic industry through the use of customs tariffs.

6-Any action by the Member States that has the subject of dumping (sale of goods below the market for the acquisition of the market) is prohibited.

7-Conduct consultations on business policies with other members and resolve disputes arising from trade relations through negotiation.

8-It is forbidden by the member states to impose any taxes on imported goods higher than the amount of taxes on goods manufactured in the country (Adlung, 2009: 6).

In fact, according to the principles of the organization, the decisions of the organization should be with the consent of all members, or at least without the opposition of any of the members. Therefore, no decision can be dictated by the organization, and each small and large member has a veto. In the opinion of the organization, and based on open market economic theory, all countries "collectively" benefit from free trade, but the membership rates vary. The level of profit of each country depends on its competitive power with its rivals in international markets. Employment, production and sales of companies that have the strength and readiness to compete globally, will increase as a result of national employment. In general, production of countries and the world will increase. Employment will not be lost, but some businesses that are not returning will be eliminated, and the employees of these jobs will be attracted to jobs that are more productive.

#### **4- The Barriers and Consequences of Membership of the World Trade Organization on the Performance of the Iranian Insurance Industry:**

##### **4-1 Legal barriers to Iran's accession to the World Trade Organization:**

The barriers to Iran's accession to the World Trade Organization are divided into seven sections, each of which is referred to below. Although not all of these are related to the insurance industry, either directly or indirectly can affect the social security industry in Iran.

##### **4-2 Constitutional Barriers:**

Article 77 of the Iranian Constitution requires all international conventions, contracts and agreements to be approved by the Assembly, which will include the WTO's agreements.

On the other hand, in accordance with Article 139 of the Constitution, peace and litigation regarding public and state property or referral to arbitration in any matter referred to by the Cabinet of Ministers is subject to the approval of the Council of Ministers, in cases where the foreign party is a party and in important domestic cases It must also be approved by the parliament - important matters are determined by law. In the case of World Trade Agreements, the issue is that, in the first stage, the disagreement between the members is resolved through consultation, and if it is not resolved, it will respond to the request of the International Referral Tribunal to investigate Claims between the member states will be referred and the dispute resolution authority has the right to set up the review boards and oversee the implementation of the rulings and recommendations. In this way, the resolution of such disagreements does not require the involvement of legislative bodies in any of the member states.

One of the primary contradictions of the provisions of the WTO's agreements with Iran's economic system lies in principle at principle 44. According to this principle, there is a state-owned foreign trade. The goal of GATT and the WTO is to diminish the role of the state in the trading of basic goods and to guide the economy of countries towards a non-state economy. Article 44 provides the government with the Constitution of the Great and Mother Industry, Foreign Trade, Banking, Insurance, Railways, Shipping, Aircraft, Large Mines, Dams and Communications. Although this principle is not fully respected in practice, private and semi-private sectors are involved in foreign trade activities. While according to Principle 16 of GATT principles and rules on market access, the principle of trade liberalization is one of the principles governing the GATT that is considered when countries join the World Trade Organization (WTO). One of the important issues in the process of joining Iran to the WTO is Article 81 of the Constitution.

By virtue of this principle, the formation of companies and institutions in the commercial, industrial, agricultural, and mining sectors and services to foreigners is strictly prohibited. According to the WTO, members of the World Trade Organization may provide services related to the above in other member states, and this naturally conflicts with the provisions of the above principle. Although, according to the interpretation of the Guardian Council, the constitution of foreign companies that have concluded legal contracts with Iranian government agencies, they can register their branches in Iran in order to carry out their legal affairs and activities within the scope of the contracts concluded in accordance with Article 3 of the Companies Registration Law. Article 81 of the Constitution is inconsistent. It is noteworthy that, according to the procedures that the GAT members have been considering for negotiating in this section, negotiating countries can not negotiate certain service sectors that feel they need internal support. But they are not allowed to withdraw all the services in question from the negotiations.

Paragraph 2 of Article 16 of the GATT on Market Access for the Service of Business states that among the measures that a member does not have to do is to restrict the participation of foreign investors in terms of the maximum percentage of foreign shares or in terms of the total value of one share or the sum of foreign investment.

It should be noted that Article 45 of the Foreign Investment Protection and Protection Act stipulates that the owner of the capital is entitled to receive, every year, the special benefit derived from the utilization of his capital in Iran to the extent prescribed in the Regulations in the same currency as the one invested in its capital Or considered it out of Iran.

