

# The Criminal Nature of Online Lottery in Iranian Law: From Electronic Gambling to Modern Fraud

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## Abstract

The growth of modern communication technologies and the expansion of the internet have created the conditions for new forms of lottery and gambling, among which “online lottery” is one of the most prominent. This phenomenon, due to its dual nature, lies at the intersection of electronic gambling and modern fraud and has caused serious challenges in Iran’s criminal law system. On one hand, many instances of online lottery can be interpreted as gambling offenses, which have been explicitly criminalized under Iranian penal provisions; on the other hand, the advertising structure and deceptive methods used to lure participants make it similar to internet fraud. In this article, the concept and dimensions of the online lottery are first explained, followed by an examination of its legal status under Iranian law. Additionally, through a comparative study of the criminal policies of other countries and an analysis of existing legislative gaps, the research attempts to provide a clear framework for determining the criminal nature of this phenomenon. The primary aim of the study is to answer whether the current criminal law of Iran can effectively identify and address online lotteries or if there is a need for reform and new legislation. The research method is descriptive-analytical, relying on library resources and both domestic and international legislative documents.

**Keywords:** online lottery; electronic gambling; modern fraud; cybercrime

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## 1. Introduction

The phenomenon of the “online lottery” has emerged over the past two decades as one of the modern manifestations of chance-based gaming and gambling in cyberspace. The expansion of the internet and social networks has provided an appropriate platform for such activities, enabling users to be drawn in by extensive advertising and enticing promises of substantial prizes (King et al., 2020). In Iran, along with increased access to the internet and the spread of applications and online platforms, online lotteries have proliferated both covertly and, at times, openly, causing considerable financial harm to citizens in numerous instances (Rahimi, 2019). From a criminological perspective, the significance of studying this phenomenon can be analyzed in two dimensions: first, the rising social risks, including the spread of gambling culture and the

psychological harms resulting from addiction to games of chance; and second, the emergence of new forms of fraud conducted through virtual advertising and the use of electronic tools (Gainsbury et al., 2015). From a criminal law standpoint, online lottery not only constitutes a clear violation of the explicit prohibition of gambling under the Islamic Penal Code but also overlaps with fraud due to its use of deceptive tactics and the manipulation of participants (Sadeghi, 2021). This dual nature has rendered the legal position of online lotteries ambiguous in Iran's penal system.

Online lotteries differ substantially from other internet-based games. Unlike online sports betting, which is often based on skill or prediction, lotteries rely purely on chance. While similar in some ways to "online gambling," lotteries are organized primarily through raffle systems and are frequently accompanied by misleading advertising (Philander, 2011). Compared with "traditional lotteries," the online version poses greater fraud risks due to the absence of official oversight and the use of anonymous platforms. The central research question of this study is: what is the criminal nature of the online lottery in Iranian law, and can it be classified solely as gambling, or should it also be recognized as a form of modern fraud? The study hypothesizes that the online lottery has a dual character, often matching the elements of both gambling and fraud. However, current criminal law regulations in Iran are inadequate to address this phenomenon effectively and require reform or the development of specialized legislation (Rahimi, 2020). The methodology is descriptive–analytical, meaning that it first explains the concepts and legal dimensions of online lotteries using library sources and both domestic and international legislative documents, followed by comparative legal analysis to clarify the challenges and potential solutions for Iran's criminal justice system.

## 2. Materials and Methods

This study employs a descriptive–analytical method and uses library sources to draft the article.

## 3. Literature Review and Theoretical Foundations of Online Lottery

### 3.1. Definition and Constituent Elements of Online Lottery

The online lottery is a relatively new phenomenon in cyberspace that leverages online platforms and social networks to attract a wide range of participants at national and international levels. It can be defined as an activity based on the payment of money or its equivalent in return for entry into a prize draw. In other words, it is a combination of financial contribution, chance, and the promise of reward, distinguishing it from other internet games and entertainment (Smith, 2021).

