

MER TELEMAGEMENT SOLUTIONS LTD  
Form 424B3  
October 28, 2005

Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-128225

PROSPECTUS

MER TELEMAGEMENT SOLUTIONS LTD.

1,349,500 ORDINARY SHARES

This prospectus relates to up to 1,349,500 ordinary shares that the selling shareholders named in this prospectus or their transferees may offer from time to time. Of the ordinary shares offered hereby, (i) 937,500 ordinary shares were issued to certain of the selling shareholders, and 375,000 ordinary shares are issuable upon the exercise of warrants that were issued to them, pursuant to a securities purchase agreement dated as of August 10, 2005; and (ii) 37,000 ordinary shares are issuable upon exercise of a warrant issued to Mr. Avraham Ziv on August 3, 2005 in connection with financial services he has provided to our company. We are registering the ordinary shares for disposition by the selling shareholders pursuant to commitments with the selling shareholders. The registration of the ordinary shares does not necessarily mean that the selling shareholders or their transferees will offer or sell their shares.

We will not receive any of the proceeds from the sale by the selling shareholders of the ordinary shares offered by this prospectus, and will bear all expenses in connection with the preparation of this prospectus.

Our ordinary shares are listed for trading on the NASDAQ Capital Market under the symbol "MTSL." On October 27, 2005, the closing price of our ordinary shares on the NASDAQ Capital Market was \$3.46.

See "Risk Factors" beginning on page 6 to read about factors you should consider before buying the ordinary shares of our company.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated October 28, 2005

TABLE OF CONTENTS

Notice Regarding Forward-Looking Statements.....	3
Prospectus Summary.....	4
Risk Factors.....	6
Capitalization And Indebtedness.....	18
Reasons For The Offer And Use Of Proceeds.....	19
Market Price Data.....	19
Selling Shareholders.....	20
Offer Statistics, Expected Time Table And Plan Of Distribution.....	23
Expenses Associated With The Registration.....	25
Foreign Exchange Controls And Other Limitations.....	26
Experts.....	26
Legal Matters.....	27
Material Changes.....	27
Where You Can Best Find More Information; Incorporation Of Certain Information By Reference.....	27
Enforceability Of Civil Liabilities.....	29

When you are deciding whether to purchase the ordinary shares being offered by this prospectus, you should rely only on the information incorporated by reference or provided in this prospectus or any supplement. We have not authorized anyone to provide you with different information. We are not making any offer of the ordinary shares in any state where the offer is not permitted. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date on the front of those documents.

In this prospectus, "we," "us," "our," the "Company" and "Mer Telemanagement Solutions" refer to Mer Telemanagement Solutions Ltd., an Israeli company.

We are a "foreign private issuer" as defined in Rule 3b-4 under the Securities Exchange Act of 1934, or the Exchange Act. As a result, our proxy solicitations are not subject to the disclosure and procedural requirements of Regulation 14A under the Exchange Act and transactions in our equity securities by our officers and directors are exempt from Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements as frequently or as promptly as United States companies whose securities are registered under the Exchange Act.

We publish annually an annual report on our website containing financial statements that have been examined and reported on, with an opinion expressed by, a registered accounting firm. Our financial statements in U.S. dollars and in accordance with accounting principles generally accepted in the United States. All references to "dollars" or "\$" in this prospectus are to U.S. dollars, and all references to "shekels" or "NIS" are to New Israeli Shekels.

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This prospectus and the documents incorporated in it by reference contain forward-looking statements which involve known and unknown risks and uncertainties. We include this notice for the express purpose of permitting us to obtain the protections of the safe harbor provided by the Private Securities Litigation Reform Act of 1995 with respect to all such forward-looking statements. Examples of forward-looking statements include: projections of capital expenditures, competitive pressures, revenues, growth prospects, product development, financial resources and other financial matters. You can identify these and other forward-looking statements by the use of words such as "may," "will," "should," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "potential" or the negative of such terms, or other comparable terminology.

Our ability to predict the results of our operations or the effects of various events on our operating results is inherently uncertain. Therefore, we caution you to consider carefully the matters described under the caption "Risk Factors" and certain other matters discussed in this prospectus, the documents incorporated by reference in this prospectus, and other publicly available sources. Such factors and many other factors beyond the control of our management could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by the forward-looking statements.

3

### PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information about us, the ordinary shares that may be sold from time to time, and our financial statements and the notes to them, all of which appear elsewhere in this prospectus or in the documents incorporated by reference in this prospectus.

#### MER TELEMANAGEMENT SOLUTIONS LTD.

We were incorporated under the laws of the State of Israel in December 1995 and are a public limited liability company under the Israeli Companies Law 5739-1999 and operate under such law and associated legislation. Our registered offices and principal place of business are located at 22 Zarhin Street, Ra