Article 3-1 of the Rules of Procedure of the Law on Foreign Capital Protection and Protection also states that foreign banks or their branches established in accordance with the relevant laws and regulations in Iran shall benefit from the Law on the Recovery and Protection of Foreign Investments and this Regulation to the extent that they comply with the rules and regulations Banking Law and its Rules of Procedure - although the principles of Articles 44 and 81 of the Constitution prohibit the activities of foreign banks, and Al-Qaeda has been assigned in some ways to principles 44 and 81 (Bidabadi, 2006: 44). Similarly, Article 31 of the Bank's monetary and banking law establishes the establishment of foreign banks and foreign non-bank credit institutions with the approval of the parliament. Section C of this article considers any bank with more than 40% of its capital belonging to real persons of foreign nationals or foreign legal persons, which must be registered under the name of the foreign bank. Also, Article 35 of

the Insurance Law of the country permits the transfer of non-state Iranian insurance companies to actual or legal persons of exile up to 20% with the approval of the Central Insurance Company of Iran and more than it is due to the proposal of the Central Insurance and approval of the Supreme Council of Insurance and approval of the Cabinet of Ministers. Is.

Article 45 of the Insurance Law also states that the beginning of the activity of foreign insurance in Iran is due to the proposal of the Central Insurance Company of Iran and approval of the Supreme Council of Insurance and the approval of the Cabinet of Ministers. Article 47 of the Insurance Law prohibits the transfer of income from foreign insurance companies after the completion of Section 46 of the Insurance Act, provided that each year does not exceed 10% of the amount payable to the Insured by the Insured.

Article 4 of the Constitution requires that all civil, criminal, financial, economic, administrative, cultural, military, political, and other laws and regulations should be based on "Islamic principles". This principle is governed by other principles of the Constitution and other laws and regulations, and the Guardian Council is responsible for its determination. Clause 4 of Article 16 of the Agreement Establishing the World Trade Organization states: "Each member is required to comply with its laws and regulations with its obligations in the GATT, and Article 23 of the Agreement on Aspects of Intellectual Property Rights includes support Trades are trademarks of geographical indications of alcoholic beverages.

Article 20 of the GATT 1947 states the cases of exceptions that allow the adjustment of commercial policies to be adapted to the specific cultural and religious values of the country. Paragraph (A) of Article 20 refers to commercial practices for the protection of the moral.

#### **4-3 Legal barriers related to intellectual property rights:**

Rapid technological advances in recent years-especially in the field of information technology-have, in addition to creating new markets, completely transformed the processes of production and innovation and transformed the nature of international competition. On the other hand, the technological development of some developing countries, while enhancing competitive power and increasing the export of their industrial products to world markets, has threatened traditional relative advantages of advanced countries. These developments, as well as the globalization of the nature of business competitions, have led developed countries to adopt other strategies to maintain their competitive power and their share in international markets based on protecting intellectual property rights or supporting areas that are based on knowledge and Information is reliant on.

The agreement on intellectual property rights as one of the most important documents in the Uruguay Round was agreed upon after numerous negotiations on April 15, 1994. This agreement, which is also one of the three pillars of the WTO agreements (commodity agreements, trade-related services agreement, intellectual property rights agreement), is considered as indissociable documents of the Uruguay Round, and is one of the most comprehensive and comprehensive Agreements on Intellectual Property Rights have so far been internationally recognized. The most important features of this agreement are as follows:

1- The Thrips Agreement covers various types of intellectual property rights, such as copyright and neighboring rights (performers' rights, audiovisual producers, and radio broadcasting organizations), trademarks, geographical indications, industrial designs, patents, patents, Integrated chip designs and undisclosed information are included.

2- The Thrips Agreement, while defining minimum standards for some of the World Intellectual Property Organization conventions, such as the Paris Convention for the Protection of Industrial Property, the Bern Convention for the Protection of Literary and Artistic Works, the International Convention on the Protection of Performers and Producers of Audiovisual Equipment and Broadcasting Organizations The Radio Television (Rome Convention) and the Intellectual Property Treaty on Integrated Circuit Design Plans (Washington Treaty) refer to the substantive provisions that they have entered into force.

3- The Thrips Agreement emphasizes the issue of enforcement in cases such as administrative, civil and penal procedures, and states the rules regarding temporary and security measures and specific procedures for implementation at the borders.

4- The Tripartite Agreement on the Settlement of Claims among the Members of the World Trade Organization shall be deemed to be the competent authority for the settlement of disputes and, subject to the dispute settlement agreement, shall be addressed to the dispute resolution quadrant and thereafter a final vote.

The regulations governing patents are one of the most important aspects of this agreement. According to Article 27 of the Agreement, all inventions, including products or processing steps, must be supported in all technological areas

without any discrimination based on the location of the invention, and that the product is imported or manufactured locally.

