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Analysis of Judicial and Executive Policy in Dealing with the Smuggling of Goods and Currency through Official Channels

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Despite the enactment of relatively comprehensive laws in the area of combating goods and currency smuggling, official statistics point to the relative ineffectiveness of judicial and executive policies in curbing this phenomenon. This study evaluates two separate yet interconnected domains: first, judicial policy (the trial process, admissibility of evidence, the standing of the presumption of innocence, and the distribution of the burden of proof); second, executive policy (detection, customs oversight, coordination among responsible agencies, and personnel training). A central question asks: to what extent do existing judicial procedures—from investigation through trial and appeal—align with the standards of fair trial and the presumption of innocence? Moreover, how successful have executive measures—such as monitoring systems, border inspection, and officer training—proved, and what are the main obstacles they face? The research method is qualitative and library-based-analytical. Data were gathered through an examination of published judicial opinions, organizational reports (from the Anti-Smuggling Headquarters, Customs, and the Dispute Settlement Council), and higher-level documents. Findings indicate that in the judicial sphere, an expansive interpretation of the presumption of guilt together with a subtle shifting of the burden of proof—sometimes in the accused's favour, sometimes against—violates the presumption of innocence. Prolonged proceedings and the issuance of inconsistent judgments represent other serious problems in this field. On the executive side, weaknesses in integrated goods-tracking systems, a lack of effective coordination among responsible bodies (law enforcement, the Ministry of Economy, the Central Bank), and corruption among some officers emerge as primary barriers. Consequently, current judicial and executive policy remains largely reactive and piecemeal; success requires a transformation in specialised trial processes, the deployment of smart monitoring technologies, and capacity-building for public participation.

Keywords: *Judicial policy, executive policy, smuggling of goods and currency, official channels, fair trial, presumption of innocence.*

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1. Introduction

The smuggling of goods and currency through official channels is not a marginal phenomenon; rather, it constitutes a structural component of Iran's underground economy. Each year, tens of billions of United States dollars move into or out of the country through this route. The figures reported by the Parliament Research Centre—approximately 31–32 billion USD annually—may not be perfectly precise, but they clearly indicate the direction and magnitude of the crisis. One central question remains: why, despite the relatively comprehensive Law on Combating the Smuggling of Goods and Currency of 2013 and its 2021 amendments, does this immense volume of illicit flow

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continue? A brief but insufficient answer would be: sound legislation but weak enforcement. The reality, however, is far more complex. The Law on Combating the Smuggling of Goods and Currency itself suffers from numerous structural and substantive weaknesses, a matter examined in detail in the first article. Beyond the text of the law, it is the manner in which judicial and executive institutions apply legal rules that determines the gap between "what is written in the law" and "what actually occurs in practice." This study focuses precisely on that gap.

We distinguish between two main spheres. The first is judicial policy: the set of procedures, interpretations, and institutional practices that take shape in prosecutors' offices, courts, and appellate bodies when they confront a smuggling charge. In this sphere, several questions arise: Is the presumption of innocence respected? On whom does the burden of proof lie? Is the trial fair? What safeguards exist for the rights of the accused? How uniform and predictable are judicial decisions? The second sphere is executive policy: the actions of detection, supervision, and prevention carried out by Customs, law-enforcement agencies, the Anti-Smuggling Headquarters, the Ministry of Economic Affairs and Finance, and other relevant bodies. In this sphere, the main issues include inter-agency coordination, the technologies adopted, personnel training, procedural transparency, and, most importantly, corruption.

The relationship between these two spheres is dialectical. Weak executive policy makes crime detection incomplete and difficult. Consequently, few cases reach the courts, and those that do often suffer from insufficient evidentiary quality. Conversely, a lenient or non-specialised judicial policy can neutralise the efforts of detection bodies and encourage offenders to continue their activities. On the other hand, an excessively repressive judicial policy, by violating defendants' rights, can erode public trust in the justice system and reduce citizens' cooperation with detection agencies. This article is organised into seven main sections. After the introduction, the theoretical foundations of judicial and executive policy are examined. The current state of each sphere is then analysed in detail: first, judicial policy, including the structure of prosecutors' offices and courts, evidentiary rules, the presumption of innocence, procedural delays, and inconsistent judgments; and second, executive policy, including inter-agency coordination, monitoring systems, training, and, most critically, corruption. The final section presents conclusions and policy recommendations.

2. Theoretical Foundations: Judicial and Executive Policy in Confronting Smuggling

Before proceeding to concrete analysis, two key concepts must be clarified: judicial policy and executive policy. The former refers to the collection of measures, practices, and interpretations that operate within the criminal justice system, from prosecution to sentencing and enforcement. The latter refers to the non-judicial actions of administrative and law-enforcement bodies designed to prevent, detect, and monitor criminal phenomena. These two spheres are deeply intertwined. A judicial judgment is practically impossible without an investigator's report or a customs expert opinion. Likewise, successful detection remains ineffective without judicial support and the possibility of effective prosecution.

