

NETeller leaves Israeli online gambling market

Neteller announced this week it will be changing its services in the Israeli market. The company will no longer be processing online gambling transactions from residents of Israel.

„Recent legal developments have increased the uncertainty regarding the legality around certain activities related to online gambling in the Israeli market,“ the company said in a press release. „The company has therefore concluded that the group will no longer process transfers related to online gambling sites on behalf of Israeli resident customers.“

In late June, a Tel Aviv court upheld a lower court ruling that said gambling Web sites targeting Israelis are breaking the law, even if the sites are run and registered abroad.

The original ruling was made in a case against Victor Chandler CEO Michael Carlton in January 2007.

Carlton is a British citizen who lives in Gibraltar, but his online gambling site was determined to be illegally targeting Israel residents.

The judge in the case ruled that the company was violating laws banning the advertising of illegal gambling and was specifically targeting Israeli users with Hebrew-language content and the option to bet on Israeli sports teams. The court in Tel Aviv upheld that ruling, solidifying the nation's stance on online gambling in Israel.

Now NETeller is limiting its services for Israel residents in the same way it does for US residents after the Unlawful Internet Gambling Enforcement Act was passed there.

The changes it will make are:

Neteller will cease processing transfers to online gambling merchants for Israel-resident customers with effect from July 19. It will cease processing transfers from online gambling merchants to Israel-resident customers within two weeks, effective from July 31.

Israeli customers will still be able to use their NETeller accounts for any non-gambling related money transfers and withdrawals, and local funding options for their accounts will continue to be available.

„Customers located in other parts of the world are not affected by this change, and Neteller continues to service these customers in a normal manner,“ the company said. „The Israeli business of the group does not represent a material proportion of the group’s overall customer base, revenue or profitability.“