In the field of copyright and related rights, the Agreement stipulates that Members must accept the basic provisions of the Berne Convention (revised in 1971) in support of literary and artistic works. In this agreement, copyrights to computer programs are also generalized, and it is stipulated that these programs will be supported as literary and artistic works.

Another aspect of this agreement, which has been added to the existing international copyright and related rights rules, is the rental right of the owners of computer programs and music recordings. According to these regulations, people are allowed to hire their works to the public. This discretion is also granted to cinematic works. Trademarks, geographical indications, industrial designs, commercial secrets and other unclosed information and integrated circuit designs are also other aspects of intellectual property that have been laid down in the agreement for specific international protection from their owners (81).

One of the important aspects of this agreement is to provide a mechanism for dealing with countries that do not fulfill their obligations to protect intellectual property. Developing countries have tried to incorporate the necessary implementing safeguards within the GATT framework into the agreement due to the lack of effective mechanisms within the framework of the IPO conventions. According to numerous pieces of this agreement (20 articles) - in which the way of resolving litigations and the necessary enforcement guarantees - if one of the members of the World Trade Organization declares that another member has breached its obligations under the Agreement, The World Trade Organization dispute resolution pillar is referred to and, if there is a breach of obligations, the World Trade Organization's General Council can impose penalties against the state (which can lead to stopping counterfeit goods trade or even destroying them at the borders). In general, since advanced technologies and knowledge of the information used in these technologies form the basis of the comparative and competitive advantages of advanced countries.

Of course, the long-term benefits of this agreement for developing countries are also required to force these countries to strengthen their scientific foundations and allocate significant research and development resources to their competitive advantage in international trade, mainly to areas of excellence. Which forms the basis of knowledge and technology. This agreement is one of the areas in which the interests of developed countries are protected and limited to the interests of developing countries in the transfer of knowledge and science and technology.

The first law on industrial property in Iran was the 1304 solar year law, which came into force in 1305, and the Office of Trademark Registration under the Ministry of Labor and Commerce and Public Utilities. The registered marks were also included in the Journal of Falahat Magazine (published September 1, 1307), respectively. The Office of Registration of Symbols was concentrated in the Ministry of National Economy in the year 1309, and the Office of the Directorate General for Economic Affairs and the Office of Trademarks and Trademarks of Trademarks registered trademarks in the national economy magazine. This was until the adoption of the first law of July 1310. With the passage of this law, the law of 1304 and its implementing regulations were terminated.

Thus, for the first time, the patent was lawfully licensed in Iran in the year 1310, with civil and criminal support. Registration of trademarks and patents and granting of relevant certificates to the Ministry of Justice (formerly). In March 1327, a letter was adopted, pursuant to the first article, for the registration of commercial companies and trademarks and inventions in Tehran, administrations of the Office of Registration of Trademarks and Trademarks and Inventions of the General Directorate of Registration of Documents and Real Estate were formed. The Register of Companies was approved in September 1340, and the name of the administration was changed to the Corporate Register of Companies and Industrial Property. With the approval of the May 2003 Law and the conversion of the Office of Registration of Documents and Real Estate into the State Registration and Land Registry Office, the Office of Industrial Property Registration and Registration was transformed into the General Register of Companies and Industrial Property.

In the Article of one of the Law on the Registration of Trademarks and Inventions approved in 1310, a trademark is any sign of a sign, including a role, image, digit, letter, phrase, seal, wrapper, etc., for the purpose of rating and identifying the industrial, commercial or arbitrary product.

Gets According to Article 26 of this law, any new invention or discovery in various industrial branches or fields shall give the explorer or inventor the exclusive right to use its discovery or invention in accordance with the terms and conditions specified in this law. Provided that the discovery or invention is registered under the provisions of this law in the Tehran Documentation Bureau.

The writing that the Tehran Documentation Office issues in this case is called the patent plate. The international arrangements for protecting industrial property were created in the form of a convention called Paris Convention for

the Protection of Industrial Property in 1883. The Iranian government joined the union in March 1958, and the Lisbon Treaty of October 31, 1958, was signed by the representative of the Government of Iran at the Lisbon Treaty Summit in Lisbon, and on December 16, 1959, the formal accession of Iran to the Paris Union was finalized and now The national reference authority of the contracting party is the State Registration and Land Registry Office. The World Intellectual Property Organization was created on July 14, 1967 in the Stockholm Amendment to the Paris Convention. Under the December 1974 resolution, the organization's General Assembly was recognized as the 16th United Nations specialized agency and is responsible for protecting intellectual property throughout the world through cooperation among member states. Intellectual property consists of two major pillars.