From a legal perspective, three essential elements characterize an online lottery. The first is payment or entrance fee: without payment, the lottery process does not materialize, distinguishing it from free online games. The second is chance, which solely determines the winner, unlike betting or gambling where skill might play a role. The third is the prize, either financial or non-financial, serving as the primary motivation for participants (Walker & Barnes, 2019). These elements have led many jurisdictions to regulate online lotteries under gambling and games of chance. However, some legal systems differentiate lotteries from other gambling activities, particularly regarding the dominant role of chance in determining the outcome (Legrand, 2018). In Iran, while there is no explicit statute on online lotteries, the general rules regarding gambling and games of chance can be applied to analyze this phenomenon under existing religious and legal prohibitions (Shirazi, 2018).

### 3.2. Distinction Between Online Lottery, Traditional Gambling, and Video Games

Although the online lottery may superficially resemble traditional gambling and online games, there are fundamental conceptual and legal differences. First, in traditional gambling, two or more parties usually wager money or property, and the outcome depends directly on skill or a combination of skill and chance. In contrast, online lotteries are primarily based on paying an entry fee and relying exclusively on chance, without direct competition among participants (Smith, 2021). Consequently, lotteries are better described as collective activities with a raffle-based structure rather than individual competitive games.

Another difference concerns economic structure. In traditional gambling, winners' profits come from losers' losses, whereas in online lotteries, the organizer usually acts as an intermediary and funds the prizes from accumulated entry fees or sponsorship, making the structure closer to chance-based prize draws rather than traditional gambling (Walker & Barnes, 2019).

Additionally, online lotteries differ from video games. Video games are primarily designed for entertainment and rely on skill, creativity, or strategy, while chance and financial contribution are not central components. Even in paid online games, payments are typically for access to additional features rather than entry into a draw. In online lotteries, by contrast, the chance element and the promised reward are fundamental, making them a distinct phenomenon requiring specialized legal and criminological frameworks (Griffiths, 2020).

### 3.3. Position of Lottery in Islamic Jurisprudence

In Islamic jurisprudence, activities such as gambling (*qimār*), *maysir*, and games of chance have traditionally been considered void transactions and religiously prohibited. Qur'anic verses and classical interpretations affirm the prohibition of *maysir*, including verse 90 of Surah al-Mā'idah, which describes it as "the work of Satan." Scholars have broadly interpreted *maysir* to include any transaction based on chance and unjust enrichment (Tabatabaei, 1997).

Jurisprudential definitions often describe gambling as playing with specific instruments and involving direct competition and financial stakes (Najafi, 1981). However, lotteries and chance-based draws differ structurally: in a lottery, the participant pays to enter a random draw, and the outcome depends solely on chance. Thus, many jurists classify it under *maysir* or as "consuming wealth unjustly." Modern Shi'a jurisprudence upholds this interpretation. For example, Imam Khomeini explicitly ruled that any transaction based on financial speculation without legitimate exchange is considered gambling and *maysir* (Khomeini, 1988). Other contemporary jurists, using principles such as "unjust enrichment" and the prohibition of *gharar* (excessive uncertainty), have also rejected lotteries based on payment and chance (Sistani, 2007). Therefore, from an Islamic legal perspective, online lotteries generally fall under prohibited *maysir*, providing a strong normative basis for legal regulation and criminal prohibition.

### 3.4. Analysis of "Electronic Gambling" in Light of Emerging Technologies

Electronic gambling is one of the most significant transformations of traditional gambling driven by the rise of the internet, mobile applications, and social media. It involves adapting classic gambling activities to the digital environment, enabling users to participate in chance-based games and monetary stakes through online payment gateways or cryptocurrencies (Gainsbury et al., 2015).

A key distinction of electronic gambling compared to traditional gambling is its transnational accessibility. Unlike physical casinos with limited geographic reach, the online environment enables anyone with internet access to participate. Moreover, user anonymity and modern payment methods hinder identification and enforcement by regulatory authorities (King & Delfabbro, 2018). From a criminal law standpoint, electronic gambling presents multiple challenges: (1) determining territorial jurisdiction is difficult when servers are hosted abroad while players participate globally; (2) new formats such as simulated games, online poker, or digital lotteries do not always fit neatly within traditional legal definitions; and (3) criminological implications, including internet addiction, money laundering, and related offenses, intensify the urgency of regulatory measures (Griffiths, 2017).

