

PROPOSED AMENDMENTS TO REGULATION 5

PURPOSE: In accordance with NRS 463.145, and 463.150, to amend Regulation 5.045 to require licensees or registrants subject to a compliance review and reporting system requirement to designate those individuals responsible for the anti-money laundering program and the marketing department and such individuals shall be subject to administrative approval; to create a new regulation to require certain compliance personnel to be found suitable or licensed; to create a new regulation to prohibit third-party business entities from funding a patron's wagering activities; to create a new regulation to deem anti-money laundering program compliance officers gaming employees; to amend regulation 5.055 to create reporting requirements to the Board when a licensee terminates or separates from service a gaming employee for reasons that include failure to comply with anti-money laundering policies and procedures; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

REGULATION 5

OPERATION OF GAMING ESTABLISHMENTS

(Draft Date: February 5, 2026)

New

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5.045 Compliance review and reporting system.

1. Whenever the Commission is acting upon an application for a license or registration, or pursuant to its powers provided in NRS 463.310, and if the Commission determines that special circumstances exist which require additional management review by a licensee or registrant, the Commission may impose a condition upon a license or order of registration to require implementation of a compliance review and reporting system by the licensee or registrant.

2. The terms of a condition imposed pursuant to subsection 1 may include, without limitation:

(a) That the condition expire on a certain date or after a designated period of time without further action by the Commission;

(b) That the condition may be administratively removed by the Board if a specified activity ceases or a specified event occurs; or

(c) That the Board conduct a periodic review, and upon such review, the Board may recommend and the Commission may remove or continue to require the condition.

3. Notwithstanding the provisions of subsection 2, upon application, a licensee or registrant may request modification or removal of a condition imposed and the Commission may, after considering the recommendation of the Board, modify or remove such condition.

4. A compliance review and reporting system required pursuant to a condition imposed pursuant to subsection 1 must be created for the purpose of monitoring activities relating to the continuing qualifications of the licensee or registrant under the provisions of the Nevada Gaming Control Act and regulations of the Commission in accordance with a written plan that must be approved administratively by the Board or as otherwise ordered by the Commission.

5. A written plan approved or ordered pursuant to subsection 4 must provide for the operation of the compliance review and reporting system and must designate those responsible for such system. The written plan must provide for the involvement of at least one person knowledgeable of the provisions of the Nevada Gaming Control Act and the regulations of the Commission. The written plan must require periodic reports to senior management of the licensee or registrant. Such reports are advisory, and the licensee or registrant shall maintain responsibility for compliance with the Nevada Gaming Control Act and regulations of the Commission. The licensee or registrant shall provide copies of the reports to the Board.

6. The written plan must set forth the activities to be monitored and must be determined by the circumstances applicable to the licensee or registrant. The activities required to be monitored pursuant to the

compliance review and reporting system may include, without limitation:

- (a) Associations with persons denied licensure or other related approvals by the Commission or who may be deemed unsuitable to be associated with a licensee or registrant;
- (b) Business practices or procedures that may constitute grounds for denial of a gaming license or registration;
- (c) Compliance with other special conditions that may be imposed by the Commission upon the licensee or registrant;
- (d) Review of reports submitted pursuant to the Nevada Gaming Control Act and regulations of the Commission;
- (e) Compliance with the laws, regulations, or orders of duly constituted governmental agencies or entities having jurisdiction over the gaming affairs, or such other business activities which the Board or the Commission may deem necessary or proper, of the licensee, registrant, or its affiliates, including, without limitation, the adoption and implementation of written policies and procedures prohibiting workplace discrimination or harassment of a person based on the person's race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin, including, without limitation, sexual harassment, pursuant to section 5.250; and
- (f) Review of such other activities determined by the Board or the Commission as being relevant to the continuing qualifications of the licensee or registrant under the provisions of the Nevada Gaming Control Act and the regulations of the Commission.

7. A licensee or registrant required to implement a compliance review and reporting system pursuant to subsection 1 shall:

- (a) Designate and identify a person with primary responsibility for oversight of the licensee's or registrant's anti-money laundering program if an anti-money laundering program is required pursuant to federal law, which shall be updated within 30 days of a change in such person.**

(b) Designate and identify a person with primary responsibility for oversight of the licensee's or registrant's player development functions, which shall be updated within 30 days of a change in such person.