1-Industrial property. Mainly in the field of inventions, trademarks, industrial designs and signs of origin.

2-Copyright (copyright). Mainly in the field of literary, musical, artistic, photographic and audiovisual works.

As of April 19, 1995, there were 151 countries that belonged to the World Intellectual Property Organization (IPO), and in addition, seven were contracting parties to the conventions administered by the World Intellectual Property Organization but did not become members of this organization. Iran is one of those countries that joined the revised Paris Industrial Property Convention in 1958, but it did not accept the 1967 amendment to the International Intellectual Property Organization (IPC).

One of the steps that Iran has to take in affiliated with the World Trade Organization and the adoption of Uruguay Round Agreements, including the intellectual property rights agreement, is to accept the AKC as the last international industrial property agreement, as stipulated in the context of the TRIPS Agreement. Article 2 of the present Agreement provides that Members shall comply with Articles 1 to 12 and 19 of the Paris Convention (1967) as regards trade marks, geographical indications and industrial designs.

In general, regarding the comparison of industrial property rights in Iran and the provisions of the intellectual property rights agreement, it should be noted that the Law on the Registration of Marks and Inventions approved in 1310 and the 1337 Act of Accession conforms to the provisions of the Paris Convention (1958). But the amendment to the AKL (1967) has not yet been accepted by Iran, and Iran must join it, and in this case it will accept industrial property rights and copywriting. Regarding other aspects of the thrips agreement, given that Iran is not a member of the international copyright system, the acceptance of the obligations contained in the thrips agreement necessarily implies acceptance of the Berne Convention (1971)

And copyright obligations, which can be one of the key issues in the process of Iran joining the World Trade Organization.

#### **4-4 Legal barriers contained in insurance laws and regulations:**

In accordance with the Bill on the Nationalization of Insurance Companies and Credit Institutions of 1358, in accordance with Articles 1 and 2, "In order to protect the rights of insurers and to expand the insurance industry throughout the country and to provide insurance for the benefit of the public since the adoption of this Act, all insurance institutions While accepting the principle of legalized conditional property, the country will be declared national and the license of the activities of foreign insurance agencies will be canceled in Iran " .

In addition, according to the Insurance Act of 1316 (Article 35), the transfer of shares of Iranian non-statutory insurance companies to real or legal persons is allowed up to 20% with the approval of the central insurance company of Iran, and moreover, it is recommended by the Central Insurance Company of Iran and the approval of the Supreme Council of Insurance and the approval of the Board Ministers will be. Note to this article also contains provisions that prohibit the transfer of shares of Iranian insurance companies to foreign governments or the transfer of more than 49% of their shares to real or foreign persons and the transfer of shares between shareholders of foreign nationals should be made with the prior approval of the Central Insurance Company of Iran . .

Therefore, even if the Note to Article 35 on the participation of 49% of foreign insurance companies in Iran is in violation of Clauses 1 and 2 of Article 16 of the General Agreement on Tariffs and Trade (market access), because according to this paragraph restrictions are imposed on participation Foreign capital is prohibited in terms of the maximum percentage of foreign shares or in terms of the total value of one share or the sum of foreign investments. According to Article 46 of the Insurance Law, foreign institutions must pay a sum for each of the two branches of life insurance and non-life insurance policies to the Central Insurance Company of Iran in accordance with the regulations proposed by the Central Insurance Company of Iran and approved by the Supreme Council of Insurance. Also, according to Article 47, the transfer of income from foreign insurance companies after the completion of the permit referred to in Article 46 is out of the question. Provided that the transfer figure does not exceed 10% of the amount paid to the insurer as a deposit in any given year .

Also, in accordance with paragraph (c) of Article 12 of the Agreement, restrictions on the total number of service operations or the total amount of services declared in terms of numerical units, whether in quotas or in the form of a requirement arising from an economic demand criterion, are prohibited. Therefore, Articles 46 and 47 of the Insurance Law of the country are in conflict with Articles B and C of Article 12 of the above Agreement, which is necessary to resolve these conflicts. Also, according to the agreement, monetary and banking institutions and foreign insurance can be formed in the territory of the members. While the laws in issue in accordance with article 44 of the Constitution declare the activities of these types of institutions nationally, they are closed to the activities of foreign financial service providers.

#### **4-5 Legal barriers in foreign exchange regulations:**

In terms of GAT regulations, currency quotas and foreign currency allocations for entering goods in terms of specific preferences and preferential currency rates are also some of the limitations. Support for domestic industries and products through non-customized tools such as currency quotas and expensive imports against domestic products with the allocation of foreign currency to priority sectors and the export of domestic products as dumping in the form of policies to encourage exports or support domestic companies in trade Foreigners by selling their cheap currency to them are those that are more or less present in Iran, and some of them are now commonplace, but since 2002, by implementing a currency equalization policy, many of the problems related to these barriers are resolved or minimized. Has been.