In sum, electronic gambling represents the digital redefinition of long-established gambling activities and requires rigorous legal and criminological analysis, particularly in jurisdictions like Iran where gambling is broadly prohibited and subject to strict criminal sanctions (Mousavi, 2017).

## 4. Iran's Criminal Law Framework on Online Lottery

### 4.1. Review of Relevant Criminal Laws

In Iran's criminal law system, online lotteries can be analyzed through several key legal instruments: the Islamic Penal Code, the Computer Crimes Act, and the Electronic Commerce Act.

First, under the Islamic Penal Code (adopted 2013), any activity involving monetary payment and based on chance is considered gambling or games of chance and is punishable by imprisonment and fines. Article 708 explicitly prohibits gambling and similar games and encompasses both traditional and modern forms (Rahimi, 2020).

Second, the Computer Crimes Act (adopted 2009) provides the legal foundation for combating internet-based crimes. This Act defines offenses such as hacking, phishing, and online fraud, and allows the prosecution of those using network infrastructures to organize gambling and lotteries. In particular, Article 2 criminalizes unauthorized use of data and computer systems to deceive users, a provision that can apply to online lotteries (Griffiths, 2020).

Third, the Electronic Commerce Act (adopted 2003) regulates online transactions and contracts, invalidating any commercial activity based on chance and payment without a real and lawful obligation. This law also imposes obligations to provide transparent information and accountability for electronic service providers, offering a legal basis to act against misleading online lottery advertising (Jafari, 2018).

Although the existing legislation allows for the prosecution of online lotteries, there are notable gaps: no explicit statutory definition of online lottery, the absence of specialized supervisory mechanisms, and technical difficulties in identifying perpetrators in cyberspace. These limitations highlight the need for drafting specific regulations or amending current laws to fully address this emerging phenomenon (Sadeghi, 2021).

### 4.2. Analysis of Article 708 of the Islamic Penal Code (Gambling Offense) and Its Applicability to Online Lotteries

Article 708 of the Islamic Penal Code criminalizes gambling and imposes imprisonment and fines on offenders. It states that any game or activity in which money or property is staked and the outcome depends solely on chance constitutes gambling (Rahimi, 2019). Traditionally, this definition included physical games, betting, and conventional lotteries. However, with the advent of new technologies and the internet, its scope can extend to online activities.

Online lotteries possess the essential elements of gambling: (1) participants pay a sum to enter; (2) the outcome is determined solely by chance or random draws; and (3) prizes or financial benefits are awarded to winners. These elements align with Article 708, suggesting that online lotteries can be classified as gambling under Iranian law (Shirazi, 2018).

However, the main challenge in applying Article 708 to online lotteries lies in their virtual and cross-border nature. Servers, organizers, and users may be located in different countries or jurisdictions, complicating issues of territorial competence and proof (Gainsbury et al., 2015). Despite these challenges, the elements of Article 708 provide a strong legal foundation for prosecuting online lotteries. To enhance efficiency, it is recommended that supplementary regulations and specialized oversight mechanisms be developed.

### 4.3. Assessing the Applicability of Fraud to Online Lotteries

Article 1 of the Law on Intensifying Punishment for Bribery, Embezzlement, and Fraud defines fraud as acquiring another's property through deceit or trickery, punishable under criminal law (Smith, 2021). Comparative analysis shows that some online lotteries—especially those with misleading advertisements, vague promises of prizes, and non-transparent conditions—fit the legal definition of fraud.

In online lotteries, participants typically pay to join a draw, but transparency regarding the chances of winning, the source of the prize pool, and distribution mechanisms is often absent. This lack of clear information and use of enticing promises can constitute deceit or trickery. Moreover, in some cases, organizers may have no real intention of awarding prizes or may mismanage financial resources, directly satisfying the elements of fraud (Jafari, 2018).