In Iranian legal literature, judicial policy is often discussed under the concept of "judicial criminal policy." It refers to the measures that judges and judicial authorities adopt within the scope of their legal discretion to control crime. These measures may include broad or narrow interpretations of criminal statutes, the choice of the type and severity of punishment, decisions concerning security measures such as bail or detention, the treatment of invalid evidence, and many other procedural and substantive matters. In cases involving goods and currency smuggling, because of their economic and security sensitivity, the scope of this discretion—and the risk of its abuse—is significantly broader (Ashouri, 2009).

Executive policy, by contrast, is primarily embodied in administrative laws and regulations, customs bylaws, and directives issued by the Anti-Smuggling Headquarters. Institutions such as Customs, law-enforcement agencies, the Ministry of Intelligence, and the Central Bank each implement parts of this policy in accordance with their statutory mandates. The principal challenge in this sphere is coordination. Multiple information islands, the absence of effective data exchange, organisational rivalries, and, in some cases, conflicts of interest constitute major obstacles to any coherent executive policy.

A crucial theoretical point is that the success of any judicial or executive policy against smuggling depends on transparency and predictability. Professional criminals, unlike occasional offenders, possess detailed information about the system's weak points. If judicial practice in one court differs drastically from that of another, they exploit this inconsistency. If customs systems are unreliable and prone to disruption, they identify the timing of system failures and use them to evade oversight. Accordingly, coherence and integration are key indicators of efficiency at both the judicial and executive levels.

3. Judicial Policy Governing Goods and Currency Smuggling: Structure, Practices, and Harms

3.1. Multi-Layered Structure and De-Specialisation

The system for adjudicating smuggling offences in Iran has a complex and multi-layered structure. At the initial stage, judicial officers, primarily from law-enforcement agencies, Customs, and the Ministry of Intelligence, carry out detection and prepare an initial report. The case is then referred to a prosecutor's office. At this point, the first complexity emerges: depending on the type and value of the goods, the competent prosecutorial authority varies. Some cases are handled by the Public and Revolutionary Prosecutor's Office, some by the Special Prosecutor's Office for Economic Crimes, and some are referred directly to the Governmental Discretionary Punishments Organization as a quasi-judicial body. This multiplicity of authorities leads not only to prolonged proceedings but also to jurisdictional conflicts and contradictory judgments. A case involving goods valued at 800 million tomans may be heard by the Public and Revolutionary Prosecutor's Office, while a case valued at 80 million tomans—if it falls under certain exemptions—may be referred to the Governmental Discretionary Punishments Organization. The boundaries of these jurisdictions are so vague that, in some cases, two chambers of the same court may reach different outcomes. In one field study, more than 40% of interviewed judges identified "lack of clarity in jurisdictional rules" as one of the main obstacles in this field (Rostami Ghazani & Rahmani Fard, 2022).

Another problem is de-specialisation. Smuggling offences are intertwined with complex customs, commercial, currency-related, and even technological concepts. A general judge without adequate training in these areas may face serious difficulty in determining whether seized goods are genuinely smuggled or merely affected by documentary deficiencies. In practice, many judges rely on customs expert opinions without possessing the technical capacity to critically evaluate those opinions. In some cases, these very expert opinions—prepared by the same detection authority—become the basis of the judgment, effectively reducing the judge's role to the endorsement of an administrative report. Kariri, Zia, and Akbari show in their criminological analysis of the Anti-Smuggling Law that the complex structure of legal provisions and the multiplicity of responsible bodies obstruct the integrated and effective implementation of the law. In their view, excessive emphasis on harsh punitive sanctions has disrupted the balance between prevention and enforcement. This analysis directly corresponds to what is observed in Iran's judicial system: a law that may appear "relatively comprehensive" in its text loses its effectiveness because of a mismatch between goals and instruments and because of the insufficient expertise of enforcement authorities (Kariri et al., 2025).

The proposal to establish specialised customs-economic chambers has existed for years, but it has not been seriously pursued. The experience of countries such as Turkey and the United Arab Emirates shows that judges trained in customs matters and international trade issue far more consistent and fair judgments (Hosseini & Mansouri, 2025). In Iran, only some general courts bear the title "Special Court for Economic Crimes"; however, their judges have not necessarily received specialised customs training, nor does the structure of these courts differ substantially from ordinary courts.

3.2. Presumption of Innocence and Burden of Proof: Subtle or Overt Shifting?

The presumption of innocence is one of the most fundamental principles of criminal procedure. Derived from Article 37 of the Constitution and numerous provisions of the Criminal Procedure Code, it requires that every accused person be presumed innocent until a final conviction is issued. The burden of proof rests with the prosecutor or the private complainant; the accused has no duty to prove their own innocence. In goods and currency smuggling offences, however, this principle faces serious challenges. The reason is that Article 33 of

the Anti-Smuggling Law and its notes create, in some instances, a practical presumption of guilt.