Another aspect of the ban on the use of quantitative restrictions under the GATT framework is the ban on export subsidies, which was inconsistent with the regulations and policies of encouraging exports in our country during the 1370s. Because exporters used preferential exchange rates for inputs and sometimes sold their export products at a float rate, this trend was stopped by the issue of currency uniformization in 1381 and the contradiction between the general agreement on tariff and trade with foreign exchange laws and Iran's trade has been eliminated in this regard, but foreign exchange quotas are still subject to the same (43).

#### **4-6 Legal barriers contained in tax laws and regulations**

Article 3 of the GATT Agreement, in conjunction with national conduct regarding the taxation and internal regulations of countries, requires the adoption of similar and favorable laws and procedures regarding imported products and domestic products. It is expressly stated in this article that the products and products of any country under the GATT contract which enters the territory of the other Contracting Party shall be liable directly and indirectly to domestic taxes and other taxes and expenses which are incurred in respect of similar domestic products and the excess thereof Not to be considered.

Some articles of the direct tax law, such as Articles 132, 141, 142, in various ways, seek to protect domestic producers in the form of tax exemptions. Of course, it should be noted that GATT does not prohibit the protection of domestic products and industries, but stipulates, in accordance with specific provisions such as Article 2 of the Statute, that such support should be primarily through customs tariffs and not through commercial measures. The main objectives of this principle are to create transparency and clarity in the implementation of supportive policies and to minimize the disruptions that support trade.

#### **4-7 Legal barriers in customs regulations**

According to the principle of the State of the Commerce, a country that joins the World Trade Organization, it must establish a uniform and non-discriminatory basis for all trade union members. This principle (Article 1 of the General Agreement) is not in contravention of Iran's laws and regulations, but is also consistent with Article 6 of the Customs Code of the country approved in 1350.

According to Article 6 of the Customs Code, if, under commercial agreements with the government or foreign countries for a given commodity, customs duties are determined on a basis other than that specified in the tariff table annexed to the law, as long as the said agreements remain in force, the customs duties of that commodity In accordance with the terms and conditions stipulated in the Agreements and in compliance with the terms and conditions stipulated therein, unless the Customs Tariff in the Appendix to this Law grants less customs duties or has been forgone. For example, if Iran accepts the reduction of custom tariffs for certain goods or commodities in relation to a given country, it should grant this privilege to other member countries without any reservation. Although, in accordance with Article 35 of the General Agreement, the Contracting Parties may refrain from granting tariff concessions to countries with which they have not negotiated tariffs.

Articles 5, 7 and 8, concerning the freedom of transit, the conditions of entry and export of goods and the methods for customs valuation, and in some cases, do not fully comply with Articles 172 and 192 of the Customs Code of the



State. For example, in Article 5 of the GAT, no distinction based on the flag of the ship, the source of entry and departure or destination is based on the conditions relating to the ownership of the goods ship or other means of transport. While this is forbidden in Iran's laws in relation to some countries. Meanwhile, Articles 5, 6, and 7 of the Customs Code of the country explicitly provide support for certain tariffs and restrictions related to the type of goods and special duties (commercial profit) regarding some imported items in terms of necessity and the discretion of the competent authorities. Principles 1 and 2 of the GATT conflict on the unity of the procedure regarding the imposition of restrictions through tariff rates.

#### **4-8 Legal barriers to export-import laws**

Iran's trade system has undergone major changes over the past decade. The law of export and import regulations was completely changed, taxes were imported into a bowl, and the trend towards commercial policy was towards liberation. In addition, diversified exchange rates, which are among the major export barriers, are identical. Many subsidies have changed, but there is still a lot of reform in this area. In order to review the commercial laws of Iran with WTO agreements, consideration of the general principles of the principle of non-discrimination and the principle of the state of justice and the reduction of customs tariffs and the conversion of non-tariff barriers to tariffs and the prohibition of the use of quantitative restrictions are of particular importance. According to Article 3 of the Regulation, the export and import of goods of import and export are divided into three groups of authorized, conditional and prohibited. Article 16 GATT recognizes access to the market for goods to members within the framework of WTO agreements.

Article 11 of the GATT prohibits Contracting Parties from imposing quantitative restrictions on the entry of goods to their own country. Article 34. Export and Import Regulations of the State on the effective protection of domestic production which, in the case of goods whose domestic production is not in need of the country and, therefore, is imported from some other country, states that it must be determined in the form of a share of imports that has effective protection from production Domestic.