Nevertheless, proving fraud in digital and cross-border contexts can be challenging. For example, servers may be hosted outside Iran, or organizers may hide their identities. These enforcement challenges highlight the need for dedicated rules and international cooperation. While some lotteries might merely be chance-based with no clear fraudulent intent, those involving misleading advertising and lack of transparency can be prosecuted as fraud under existing legal frameworks. Combining the analysis of Article 1 of the anti-fraud law with the characteristics of online lotteries provides a viable legal path for addressing this emerging threat (Mousavi, 2017).

#### 4.4. Evaluation of Other Related Offenses

Beyond gambling and fraud, online lotteries intersect with other criminal offenses under Iranian law, which are essential to a comprehensive understanding of the phenomenon.

First is the offense of unlawful acquisition of property. From a criminological perspective, obtaining wealth without legal justification—even if seemingly legitimate—constitutes this offense. In online lotteries where participants pay but no actual prize is provided, or deceptive advertising is used to induce payment, the received funds can qualify as unlawfully acquired property (Mousavi, 2017).

Second is money laundering. Online lotteries, particularly those operating without legal oversight, can serve as channels for transferring funds and concealing their origins. Illicit proceeds or user payments can be funneled through these systems into legitimate financial cycles, directly linking the activity to money laundering (Karimi, 2019). The lack of monitoring tools and robust financial controls in cyberspace intensifies this risk (Smith & Jones, 2019).

Third is unauthorized and deceptive advertising. Providing unclear promises, manipulative marketing, and concealing real information about prizes and odds of winning can constitute the crime of misleading advertising. Studies show that deceptive promotions play a key role in attracting participants and generating revenue for online lotteries, a practice criminalized under Iranian law (Jafari, 2018).

Taken together, these associated offenses demonstrate that online lottery is not merely a chance-based activity but a multifaceted legal issue with numerous grounds for criminal prosecution. Identifying these related crimes underscores the necessity of developing specific regulations and implementing specialized oversight frameworks (Sadeghi, 2021).

## 5. The Dual Criminal Nature of Online Lotteries: From Gambling to Modern Fraud

In this section, the dual criminal nature of online lotteries is explained.

### 5.1. Dual Analysis of “Electronic Gambling” and “Internet Fraud”

The online lottery is an emerging phenomenon that, due to its combination of gambling features and the use of modern technologies, has a dual criminal nature. On the one hand, it is based on chance and participants’ monetary payments and, in the traditional view, constitutes gambling and a game of chance. Under Article 705 of the Islamic Penal Code, any activity whose outcome depends on chance and is accompanied by a monetary stake is deemed gambling and is criminally punishable. In an online lottery, the participant pays an entry amount to join the drawing, and the winner is selected by chance; therefore, both the material and mental elements of gambling are clearly present. On the other hand, an online lottery can also constitute modern fraud. When organizers use deceptive advertising, vague prize promises, and non-transparency in prize allocation to induce users to pay, the element of deceit—under Article 1 of the Law on Intensifying Punishment for Bribery, Embezzlement, and Fraud—is satisfied. In such cases, the activity is not merely chance-based but involves malicious intent and unlawful appropriation of others’ property. The digital and cross-border nature of online lotteries creates enforcement challenges for both the gambling and fraud dimensions: identifying perpetrators, determining jurisdiction, and gathering evidence to prove the offense are among the principal obstacles (Gainsbury et al., 2015). Nevertheless, a precise element-by-element analysis and alignment with existing legislation show that lawmakers possess a viable basis to prosecute these activities, provided appropriate enforcement and supervisory frameworks are in place. Consequently, the dual criminal nature of online lotteries not only underscores the need to scrutinize existing laws but also highlights the importance of enacting supplementary

regulations and specialized bylaws to comprehensively cover this emerging phenomenon, emphasizing a comparative analysis between electronic gambling and internet fraud (Sadeghi, 2021; Tavakoli, 2020).