↳ The licensee or registrant, as applicable, shall submit any information regarding such persons as requested by the Board Chair, or the Chair's designee, and such persons shall be subject to administrative review and approval as part of the administrative approval of the compliance review and reporting system.

5.046 Licensing of Person Responsible for Compliance.

1. Each licensee shall designate a person who is responsible for overseeing, establishing, and maintaining the licensee's overall compliance strategy and compliance framework. Such person is considered a key employee and is required to be licensed or found suitable, and shall file an application for licensure or finding of suitability, as applicable, within 30 days of assuming their responsibilities unless already licensed or found suitable.

2. Upon written request and good cause shown, the Board Chair may waive the requirements of this section. The Board Chair may condition, limit, or revoke a waiver granted under this subsection.

5.047 Business Entity Funding.

1. Except as otherwise provided herein, a licensee shall take all reasonable steps to ensure that no business entity directly funds the following patron wagering activities:

(a) Deposits into a patron's front money, safekeeping or wagering account;

(b) Payments on casino credit extended to a patron; or

(c) Issuance of cash or wagering instruments to a patron.

2. Subsection 1 does not include funds from the following:

(a) The patron's sole proprietorship;

(b) Another casino that is a business entity duly licensed or authorized by a governmental authority to allow gaming;

(c) Collection agency payments;

(d) A business entity contracted with the licensee for non-gaming goods or services;

(e) A financial institution where the licensee can determine that the funds were drawn from the patron's personal account held by the financial institution;

(f) A charitable organization providing funds for charitable gaming events;

(g) A business entity providing funds on behalf of entrants to a contest or tournament held on the licensee's premises; or

(h) A government or employer issued negotiable instrument.

5.048 Anti-Money Laundering Program Compliance Officers. Any person who has primary responsibility for overseeing a licensee's compliance with an anti-money laundering program required pursuant to federal law is deemed a gaming employee and subject to the provisions of NRS 463.335 through 463.337 unless already licensed or found suitable.

5.055 Reports of violations, [and] of felony convictions, and of gaming employees separated for failure to comply with anti-money laundering policies and procedures.

1. Within ten business days, [E]ach licensee and club venue operator, as relevant, shall [immediately] notify the Board's

enforcement division by telephone or, for reports pursuant to **[subsection] paragraphs** (b) and (c), by telephone or via email, of:

- (a) The discovery of any violation of chapter 465 of NRS;
- (b) The discovery of any suspected theft, larceny, embezzlement or other crime involving property, if such crime has been committed against a licensee or club venue operator or patron of a licensee or the club venue operator, or while on the premises of a licensee or club venue operator, by a gaming employee, a person required to be registered pursuant to Regulation 5.320 or 5.345, or any other person who has received an approval from the Commission, and the person allegedly committing the crime has been separated from employment or whose business relationship with the licensee or club venue operator has been terminated, regardless of whether such crime is a misdemeanor, gross misdemeanor or felony;
- (c) The discovery of any suspected unlawful possession, sale, or use of a controlled substance on the premises of the licensee or club venue operator if such possession, sale or use was committed by a gaming employee, a person required to be registered pursuant to Regulation 5.320 or 5.345, or any other person who has received an approval from the Commission, and the person allegedly committing the crime has been separated from employment or whose business relationship with the licensee or club venue operator has been terminated; and
- (d) Any suspected violation of any gaming law regarding which the licensee has notified the local police or sheriff.

2. Any person holding a license, registration, or finding of suitability who is convicted of a felony in this state or is convicted of an offense in another state or jurisdiction which would be a felony if committed in this state shall notify the Board's enforcement division in writing within 10 business days of such conviction.

3. A licensee that terminates or otherwise separates from service a gaming employee for intentional or willful violations of the licensee's anti-money laundering policies shall report to the Board's enforcement division of such separation within ten

business days and provide the name of the gaming employee, a description of the reasons for the separation, and any additional information requested by the Board Chair or the Chair's designee. For the purposes of this subsection, intentional or willful conduct is inferred where an employee engages in repeated and material AML violations after receiving notice, training, or corrective direction regarding the same or similar material deficiencies.