For example, if a person is observed at the border leaving the country with goods subject to special regulations, the law treats this situation as an indication of an intent to smuggle. The burden of proof then shifts to the accused: they must demonstrate that the goods were intended for personal consumption, that they had the required permit, or that they were covered by a legal exemption. This shifting of the burden—even if formally justified through the language of "presumption"—in practice undermines the presumption of innocence. Consider a concrete example: a border porter returning with five kilograms of dates. Under this rule, they may be presumed guilty of smuggling and required to prove that the dates were intended for family consumption. In the absence of a receipt, camera footage, or witnesses, this is practically impossible, and a conviction may follow. Yet in a fair system, the burden would rest on the claimant, namely the state, to prove that the dates were smuggled. If the state cannot prove this, the law should not be designed in a way that forces the accused to prove their own innocence. This problem also arises in cases involving higher-value goods. A trader who imports goods through official channels but makes an error in filing the declaration may be charged with under-declaration. It may then be presumed that the trader intended to defraud the state unless they can prove otherwise. Proving the absence of fraudulent intent—an internal mental state—is extremely difficult. Consequently, many traders prefer to pay a fine and close the case rather than defend themselves in court, even if they are not actual smugglers.

Comparative research indicates that in advanced legal systems, shifting the burden of proof is permitted only in exceptional cases and with strong procedural safeguards. In Iranian law, however, this exception has become almost normalised, particularly in economic and customs offences. This not only creates injustice for the accused but also undermines the trust of law-abiding traders in the customs and judicial system. When traders feel that they may be accused even when they have complied fully with the law, and that they must then prove their innocence, their motivation to operate transparently diminishes (Riazat & Ahmadi Natour, 2022).

3.3. Procedural Delay and Inconsistent Judgments

Complaints about the length of proceedings in smuggling cases are almost universal. From the seizure of goods to the issuance of a final judgment, several years may pass. During this time, the case may move from the investigator to the court, from the court to appeal, and from appeal to the Supreme Court or the Governmental Discretionary Punishments Organization. Whenever a procedural defect is identified, the case is returned to a lower authority. Meanwhile, the goods remain in customs warehouses and lose value, regardless of whether a forfeiture order is ultimately issued or the decision favours the defendant.

The causes of this delay are multiple. First, there is the multiplicity of authorities noted above. Second, the lack of clarity in jurisdictional rules leads to repeated conflicts. Third, the high volume of cases and the shortage of specialised judges slow down adjudication. Fourth, improper practices in expert evaluation and opinion writing further prolong proceedings. In some cases, a single file is referred to a customs expert panel three times, each time with different questions and contradictory answers. The judge, having no reliable alternative, refers the case again. The consequence of this delay is evident inefficiency. Smuggled goods, even if genuinely smuggled, remain in storage for long periods and impose heavy costs on the state. Meanwhile, the accused remains in a state of uncertainty. Their capital is frozen, they face criminal proceedings, and in some cases an inappropriate security measure, including pre-trial detention, is imposed. In efficient legal systems, smuggling cases, because of their economic nature and the risk of capital flight, should be processed more rapidly, not more slowly.

Alongside procedural delay, the problem of inconsistent judgments also arises. Two chambers of the same court in the same year may issue entirely different decisions in two nearly identical cases. One chamber may consider fifth-degree imprisonment sufficient, while another may order fourth-degree imprisonment, a double fine, and asset forfeiture. This judicial instability, rooted in the absence of uniform practice and clear criteria for determining the seriousness of the offence, erodes trust in the justice system. Professional criminals, aware of this inconsistency, exploit it to their advantage. They know that if their case is assigned to chamber "A," they

may receive a lighter sentence. By seeking a change of venue or raising procedural objections, they attempt to steer the case toward a more favourable chamber.

The solution lies in establishing specialised uniformity panels in the area of economic and customs crimes, similar to existing mechanisms in the Supreme Court for certain offences. Furthermore, issuing judicial guidelines that court chambers are required to follow can substantially enhance the consistency of judgments. In many successful legal systems, such guidelines promote judicial coherence without undermining judicial independence.

3.4. Security Measures and the Rights of the Accused

One of the most sensitive stages of criminal proceedings is the issuance of security measures, such as pre-trial detention, bail, surety, or a promise to appear. In smuggling cases, the rate of pre-trial detention is high, and such detention may sometimes last for months. The usual justifications—risk of flight or risk of influencing witnesses—do not appear sufficiently well grounded in many cases. Why should a defendant accused of goods smuggling, who has no significant criminal record, owns a legitimate business, and has a known residence in the country, be detained? The answer lies in the perception held by some judicial authorities that economic crimes, because of the influence and financial resources of the accused, inherently justify pre-trial detention. Although this perception may sometimes be accurate, it cannot serve as a general rule. The result is the imprisonment of many defendants, including poor border porters who cannot afford to post bail.

Article 237 of the Criminal Procedure Code limits the circumstances in which pre-trial detention may be ordered. These include crimes against internal and external security, intentional offences punishable by qisas or severe penalties, and other specified offences. Goods and currency smuggling, in some of its forms, especially under Article 44 of the Anti-Smuggling Law, carries severe penalties. A judge may therefore treat that provision as a basis for pre-trial detention. However, this legal possibility should not become routine practice. In many advanced legal systems, pre-trial detention in economic crimes is the exception rather than the rule. Lighter measures, such as bail proportionate to the accused's financial capacity or a promise to appear, should be preferred.