### 5.2. *Conditions for Each Offense and Their Distinguishing Boundaries*

A legal analysis of online lotteries shows that this phenomenon occupies a space in which the conditions for electronic gambling and internet fraud, as well as their distinguishing boundaries, are clearly delineated. First, with respect to electronic gambling: under Articles 705 and 706 of the Islamic Penal Code, three principal elements establish the gambling offense: (1) payment of money or property by the participant, (2) an outcome determined by chance, and (3) the possibility of financial gain or loss. In online lotteries, a fixed payment by users, random drawing, and the award of monetary prizes satisfy all three elements. Within this framework, the organizer's deceitful intent is unnecessary; the offense is realized solely by the presence of chance and financial stakes (Shirazi, 2018).

By contrast, internet fraud is constituted by three different pillars: (1) the presence of deceit or trickery, (2) malicious intent to obtain unlawful gain, and (3) the transfer or acquisition of another's property by means of deception. In online lotteries, when manipulative advertising, unrealistic prize promises, and non-transparent allocation methods are present, the element of deceit is established, inducing the participant to enter the process under a misapprehension. In this scenario, the organizer's fraudulent intent and the victim's financial loss are essential components of the offense (Jafari, 2018; Smith, 2021).

Another crucial distinguishing boundary concerns the participant's voluntary and informed consent. In electronic gambling, the participant knowingly assumes risk and chance, and the element of deceit typically does not exist. In internet fraud, the participant is misled by false information, and genuine consent to pay is vitiated. Moreover, electronic gambling generally has an entertainment character, whereas internet fraud is marked by an overtly exploitative economic purpose. In short, accurately identifying the elements and distinguishing boundaries of these two offenses not only enables the proper legal classification of online lottery practices but also guides regulatory and enforcement strategies for lawmakers and the judiciary, underscoring the need for specialized rules for cyberspace (Griffiths, 2020; King et al., 2020).

### 5.3. *Review of Iranian Judicial Practice in Addressing Online Lotteries*

As a novel cyberspace phenomenon, the online lottery has drawn the attention of Iranian judicial authorities. Although existing criminal laws allow prosecution, judicial practice has confronted notable challenges. One of the most important issues in cases involving online lotteries is identifying perpetrators and determining jurisdiction. Many websites hosting such lotteries are based abroad, and users may participate from various regions, complicating the determination of the locus delicti and the application of national laws. In some cases, courts—relying on Articles 705, 706, and 708 of the Islamic Penal Code—have criminalized chance-based, fee-taking activities and imposed short-term imprisonment and fines on defendants. In other cases featuring deceptive characteristics and misleading advertising, courts have invoked Article 1 of the Law on Intensifying Punishment for Bribery, Embezzlement, and Fraud to impose penalties for internet fraud. In these matters, the elements of deceit and the intent to obtain others' property have been decisive, with the assessment of financial loss and proof of user deception bearing particular weight (Rahimi, 2019). Overall, Iranian judicial practice reflects efforts to align traditional legal provisions with modern internet offenses, even though the absence of specialized guidelines and regulations has led to issues such as delays and evidentiary constraints. This practical experience underscores the necessity of enacting special regulations, developing supervisory mechanisms, and training judges in information-technology crimes, while encouraging comparative analysis with international practice to enhance legal clarity and protect users' rights (Meyer, 2018; Walker & Barnes, 2019).

### 5.4. *Critique and Assessment: Sufficiency of Current Criminalization or Need for Reform*

An examination of the dual criminal nature of online lotteries and Iranian judicial practice indicates that existing criminalization under the Islamic Penal Code and the Law on Intensifying Punishment for Bribery, Embezzlement, and Fraud has, to some extent, covered activities associated with this emerging phenomenon (Shirazi, 2018; Tavakoli, 2020). However, comparative analysis and practical experience reveal several serious limitations that reduce the effectiveness of current laws.