Article 35: Export and import regulations in support of customs through the increase of customs duties from the agricultural sector due to the importance of self-sufficiency in this sector and its mechanization, as well as the prioritization of agricultural machinery and equipment within the customs duty exemption for such goods including removal Which, at a later stage, may be in a relative conflict with the GATT Agreements. Article 12 of GATT states that each Contracting Party may limit the amount or value of authorized goods for entry in order to maintain its external financial status and balance of payments in accordance with the provisions of this article.

Regarding the reduction of customs tariffs, this principle is not at the heart of the conflict of GATT regulations with the rules of Iranian foreign trade. Because import duties in Iran, which previously included customs duties, commercial interest, other customs duties, order to register, etc., were numerous and dispersed as barriers to imports, but there are currently many amendments to the law of import and export regulations imposed And many of the problems in this section have been reduced.

The multiplicity and dispersion of customs duty rates, in addition to the barriers to imports, are also causing trade disruptions. Therefore, the reforms to integrate all these costs and benefits into commercial commerce are an important step towards complying with the GATT regulations on clarity and transparency. Taxes and barriers to imports. According to Article 15 of the Export and Import Regulation Act of 1372, all import duties and taxes of Iran will be at a rate of commercial profit. The tariff rate for each commodity should be negotiated and, if reasonable and economical justification is provided, a specific tariff rate may be maintained for specific industrial support, but further increase will be subject to the agreement of other members of the organization.

Considering that the rates of commercial profits in the form of a one-time currency exchange rate system have been significantly reduced, the issue of the level of prices will certainly not create a problem for membership in the World Trade Organization, and today Iran has one of the lowest levels of tariff tariffs among countries Development and the rounds of negotiations with the World Trade Organization and its members will not impose lower rates on Iran's industries (40).

Non-tariff barriers have also been reduced by many transparency measures and can be largely eliminated by converting them into tariffs. The reduction of tariff rates is one of the issues raised in this section. However, developing countries in this field can have high concessions and more time to change tariff rates.

In general, import duties in Iran are important because of their financial and financial support. Commodity taxes, which are an indirect tax, are important in the Iranian foreign trade system from the point of view of protecting the industry as well as preventing the entry and consumption of goods as well as income for the government. According to the GATT, customs tariffs are the only legal instrument to support the industry. But the government applies these

supports not only through customs duties, but also by granting direct and indirect subsidies, and allocating foreign currency to priority sectors.

In general, in Iran's commercial system, in addition to customs tariffs accepted by the GATT as custom tariffs, non-tariff barriers that are not accepted by the organization are significantly used. In general, the industries and products of the country are supported in various ways, which we will cover in this section. Also, in order to develop the export of non-oil goods, the law regulates the export and import of facilities and facilities for exporters under Covering Materials 19, 2, and 25. One of the supporting aspects of the current laws of the country in relation to the organization is the protection of consumers and producers. Accordingly, the organization of protection of consumers and producers is obliged to pay subsidies for certain essential goods such as red meat, milk, and fertilizer and poison based on the decisions of the Council of Economics, and the difference in receipts from the organization is not the protection of consumers and producers who are subject to income tax. .

According to Article 1 of the GATT Agreement on Subsidies, the subsidy is a financial contribution from a government or government agency which involves the direct transfer of funds, such as the provision of grants, loans and capital injections, or the transfer of obligations, such as loan guarantees. Extending taxes and duties in the form of tax incentives and providing goods and services for export is another subsidy. In accordance with this paragraph, many of the facilities provided for in Iranian law are considered as subsidies in the context of this agreement. Appendix 1 to this Agreement also includes cases of subsidies that have been banned by the Member State, most notably as follows:

- Establishing domestic transportation with suitable conditions for export goods
- Granting loans and credits at rates lower than usual is limited to exports
- Granting exemptions, forgiveness or permission to postpone tax on export goods

Of course, according to Article 27 of the Subsidy Agreement, developing countries have an eight-year period to gradually reduce subsidies (subsidies) once they have been admitted to membership in the World Organization.

#### ***4-9 The Impact of Joining the World Trade Organization on Iran's Social Security***

The effect of WTO accession on the social security system appears in a number of ways, some of which are more general and general, one that exacerbates the globalization of competition and, as a result, raises the need for efficiency. Moreover, the increasing mobility of the factors of production, especially national capital, and the influential people with the adequacy of the social security system. International pressure to remove barriers to trade or the same standards and rules is another stick that the accession to the World Trade Organization may provide to the social security system.