The rights of the accused during trial are also sometimes disregarded. Access to counsel, as a clear manifestation of a fair trial, faces obstacles in certain cases. Article 48 of the Anti-Smuggling Law and its subsequent amendments do not restrict access to counsel. Yet in practice, defendants in smuggling cases, especially organised crime cases, sometimes encounter difficulties in meeting with their lawyer or accessing the case file. This violates not only individual rights but also the right to an effective defence.

3.5. Recent Developments: Special Panel for the Prosecution of Currency Crimes

In December 2025, the Iranian judiciary announced the formation of a "Special Panel for the Prosecution of Currency Crimes," with authority to directly investigate cases involving violations of obligations to repatriate export currency. Judiciary spokesman Asghar Jahangir stated at a press conference that the head of the judiciary had ordered the formation of the panel and that it should, in cooperation with other authorities and on an urgent basis, address the cases of individuals who had committed currency crimes. The panel focuses particularly on exporters who were required to repatriate export earnings but failed to do so, an act that authorities regard as one of the factors aggravating volatility in the currency market. The formation of this panel can be interpreted as a response to the ineffectiveness of ordinary prosecution procedures in currency and smuggling offences. However, a fundamental question remains: does the creation of yet another parallel body, instead of remedying the structural deficiencies of ordinary prosecutors' offices and courts, provide a real solution, or does it merely add to the multiplicity of authorities and the complexity of proceedings? Experience shows that special panels succeed only if they possess two characteristics: genuine and independent authority, and a definite time horizon. Without these, they become additional, and sometimes merely symbolic, bodies that increase the cost of the justice system without producing meaningful effectiveness.

2.6. The Experience of Special Courts for Economic Corruption

Alongside the special currency panel, the experience of the Special Courts for the Adjudication of Economic Corruption should also be considered. These courts,

established in 2018 with the approval of the Supreme Leader, declared their objective to be decisive and rapid adjudication of cases involving economic disruptors. When approving the judiciary's request to extend the mandate of these courts, the Supreme Leader emphasised that the objective should be the swift and just punishment of corrupt financial offenders. Several years after the establishment of these courts, evaluations show that although they have succeeded in issuing severe sentences in some major cases, including cases involving household appliance smuggling and corruption in customs, they have not been able to structurally reduce the rate of smuggling. The reason is clear: smuggling is a systemic phenomenon, and the prosecution of a few high-profile cases, however necessary, cannot substitute for structural reforms in Customs, the Central Bank, and the trade system. In other words, these courts have functioned more as a painkiller than as a fundamental cure. Moreover, some reports suggest that in less sensitive cases, or in cases involving political influence, these courts have shown leniency. The stalled case involving Valiollah Seif, former governor of the Central Bank, and Ahmad Araghchi, former deputy governor for currency affairs, concerning manipulation of the foreign exchange market, is one example.

4. Executive Policy in Dealing with Smuggling: Structure, Actions, and Obstacles

4.1. Inter-Agency Coordination: A Longstanding Aspiration

Executive policy for combating goods and currency smuggling formally falls under the Central Headquarters for Combating the Smuggling of Goods and Currency. This Headquarters operates under the Ministry of Economic Affairs and Finance and is responsible for coordinating among various bodies, including Customs, law-enforcement agencies, the Ministry of Intelligence, the Central Bank, the Governmental Discretionary Punishments Organization, and other institutions. In practice, however, this coordination has become one of the system's greatest weaknesses. Mirzaei, Kosha, and Shamlou identify four categories of fundamental challenges in this area: first, the structural gap between legislative criminal policy and executive capacities; second, executive problems, including institutional incoordination, overlapping mandates, and insufficient personnel training; third, technological and informational deficiencies, such as the absence of integrated intelligent systems, weak data exchange, and the lack of a risk management system; and fourth, supervisory and performance weaknesses in responsible organisations, including Customs, law-enforcement agencies, and the Governmental Discretionary Punishments Organization. They conclude that these factors reduce deterrence, increase opportunities for smuggling, and waste oversight capacity (Mirzaei et al., 2025).

Each agency has its own separate information system. Customs has the Comprehensive Customs System. The Central Bank has its own currency systems. The Ministry of Economic Affairs and Finance operates the trade and taxpayer systems. The Anti-Smuggling Headquarters has launched the Smuggling Cases System. The problem is that these systems are either entirely disconnected or connected only partially and non-real-time. As a result, information concerning a single imported item may be recorded in several agencies under different codes, and a professional smuggler, by exploiting these gaps, can make the same goods appear legal in one agency and suspicious or unlawful in another.

In addition to technical weaknesses, organisational resistance also exists. Each agency treats its information as an asset and refuses to share it with others. Sometimes this resistance stems from a sense of information ownership; at other times, it arises from a desire to conceal internal errors and violations. Rivalry among agencies over seizure and confiscation statistics further aggravates the problem. Customs may discover goods, while law enforcement may claim that it had already been monitoring them. These disputes consume time and resources and increase the opportunity for goods to disappear.