First, there is ambiguity regarding the inclusion of internet-based and cross-border activities. Existing laws are primarily oriented toward traditional, domestic conduct and do not provide clear rules for websites hosted abroad or for users dispersed across multiple jurisdictions, making perpetrator identification and jurisdictional determinations difficult and limiting prosecutorial reach (Rahimi, 2020).

Second, there is no precise differentiation between gambling and modern fraud. Although Article 708 of the Islamic Penal Code and Article 1 of the anti-fraud law set out the offense elements, in practice the boundaries between electronic gambling, lawful prize draws, and fraud remain blurred and require operational bylaws and guidance (Legrand, 2018; Rahimi, 2019).

Third, specialized preventive and supervisory measures are lacking. The current framework is predominantly punitive and does not sufficiently incorporate control tools, transparency obligations, and user information requirements. These gaps heighten the risk of abuse and diminish deterrent effects (Jafari, 2018; King & Delfabbro, 2018).

Therefore, while the existing criminalization addresses some needs, it is insufficient. There is a clear necessity to amend laws, promulgate specialized cyber-specific regulations, issue executive guidelines, and strengthen international cooperation to address foreign-hosted websites and cross-border conduct. In addition, targeted training for judges and supervisory bodies in cybercrime and the development of precise criteria to distinguish electronic gambling from fraud would enhance regulatory effectiveness. In sum, legal reform and completion of the framework are essential to safeguarding users' rights and preventing financial abuse in the realm of online lotteries (Sadeghi, 2021; Smith, 2021).

## 6. Comparative Approaches

### 6.1. U.S. Criminal Policy Toward Online Lotteries

The United States, in response to the rapid growth of digital technologies and increasing internet gambling activities, has adopted a specific criminal policy toward online lotteries. This policy is a combination of federal and state regulations aimed at restricting illegal activities, protecting consumers, and preventing financial abuse. At the federal level, two key statutes exist: the **Federal Wire Act of 1961** and the **Unlawful Internet Gambling Enforcement Act (UIGEA) of 2006**. The Federal Wire Act prohibits the use of interstate communication lines or the internet for unlawful betting, providing the legal foundation for prosecution (Meyer, 2018). The UIGEA focuses on financial transactions connected to internet gambling and obliges financial institutions to block payments linked to unauthorized gambling activities, helping to reduce illegal cash flow (Smith & Jones, 2019).

At the state level, policies vary. States such as New Jersey, Pennsylvania, and Delaware permit licensed online gambling and lotteries and have clear legal frameworks for licensing, monitoring, and controlling transactions. These states also impose preventive mechanisms such as age restrictions, transparency obligations, and advertising oversight (Walker, 2020). U.S. criminal policy additionally addresses cross-border challenges and foreign websites. Lawmakers use cooperation with financial institutions, sanctions against foreign sites, and online transaction tracking systems to maintain control over illegal activities. In summary, the U.S. approach combines criminalization, financial supervision, and state-level controls to prevent abuse, protect consumers, and ensure transparency, offering valuable comparative insights for Iran (Smith & Jones, 2019).

### 6.2. EU Criminal Policy Toward Online Lotteries

In the European Union (EU) and advanced jurisdictions such as the United Kingdom, France, and Germany, criminal policy toward online lotteries is shaped by a mix of national regulations, EU-level directives, and international standards. These policies aim to protect consumers, prevent illegal gambling, and ensure transactional transparency.

In the United Kingdom, the Gambling Act 2005 provides a comprehensive legal framework for all gambling forms, including online games and lotteries. It specifies licensing requirements, age restrictions, advertising transparency, and payment supervision while criminalizing unauthorized activities (Harris, 2017). The UK Gambling Commission acts as a powerful regulatory and licensing authority.

In France, policy is based on the Code de la sécurité intérieure and the Autorité Nationale des Jeux (ANJ). These provisions criminalize illegal operations while focusing on transaction transparency, anti-money-laundering, and fraud prevention. France applies a hybrid model combining internal operator compliance and direct government oversight (Legrand, 2018).