Globalization increases the share of trade in gross domestic product, resulting in more efficient sectors or industries facing more external competition. Companies or workers who have worked in high-tide sheltered customs tariffs or other supportive policies may be sheltered and sheltered. This is especially true of government companies under the umbrella of industrial support. A country that imposes heavy taxes or imposes other restrictions on its companies (such as reducing weekly working days), the ability to compete against firms that are not in a state in other countries that do not face these constraints.

With the globalization of financial capital, as well as people with skill or prestige, more and more people will be attracted because other countries embrace them (Tensi, 2000: 20). In an open world where foreign rivals are paying less taxes and not meeting the requirements, it is harder and more costly to obtain heavy taxes, to keep up-to-date regulations. In this environment, some countries face more problems each day to meet their heavy costs through heavy taxes, or to continue to improve the current level of social security through tax regulations (Atkinson 1999: 63).

Accession to the World Trade Organization affects the various dimensions of social security, reducing tax revenues will certainly have an inevitable impact on social services and support. On the other hand, it reduces pensions, and on the other hand, it will try, contrary to the principles of social security, to be less comprehensive and include less people, retirees will be treated differently, and efforts will be made to increase retirement age, expenses Socially reduced housing for people with reduced mobility, vulnerable groups such as women, children and the elderly do not have adequate support, which we pay attention to separately because of the importance of the issue.

#### ***4-10 The impact of accession to the World Trade Organization on the level of continuity***

As the privatization wave accelerated in the early 1980s, social security privatization was also raised. Indeed, an important part of the budget deficits of Western industrialized nations has been attributed to their social and

welfare costs over the past two decades. Accession to the World Trade Organization can be a source of supply problems. Social issues as follows:

Accession to the World Trade Organization will make the insured and their families more vulnerable to financial risks. In the private system, the benefits of social security will no longer be subject to employee income and tax contributions during their service. Instead, the level of benefits will depend on the odds of the stock market to determine how much a worker has the skill (or luck) of investing and when He decides to retire.

Today's social security provides benefits guaranteed throughout life, the market situation since the day the person retires does not have any benefits for the months ahead (Matsui, 1382: 934). With the continuation of the process of globalization and purely economic views on social costs, the tendency towards privatization of social security to reduce social costs is one of the suggested solutions for the emergence of financial crises.

Given the severe financial crisis and the recent economic downturn, it is possible to predict the effects of private provision on the status of followers and followers. Social security protects individuals from many risks, including the risk of death or decay, the risk of a low income level throughout their lives, the risk of long and exceptional lives. The unbroken link between the economies of countries in the age of globalization makes the crisis in any of the major countries rapidly spread to other countries and confronts the economy of other countries with recession or inflation. The existence of economic crises will make it difficult for countries to pay salaries and benefits.

Given the budget deficit of social security funds and the reduction of tax revenues of governments, the solutions to this problem are reducing the amount of future retirement benefits by between 30% and 40%, reducing the retirement and survivors' pensions, increasing retirement age, Total earnings of individuals. All these strategies are in contradiction with the welfare state's social policies at the present time, and these changes can lead to disastrous political and social pressures in countries, especially in Iran.

#### ***4-11 The Impact of Globalization on Survivors and Disadvantaged***

In the case of survivors and disposals, balance of payments is much shorter over a period of time and, therefore, it provides much less income in the event of death or decay of workers. In order to compensate for this shortcoming, the solutions that are being proposed are one of the reduction of other disruptions to non-availability of accounts before reaching the retirement age. This, in turn, is a blow to the dysfunctional workers.

The decline in social security and the inability to use the balance of accounts to compensate for the above-mentioned losses have led the adherents to the World Trade Organization to express problems related to the financial affairs of social security systems and the reality of its huge credit fractions resulting from the reduction and increase of costs and, ultimately, On the general budget, it is necessary to base and document their criticisms and claim that social security has become the most important share of social security expenditures, and hence its financing requires a deficit in the state budget that can raise inflation and F The cost of its investment, and the only way out of this problem, reduction of social costs and changing the current systems of individual capitalization know Payment Systems.

A purely economic view of the social security issue has had a devastating effect on social support in the age of globalization, and the reduction of social costs will be the result of poverty and misery of the needless and socially excluded classes. Thus, it can be said that social security through pensioners also affects the accession of Iran to the World Trade Organization.

#### ***4-12 The Impact of Globalization on the Elderly***

In general, any discussion of an individual or elderly people is related to other issues, such as the issue of providing old age as one of the reasons for childhood. Since the late 1970s, developing countries have focused on the health and social conditions of those who are trying to become old in various texts.