A concrete example is the Single Window for Cross-Border Trade, which was intended to connect all bodies involved in foreign trade but has still not been fully implemented after many years. Frequent disruptions, the absence of a legal obligation for data exchange, and the lack of effective enforcement mechanisms against non-compliant agencies are among the main reasons for this failure. The experience of successful countries shows that an efficient single window can reduce customs clearance time from several weeks to several hours while also sharply reducing smuggling. In Iran, however, the

system remains characterised by multiple windows and information islands.

4.2. Monitoring and Goods-Tracking Systems: Promises and Realities

Articles 5 to 8 of the Anti-Smuggling Law place considerable emphasis on the use of modern technologies to identify and track goods. An integrated system for tracking goods from origin to destination has long been one of the legislator's central objectives. The idea is that every item, from the moment it enters official channels or is domestically produced until it reaches the final consumer, should be traceable through tracking codes. Any deviation from the authorised route, such as sale on the black market or exit from the legal distribution network, should immediately be reflected in the system.

Reality, however, is different. To date, such an integrated system has not been fully launched. Some components, such as the health-goods tracking system in the Ministry of Health, exist independently but are not connected to other systems. Goods that enter through official channels are recorded at Customs, but after release, tracking them becomes practically impossible. Professional smugglers exploit precisely this weakness: they import goods legally, with complete declarations and formalities, but then divert them to the black market instead of directing them to the legal market. Official documents may show that the goods were sold to a specific company, but that company may be fictitious or may alter the path of the goods through the purchase and sale of documents. Meanwhile, recent customs measures adopted to facilitate trade have sometimes served the interests of smugglers. In March 2026, Iran's Customs Administration delegated to local customs directors the authority to change the exit border or destination customs for transit goods. The stated purpose was to facilitate transit under current conditions and reduce truck congestion at busy borders. However, this broad authority, if not accompanied by adequate oversight, may become a tool for diverting smuggled goods. In other words, facilitating legal trade should not come at the cost of weakening oversight over the transit of sensitive goods. The narrow line between trade facilitation and the facilitation of smuggling requires intelligent tracking systems, which are currently absent. One proposed solution is to mandate electronic invoices and the Taxpayer System for all transactions. In such a system, every seller must register the invoice online and receive a tracking code. The next purchaser must include that code in their own invoice. This would render the chain of transactions transparent. The Dutch government and several Scandinavian countries have sharply reduced smuggling and tax evasion using this method. In Iran, the Taxpayer System is being launched, but many businesses remain exempt, and there is no legal obligation covering all transactions.

4.3. Training of Officers and Public Awareness

Executive policy is not limited to technology and coordination. Human resources are also decisive. Customs officers, police officers, intelligence personnel, and inspectors must receive specialised and continuous training. At present, the lack of specialised knowledge among many frontline officers is evident. They are not sufficiently familiar with modern methods of smuggling, such as electronic document forgery, under-declaration using software designed to bypass systems, or the mixing of legal and smuggled goods in a single container. As a result, many sophisticated smuggling operations escape scrutiny.

Mirzaei, Kosha, and Shamlou emphasise that insufficient personnel training is one of the four main challenges of executive policy. In their view, improving the effectiveness of Iran's executive criminal policy requires a fundamental revision of the institutional structure, the strengthening of inter-organisational coordination, the development of technological infrastructure, the integration of information systems, and the alignment of legal regulations with actual executive capacities. As long as a customs officer confronts a professional smuggler who knows the latest methods for bypassing systems while the officer remains unaware of those methods, the outcome of the struggle is predetermined. Training must address not only technical knowledge but also professional ethics and anti-corruption practices. An officer exposed to large-scale bribery must have the capacity to refuse. Unfortunately, the reward and punishment systems in many responsible agencies are not designed to effectively incentivise ethical conduct. In some cases, major seizures made possible through internal corruption are celebrated as successes without any investigation into the corruption of officers. Public awareness is also part of executive policy. Citizens must

understand the harms that smuggling inflicts on the national economy and on themselves. They must also know how to report smuggling. Systems such as 124, the customs violation hotline, and 096300, the Anti-Smuggling Headquarters hotline, exist, but public use remains limited. The reasons may include lack of trust in the confidentiality of reports and lack of appropriate feedback. In successful countries, citizens are encouraged to cooperate with detection agencies through television programmes, media campaigns, and financial incentives. In Iran, such programmes remain limited and episodic (Mirzaei et al., 2025).