In Germany, both federal and state-level regulations apply. The State Treaty on Gambling (Glücksspielstaatsvertrag) sets out rules for online gambling and lotteries, emphasizing licensing, advertising controls, addiction prevention, and combating illegal activity (Schneider, 2019). EU-wide instruments, such as the 2014/17/EU Payment Services Directive and data protection frameworks, create shared oversight for online financial activities. Collectively, EU criminal policy balances prevention, control, and sanctions to protect users and fight illicit finance, offering a strong comparative model.

### 6.3. *Experience of Islamic Countries*

Islamic countries such as Egypt, Malaysia, and Turkey combine Islamic Sharia principles with modern criminal and cybercrime laws to regulate online lotteries.

In Egypt, gambling and online lotteries are broadly prohibited. Article 114 of the Egyptian Penal Code criminalizes gambling-related activities, and the 2003 Cybercrime Law provides tools to prosecute websites and operators in the digital sphere. Enforcement focuses on blocking foreign sites, financial crime control, and collaboration with banks (El-Gamal, 2018).

In Malaysia, criminal policy is based on the Gambling Act 1953 and the Computer Crimes and Cybersecurity Act 1997. While illegal activities are criminalized, Malaysia grants limited licensing for certain online games under strict conditions and emphasizes monitoring financial flows and anti-money laundering efforts (Rahman, 2019).

In Turkey, the 2004 Penal Code (Law No. 5237) and specific gambling and lottery regulations criminalize unlicensed online operations. Turkey supplements criminalization with preventive measures such as access restrictions, advertising control, and banking transaction surveillance (Kara, 2020). These models show how Islamic countries integrate religious values with modern technological tools to address online gambling and lotteries, prioritizing prevention, user awareness, and cooperation with financial institutions.

### 6.4. *Applying Comparative Insights to Iran's Criminal Policy*

The comparative experiences of various countries offer valuable frameworks for reforming and strengthening Iran's legal response to online lotteries. The rapid development of digital technologies and the rise of online gambling require more than punitive approaches; a combination of precise criminalization, financial monitoring, and preventive strategies is more effective.

The U.S. model demonstrates that combining criminal statutes with financial transaction oversight and cooperation with banks can significantly curb illegal online lotteries (Meyer, 2018; Smith & Jones, 2019). Iran could adopt similar financial monitoring mechanisms to disrupt cash flows supporting illegal platforms.

The EU experience, particularly in the UK, France, and Germany, highlights the value of controlled licensing, robust supervision, and user education (Harris, 2017; Legrand, 2018). Iran can complement criminalization with preventive regulations, transparent user information, and regulator training.

Islamic countries such as Egypt, Malaysia, and Turkey show how integrating Sharia-based principles with modern legal instruments and technology can yield culturally aligned, enforceable solutions (El-Gamal, 2018; Rahman, 2019). Iran can maintain its religious and legal values while adopting modern oversight technologies and cross-sector collaboration.

Overall, Iran can build a balanced and operational legal framework by combining precise criminal definitions, financial surveillance, user education, limited licensing where appropriate, and coordination among judicial and financial authorities. This integrated policy would better protect consumers, reduce social harm from online lotteries, and ensure robust enforcement in cyberspace (Sadeghi, 2021; Tavakoli, 2020).

## 7. **Challenges and Consequences of Criminalizing or Not Criminalizing Online Lotteries**

The decision to criminalize or not criminalize online lotteries in Iranian law is associated with a wide range of challenges and consequences from criminological, legal, and social perspectives.

From a criminological perspective, the rapid development of digital technologies and easy access to the internet have turned online lotteries into a platform that facilitates the growth of cybercrime. Users can be deceived by enticing promises and manipulative advertising, exposing them to significant economic losses. Additionally, the lack of adequate awareness about the legal and financial risks involved increases the number of potential victims and expands the illegal online lottery market (Sadeghi, 2021).