Population aging (or, in other words, increasing the number of people aged over 55 or 60 in the total population of a country and increasing the median age) is a special phenomenon of the twentieth century. This phenomenon was observed in developed countries for the first time when fertility reduction has aggravated many of the financial consequences of the elderly's financial consequences. These consequences include: physical and mental health, organizational facilities needed for these individuals, the consequences of personal and public investment The elderly has become an aging crisis due to the care and care of the elderly, which has aggravated the issue of aging.

According to the Organization for Economic Co-operation and Development, the main focus of the discussion on population aging problems is to provide the necessary funding to increase the projected budget for social expenditures. The dependence of the elderly population into the working population is commonly referred to as the

retirement income tax on social security systems and retirement pensions whose sources of provision are taxes or receipts. The aging of the universe raises four major challenges for today's advanced nations:

- 1- Financial Challenges Increasing Retirement Expenses
- 2-A labor force challenge that is aging and falling
- 3- Financial Challenges: Decrease in the value of assets and capital transfers
- 4-The challenge of stagnant or declining markets

At the same time, advanced countries must accept that aging is a global phenomenon and demands global solutions, while the different pathways of the developed world and the developing world are a challenge in the 21st century. But the historic opportunity for the new connections between these two worlds (Levinsky and McKinnon, 2003: 232), the disappearance of traditional families, has aggravated elderly people in old age.

Fear of staying in a nursing home is a major concern for most elderly people. The decline in birth rates has also contributed to the emergence of such institutions. The low wages of unskilled workers in advanced countries, as well as the widespread general level of wages in Third World countries, have prevented savings and investment for aging and aging so that most elderly people with poverty And they have no choice.

The problem for informal and part-time workers also appears more acutely. In the agricultural sector, with the exception of large families and those with a lot of financial and land plots, as a result of the migration of the young labor force, the elderly people do not have the capacity to continue farming, Social insurance is also inadequate, joining the World Trade Organization and, as a result of globalization, the transfer of labor from the agricultural sector to the industry and the creation of poverty in this area, which older people are more vulnerable than the rest of the population and suffer from poverty. In the meantime, the aging women will be much worse off. Because women have less employment opportunities and less credit for aging.

The lack of attention to environmental issues and air pollution will have the greatest impact on the health of the elderly as endangered, which in turn increases the cost of retirees and also imposes costs on The public budget will be. Now in Iran, given the aging of the population as well as the increase of urban migration, this challenge can have a profound effect on social security.

5- Globalization has been influenced by all-round and inevitable processes of individual and social affairs of human life, the structural changes that have taken place in the economies of countries as a result of economic adjustment and privatization, and the emergence of active actors in the international arena have led to the retreat of governments from policies Welfare has been made.

In this research, the impact of Iran's accession to the World Trade Organization on social security insurance has been examined from a legal point of view. The results of the impact of WTO accession on the social security industry of countries, in particular China, show that joining this organization will require strong domestic insurance companies to compete against foreign insurance companies. To be It will also help in this field of experienced human resources. The experience of other countries also shows that the accession to the World Trade Organization in the long run will increase the per capita insurance and influence of insurance, which indicates the positive effects of accession to the World Trade Organization. But along with these positive effects, WTO accession can also have a positive effect on social security. Accession to the World Trade Organization affects the various dimensions of social security, reducing tax revenues will certainly have an inevitable impact on social services and support. On the other hand, it reduces pensions, and on the other hand, it will try, contrary to the principles of social security, to be less comprehensive and include fewer people, retirees will be treated differently, and they will try to get higher retirement age, Social expenditures have been diminished for the provision of housing for people with reduced mobility, and vulnerable groups such as women, children and the elderly are not adequately supported.

Now, according to the results obtained from the experiences of the countries under study, for the Iranian insurance industry, we expect that in the short term, joining the World Trade Organization will not affect the performance of the insurance industry. One is due to incomplete compliance with the regulations of the organization, and the other, that the services sectors of Iran, including the insurance sector will be faced with strong rivals by joining the WTO.

Inside, domestic providers of insurance services must compete with foreign suppliers, and buyers will only use the services of domestic companies to produce the same quality products at a lower cost. That is, in the insurance industry, there will be a market based on competition, and that institution (whether domestic or foreign) can be successful, based on its efficiency and ability, to provide better services at a lower cost, and in the field of marketing, advertising, skills Insurance, capital and management.

According to what has been said, it should be noted that globalization has had side effects on labor relations and social security. On the other hand, technological development has led to the exchange of information on a large scale, and workers are emigrating with the knowledge of the welfare conditions of other communities of encouragement. But the conditions for the labor force are not very suitable. Given the high supply of unskilled workforce and the competition of such workers, they provide an opportunity for employers to impose their own conditions.

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