4.4. Porterage (Kolbari) and Border Exemptions: From Social Issue to Legal Gap

Porterage, or kolbari, refers to a form of cross-border trade in Iran's border regions in which individuals, known as kolbars, carry heavy goods on their backs or with pack animals through mountainous and often dangerous routes, mainly between Iran and the Kurdistan Region of Iraq. This phenomenon, rooted in poverty and the lack of formal employment opportunities in border areas, is, on the one hand, an acute socio-economic issue and, on the other hand, one of the most complex challenges for both executive and judicial policy. In January 2026, Iran's Cabinet amended a prior regulation to facilitate the import of essential goods by border provinces in exchange for the export of non-oil goods. Under this regulation, essential goods include red meat, poultry, rice, vegetable oil, wheat and flour, sugar, eggs, dairy products, legumes, pasta, and medicines. The regulation also limits customs clearance for essential goods to a maximum of five days and, in some cases, eliminates the requirement to present GMP and IRC permits because of problems arising from sanctions and origin markets. Although these facilitations are designed to meet the basic needs of border regions and reduce the incentive to smuggle, they may in practice open new avenues for abuse. Removing the requirement for certain permits, even if apparently justified by sanctions-related problems, increases the risk of low-quality or smuggled goods entering the country. Moreover, simplifying formalities without simultaneously strengthening oversight may allow legalised porterage to reproduce the problem in another form rather than resolve it. Experience shows that many organised smuggling networks use the cover of subsistence porterage to move large quantities of goods. Therefore, any facilitation of border regulations must be accompanied by two concurrent measures: first, the creation of intelligent registration and tracking systems for authorised porters, including identification, recording of quantities, caps on permissible goods, and authorised routes; and second, serious investment in alternative employment in border regions so that porterage no longer remains a primary livelihood. Without these two measures, simplifying formalities will merely increase smugglers' profits and weaken the foundations of the legal economy in border regions.

5. Corruption: Eradicable or Containable?

Any discussion of executive policy against smuggling inevitably leads to the issue of corruption. Corruption exists in Customs, law-enforcement agencies, the Governmental Discretionary Punishments Organization, and even in prosecutors' offices and courts. This corruption is not exceptional; it is structural. Numerous reports from supervisory bodies, including the General Inspection Organization and the Court of Audit, indicate that some officers function as links in the smuggling chain rather than as actors combating it.

Kariri, Zia, and Akbari note that the complex structure of legal provisions and the multiplicity of responsible bodies both hinder the integrated implementation of the law and increase opportunities for corruption. In other words, the more complex the processes and the greater the number of agencies involved, the more points of contact emerge between officers and traders, and each point of contact creates an opportunity for bribery. How does corruption manifest itself? In its simplest form, a customs officer releases smuggled goods without the required formalities in exchange for a bribe. In a more advanced form, the officer becomes a partner of the smuggler by providing system information, announcing inspection times, or certifying forged documents. At the highest level, a network of corrupt officers across several customs houses and agencies coordinates the movement of industrial-scale quantities of smuggled goods. Some jurists and economists regard corruption in Iran's customs system as systematic and planned. That is, it does not merely consist of scattered and isolated incidents; rather, it is structural. Powerful cartels exist that include not only customs officers but also local and, in some cases, national officials. Documents from cases

such as the "Great Customs Corruption" case and the "Household Appliance Smuggling Case" reveal the scale of this corruption. In some of these cases, the value of bribes paid reportedly reached hundreds of billions of tomans. One recent prominent case involved the smuggling of household appliances, in which the defendants, in collusion with customs officers, cleared smuggled goods using forged documents (Kariri et al., 2025; Zare Mahdavi & Sohrabi, 2017).

Can this corruption be contained? The short answer is yes, but not with the current instruments. Containing corruption requires political will, radical transparency, and deterrent punishments for corrupt officers. As long as a corrupt officer faces, at most, an administrative penalty and returns to work after a period of time, corruption will continue. As long as systems remain opaque and concealment remains possible, corruption will continue. As long as the judiciary does not seriously investigate corruption within its own institutions, corruption will continue.

The successful experience of China in reducing customs corruption, through the installation of surveillance cameras in all premises, regular rotation of officers, and the imposition of severe penalties for large-scale bribery, shows that transformation is possible even in systems affected by structural corruption. However, such transformation is costly and time-consuming. In Iran, the first step must be procedural transparency: all customs formalities should be conducted electronically and with minimal human intervention. Any exception must be clearly justified and independently supervised. The second step is whistleblower protection. Those who report corruption must receive judicial and employment protection. The third step is severe and swift punishment for corrupt officers, with penalties that produce meaningful deterrence. The special courts for economic corruption have played this role to some extent, but their scope is limited, and they have sometimes been affected by political or institutional leniency.

6. Interaction and Conflict: Judicial Policy versus Executive Policy

Thus far, judicial and executive policy have been examined separately. Yet these two spheres are in constant interaction and sometimes in conflict. Detection bodies, including Customs and the police, seek to arrest the accused and seize the goods as quickly as possible. The court, however, is obliged to respect procedural formalities. Sometimes these formalities, which are designed to protect the rights of the accused, become an obstacle to the swift administration of justice. Conversely, the executive body's failure to collect sufficient evidence may make it difficult for the judge to establish the offence.