From a legal perspective, the criminalization or non-criminalization of online lotteries raises issues related to individual freedoms. Determining the legal boundaries of liability and punishment becomes difficult, especially when online activities exist in a gray area between entertainment, betting, and gambling. Another critical issue is jurisdictional competence in cyberspace; since users, servers, and service providers may be located in different legal domains, identifying the competent judicial authority for prosecution becomes a complex challenge (Rahimi, 2020).

From a social and ethical perspective, failure to criminalize or inadequate criminalization could lead to the spread of gambling culture and reduce societal sensitivity toward its moral and financial consequences. It could also threaten family stability by creating financial disputes and psychological problems among family members, with youth being the most vulnerable group targeted by these services (Karimi, 2019). Increased exposure of adolescents to online lottery content risks fostering financially and ethically hazardous behaviors, potentially shaping future delinquency patterns.

In general, timely and appropriate criminalization of online lotteries can mitigate some of these challenges. In contrast, non-criminalization or ineffective legislation increases financial and social harms, undermines public order, and threatens moral values. This reality underscores the urgent need for legal reform, effective supervisory frameworks, and preventive educational measures for users and families to minimize the risks associated with this phenomenon (Jafari, 2018; Smith, 2021).

## 8. Conclusion

A comprehensive examination of the online lottery phenomenon and its position within Iranian criminal law shows that this subject can be analyzed from legal, criminological, and social perspectives.

At the legal level, existing laws—including the Islamic Penal Code, the Computer Crimes Act, and the Electronic Commerce Act—provide a general framework for combating offenses related to gambling and fraud. However, they present serious gaps and limitations regarding new forms of internet-based activities. While the Islamic Penal Code criminalizes gambling and the Law on Intensifying Punishment for Bribery, Embezzlement, and Fraud allows some online lottery activities to be classified as fraud, there is no clear legal distinction between online gambling and internet fraud. Additionally, other related offenses such as unlawful acquisition of property, money laundering, and deceptive advertising are addressed sporadically without an integrated, comprehensive framework to cover all dimensions of the issue.

From a criminological perspective, online lotteries contribute to the growth of cybercrime, deception of users, and widespread financial harm. Comparative studies show that advanced jurisdictions have successfully mitigated the negative effects of this phenomenon by combining criminalization with financial transaction controls, limited licensing, and supervision of service providers. Similarly, Islamic countries have adopted effective approaches by integrating religious norms with modern criminal law to align with social values and prevent harm.

The social and ethical consequences of online lotteries are also significant. The spread of gambling culture, the threat to family stability, and the vulnerability of youth—who form the largest consumer group—are direct risks of unregulated online lottery activities.

Therefore, Iran's criminal policy requires a comprehensive and multi-layered approach that combines precise criminalization with preventive, educational, and cultural measures. The study concludes that online lotteries possess a dual criminal nature: they can constitute both electronic gambling and internet fraud. Accurately distinguishing between these two aspects is essential for drafting effective laws, reducing judicial uncertainty, and preventing financial exploitation. International experience demonstrates that combining criminal regulation with financial monitoring and preventive measures is the most effective strategy to limit harm and control illegal activity.

Recommendations for the future include:

- a. Amending Iran's criminal laws on online lottery-related offenses to close current gaps and comprehensively cover gambling, fraud, and other associated crimes.

b. Clearly differentiating between the offenses of internet gambling and internet fraud in legislation to ensure coherent judicial handling and reduce confusion among judges and enforcement bodies.

c. Establishing specific regulations for online games of chance, including detailed legal conditions, licensing frameworks, age restrictions, and transaction transparency, to ensure proper control and prevent financial abuse.

d. Emphasizing preventive and cultural strategies, such as user education, public awareness on financial and ethical risks, advertising control, and promoting social values to reduce harm and guide user behavior responsibly.

Ultimately, Iran's future criminal policy regarding online lotteries should be comprehensive, balanced, and preventive. By leveraging comparative experiences and modern legal approaches, the country can both protect user interests and minimize social and economic harm, creating a safe and transparent environment for lawful online entertainment and activities.

## Ethical Considerations

All procedures performed in this study were under the ethical standards.

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## Conflict of Interest

The authors report no conflict of interest.

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