Mirzaei, Kosha, and Shamlou identify one of the main roots of this conflict as the structural gap between legislative criminal policy and executive capacities. In other words, the legislator sometimes imposes duties on executive bodies that are impossible to implement technically, financially, or in terms of available human resources. When the executive is unable to fully implement the law, it either resorts to easier and sometimes illegal methods or encounters judicial distrust. The judge, finding it difficult to establish guilt on the basis of inadequate evidence, is forced to issue an acquittal or a no-prosecution order, a result that the executive may interpret as a failure to combat smuggling. An example of positive interaction is the Comprehensive Smuggling Cases System, which was intended to electronically and integrally track all stages from detection to judgment. In theory, this system could facilitate communication between investigators and courts and reduce trial duration. In practice, however, because of infrastructural deficiencies and resistance to data sharing, it has not yet achieved the desired efficiency. An example of conflict arises when a customs officer identifies goods as smuggled and sends the case to the prosecutor's office, but the prosecutor concludes that the evidence is insufficient and issues a no-prosecution order. From the investigator's perspective, this decision represents a failure to deal with smuggling. From the judge's perspective, it reflects respect for the presumption of innocence and caution in punishment. Both perspectives may be defensible. The problem is the absence of a feedback mechanism between the judge and the investigator. The investigator does not learn why the evidence was deemed insufficient and therefore repeats the same deficiencies in subsequent cases. The solution is periodic joint meetings and the drafting of clear guidelines for evidence collection. Another issue concerns legal interpretation. Different judges may interpret the same legal provision differently. For example, Article 44 of the Anti-Smuggling Law, concerning organised smuggling, does not specify the

indicators of professionalism or organised structure. One judge may regard a second commission of the offence as evidence of professionalism, while another may require a third. This interpretive disparity creates judicial instability. The executive cannot predict how a specific case will be decided in a given court. In sum, effective interaction between judicial and executive policy requires institutional dialogue and systematic feedback. Judges must clarify for investigators what evidence is valid and sufficient. Investigators must inform judges which laws and judicial practices make field enforcement difficult. At present, this dialogue occurs in an ad hoc and informal manner. Institutionalising it could produce a significant transformation (Mirzaei et al., 2025).

7. Comparative Experiences and Lessons for Iran

Examining the experience of several successful countries in combating goods and currency smuggling can offer useful avenues for reform. Turkey, Iran's western neighbour, has made substantial improvements in its customs operations over the past two decades. Heavy investment in technology, including advanced X-ray machines and online tracking systems, specialised officer training, and full coordination among Customs, the police, and the judiciary have sharply reduced the volume of smuggling. Turkey also has specialised customs courts whose judges receive specific training, and cases are concluded rapidly, often in less than six months. The United Arab Emirates, relying on technology and radical transparency, has succeeded in minimising smuggling. Its integrated customs system tracks all imported and exported goods from entry to exit. Any discrepancy in the declaration generates an immediate alert, and the case is referred to the internal inspection unit. Moreover, the United Arab Emirates has strict laws against customs corruption, and several high-ranking officers have received severe sentences for bribery. The Netherlands, a European country with major ports such as Rotterdam, offers an instructive experience in combating drug smuggling. Although the commodity differs, the principle of information coordination in the Netherlands is relevant. In that country, a single customs-police intelligence centre aggregates all data. Using artificial intelligence algorithms, it identifies high-risk shipments and flags them for special inspection. The principle of risk management, whose absence in Iran is emphasised by Mirzaei, Kosha, and Shamlou, is fully implemented in the Netherlands, and the results are evident (Hosseini & Mansouri, 2025; Mirzaei et al., 2025).

Iran lags behind all these countries. It has neither an integrated system, nor specialised customs courts, nor a single intelligence centre. Nevertheless, these experiences show that reform is possible. The first step is a candid acknowledgement of weaknesses and the abandonment of a purely security-oriented mindset. The second step is targeted investment in technology and training. The third step is procedural transparency and a serious fight against corruption. The short-term cost of these reforms is high, but in the long term, it will be offset by reduced smuggling and increased customs revenues.

8. Conclusion

The analysis of judicial and executive policy in dealing with goods and currency smuggling through official channels reveals a pattern of structural and procedural inefficiency. In the judicial sphere, the main challenges are the multiplicity of authorities, de-specialisation, subtle shifting of the burden of proof in ways that undermine the presumption of innocence, procedural delay, and inconsistent judgments. In the executive sphere, the principal obstacles are weak inter-agency coordination, the lack of integrated goods-tracking systems, insufficient officer training, and, most importantly, systematic corruption. Kariri, Zia, and Akbari conclude that improving the law requires strengthening preventive policies through public education, economic transparency, and the upgrading of oversight infrastructure. They also argue that revising the sanctions system to incorporate rehabilitative and restorative measures, together with enhancing inter-institutional coordination and simplifying executive procedures, is necessary to increase the law's effectiveness. Mirzaei, Kosha, and Shamlou similarly emphasise that only by achieving coherence in criminal policy and closing the gap between legislation and enforcement can a sustainable reduction in smuggling and improvement in the health of the national trade system be achieved (Kariri et al., 2025; Mirzaei et al., 2025).

These two spheres, instead of reinforcing each other, sometimes enter into conflict. The executive demands speed and decisiveness; the judiciary is required to

respect procedural formalities and protect defendants' rights. This conflict becomes entrenched when there is no mechanism for feedback or institutional dialogue. The final outcome is the persistence of high-volume smuggling and the relative failure of existing policies.

To escape this situation, a set of policy recommendations is proposed in five areas:

A) Reform of the Judicial Structure:

1. Establish specialised customs-economic courts staffed by judges trained in international trade, customs law, currency and banking regulation, and economic criminology. These courts should have specialised appellate chambers, and a legal time limit should be set for their proceedings.
2. Develop and issue judicial guidelines for smuggling offences through the Supreme Court. These guidelines should clarify the indicators of organised smuggling, the criteria for determining the severity of punishment, the handling of presumptions of guilt, and the allocation of the burden of proof. Court chambers should be required to follow them.
3. Revise legal provisions concerning presumptions of guilt and the shifting of the burden of proof. Specifically, in cases where the value of smuggled goods is below a certain threshold, such as one billion tomans, and the accused has no significant criminal record, the burden of proof should remain on the prosecutor, and any presumption of guilt should be interpreted in favour of the accused.
4. Reduce the use of pre-trial detention in smuggling cases and replace it with security measures proportionate to the accused's financial means, including bail, surety, or a promise to appear. Pre-trial detention should be permitted only for dangerous defendants or those with a final conviction for organised smuggling.

B) Reform of the Executive Structure:

1. Fully connect, in real time, the Comprehensive Customs System, the Taxpayer System, the Central Bank System, and the Smuggling Cases System within one year. Any disruption or outage exceeding four hours must be reported to the Parliament's Article 90 Commission, and the responsible agency should be held liable for damages.
2. Launch an integrated goods-tracking system from origin to destination using unique tracking codes and mandatory electronic invoices for all transactions above a specified threshold, such as 50 million tomans. This system must be connected online to the customs and tax systems.
3. Establish a National Trade and Customs Information Centre to aggregate, analyse, and intelligently distribute smuggling-related data. This centre should operate independently of executive bodies and directly under the Anti-Smuggling Headquarters. Implementing customs risk management should be one of its principal tasks.
4. Provide mandatory periodic training for customs, police, and intelligence officers, focusing on modern smuggling detection methods, including data-based and AI-driven detection, professional ethics, and anti-corruption measures. Passing the final examination should be a condition for continued service.

C) Combating Corruption:

1. Establish radically transparent customs procedures by gradually eliminating human intervention through the automated release of low-risk goods, installing surveillance cameras in all customs premises with recording and archiving for at least one year, and requiring all communications and decisions to be recorded in a transparent system.
2. Provide judicial and employment protection for whistleblowers who report corruption. The corruption reporting system must guarantee the anonymity of the reporter, prompt follow-up, and protection against retaliation.
3. Establish a special prosecutor's office for customs corruption with authority to independently prosecute officers at any rank. Punishments for corrupt officers should include long-term imprisonment, heavy fines proportionate to the value of bribes received, and permanent disqualification from public service. The experience of the special courts for

economic corruption, despite its uneven record, can serve as a model for this prosecutor's office.

D) Public Participation and Awareness-Raising:

1. Design and implement nationwide awareness campaigns on the harmful effects of smuggling through state television, social media, billboards, and school programmes. The content of these campaigns should be evidence-based and adapted to the culture of border regions.
2. Strengthen citizen reporting systems, such as 124 and 096300, by guaranteeing follow-up and providing feedback to reporters. It is proposed that informants whose reports lead to the seizure of major smuggling shipments receive a financial reward, calculated as a percentage of the value of the seized goods.

E) Structural Economic Reforms:

1. Reduce the gap between the official exchange rate and the free-market exchange rate as a fundamental measure. As long as this gap persists, no criminal law will succeed. This reduction requires reforming currency policies, managing liquidity, and increasing non-oil exports. The formation of the special panel for prosecuting currency crimes in December 2025 was a positive step in this direction, but criminal prosecution alone, without structural reforms, cannot produce transformative results.
2. Replace price controls that create incentives for reverse smuggling with targeted distribution of subsidies and essential goods. In other words, rather than selling petrol cheaply and hoping that it will not be smuggled, it is preferable to provide cash subsidies to individuals and raise petrol prices closer to regional market levels. Facilitating the import of essential goods by border provinces in exchange for the export of non-oil goods, as reflected in the January 2026 regulation, may also be useful in this direction, but it requires careful oversight to prevent abuse.

Finally, it must be emphasised that none of these recommendations can, by itself, produce a complete solution. Smuggling is a multi-causal phenomenon, and curbing it requires a comprehensive, long-term, and evidence-based approach. Judicial and executive policies constitute only two sides of this triangle. The third side, macroeconomic and trade policy, has not been examined in detail here. Without reforming that side, even the best laws and judicial-executive practices will face relative failure. Yet even this relative failure can, over time, impose enormous costs on the economy and society. The time has come to move beyond piecemeal and dramatic reactions toward a coherent, transparent, and intelligent system for combating smuggling.

Authors' Contributions

Authors contributed equally to this article.

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In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

Transparency Statement

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