

PROPOSED AMENDMENTS TO
NEVADA GAMING COMMISSION REGULATIONS
1.137, 5.225, 5.230, 5.235, and 5.240

PROPOSED ADDITION OF SECTIONS 5.2305 AND 5.242 TO
NEVADA GAMING COMMISSION REGULATIONS

Draft Dated: 4/12/2022

PURPOSE STATEMENT: To amend the Nevada Gaming Commission (“NGC”) Regulations to provide for the use of cloud computing services by Nevada gaming licensees and to permit registered hosting centers to be located outside Nevada; To amend NGC Regulation 1.137 to remove the requirement that hosting centers be located in Nevada and to include associated equipment in the list of items that can be housed in a hosting center; To amend NGC Regulation 5.225(4)(a) to remove the requirement that the wagering accounts be located in Nevada; To amend NGC Regulation 5.230(1) to include associated equipment; To add a new section (NGC Regulation 5.2305) to implement limits and requirements relating to registered hosting centers located outside of Nevada, and providing a right to appeal; To amend NGC Regulation 5.235 to add a due diligence requirement for gaming licensee’s wanting to utilize a hosting center; To amend NGC Regulation 5.240(2) to provide definitions of “cloud computing services” and “cloud computing service provider” and to add “cloud computing service provider” to the definition of “service provider”; To amend NGC Regulation 5.240(3) and (5) to include cloud computing services and to clarify the exemption for licensed manufacturers and registered manufacturers of associated equipment from having to register as a service provider; To amend NGC Regulation 5.240(17) to clarify that the provision only applies to fees and taxes the service provider is required to pay under Chapter 463 of NRS; To add a new section (NGC Regulation 5.242) to provide the requirements specific to the utilization of cloud computing services, including, but not limited to location of equipment, approval process, security and other control requirements, waiver provision, right to appeal, and ongoing reporting requirements; To make various non-substantive amendments to conform with current regulation formatting standards; And to take such additional actions as may be necessary and proper to effectuate this stated purpose.

EFFECTIVE DATE: Effective upon adoption by the Nevada Gaming Commission.

EXPLANATION: Matter in *blue italics* is new material; matter between ~~red brackets with single strikethrough~~ is material to be omitted; matter in *green italics underlined* is additional new language proposed by the Nevada Gaming Control Board (Board); matter between ~~purple brackets underlined with single strikethrough~~ is additional existing material the Board proposes be omitted; matter between ~~orange brackets, italics, and underlined with a single strikethrough~~ is new material the Board proposes be omitted.

REGULATION 1

ISSUANCE OF REGULATIONS; CONSTRUCTION; DEFINITIONS

1.137 “Hosting center” defined. “Hosting center” means a facility ~~[located in the State of Nevada which]~~ *that* houses ~~[certain parts of computer systems or associated components of games, gaming devices, cashless wagering systems or race book or sports pool operations]~~ *associated equipment, cashless wagering systems, games, gaming devices, race book operations, or sports pool operations, in whole or in part thereof,* and which is not located on the premises of a licensed gaming establishment, *the business premises of a gaming licensee, or the business premises of a cloud computing service provider that meets the requirements set forth in paragraph (c) of subsection 2 of section 5.242 of these regulations. For purposes of this section, “business premises of a gaming licensee” does not include space leased by a licensee from a third-party data center operator.*

REGULATION 5

OPERATION OF GAMING ESTABLISHMENTS

5.225 Wagering accounts.

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4. A third party may operate and maintain wagering accounts on behalf of a licensee if the following conditions are met:

(a) A licensee may use a registered cash access and wagering instrument service provider or a ~~[licensed]~~ manufacturer *licensed by the Commission pursuant to NRS 463.650* to operate and maintain wagering accounts on behalf of the licensee ~~[provided such wagering accounts are within the State of Nevada].~~

(b) A registered cash access and wagering instrument service provider or a licensed manufacturer that acts on behalf of a licensee to operate and maintain wagering accounts shall be subject to the provisions of this section applicable to such services to the same extent as the licensee.

(c) A licensee continues to have an obligation to ensure, and remains responsible for compliance with, this regulation, the Gaming Control Act and all other regulations of the Commission regardless of its use of a registered cash access and wagering instrument service provider or a licensed manufacturer to operate and maintain wagering accounts on its behalf.

(d) A registered cash access and wagering instrument service provider or a licensed manufacturer acting on behalf of a licensee, and with the consent of the licensee and the patron, may use a patron's personal identification information to administer all other wagering accounts created for that patron on behalf of additional licensees.

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5.230 Hosting center; registration required.

1. Before ~~[certain parts of any game, gaming device, cashless wagering system or race book or sports pool operation]~~ *associated equipment, cashless wagering systems, games, gaming devices, race book operations, or sports pool operations, in whole or in part,* can be ~~[operated]~~ *housed* at a hosting center, the hosting center, along with all owners and operators of the hosting center, and persons having significant involvement with the hosting center as determined by the Commission, including but not limited to key employees, must register with the Board pursuant to this regulation. Such registration does not become effective until the registration is approved by the Board Chair or the Chair's designee in writing. ~~[Any]~~ A person or entity whose request for registration is not approved by the Board Chair or the Chair's designee may appeal the decision using the administrative appeal process found ~~[under Regulations]~~ *in sections 4.185 through 4.195 of these regulations* ~~[, inclusive]~~.

2. *A hosting center registered pursuant to this section shall not have access to the software, applications, or data contained or transacted on any associated equipment, cashless wagering system, game, gaming device, race book operation, or sports pool operation of the gaming licensee housed at the hosting center's facility.*

3. *A hosting center registered pursuant to this section shall comply with all applicable standards of the International Organization for Standardization, including, without limit, ISO/IEC 27001, 27002, and 27017, or the equivalent.*

4. Registration required by subsection 1, shall be made, processed, and determined using such forms as the Chair may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required. The information requested shall include, but not be limited to, the following:

- (a) For the registration of natural persons:
 - (1) Full name, including aliases, past and present;

- (2) Residential address or addresses for the last five years;
 - (3) Contact information, including phone numbers and email addresses;
 - (4) Employment history, both current and for the past ten years;
 - (5) Date and place of birth;
 - (6) Social Security Number;
 - (7) Full legal name of the hosting center to which the person's registration relates;
 - (8) Description of the person's relationship with the relevant hosting center, and the person's duties or responsibilities under that relationship;
 - (9) List and description of any professional licenses that the person has held, past and present, and any past or current disciplinary action against those licenses;
 - (10) List and description of any arrests or convictions of the person by law enforcement involving a felony or crime of moral turpitude;
 - (11) List and description of any incidents in which the person has, either individually or part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;
- (b) For the registration of business organizations or associations:
- (1) Legal name, address, and contact information of every business organization or association under which the entity does business;
 - (2) Date and jurisdiction under which each business organization or association provided ~~under subsection (2)(b)(1)~~ *in subparagraph (1)* is registered as a legal entity;
 - (3) Tax identification number of each business organization or association provided ~~under subsection (2)(b)(1)~~ *in subparagraph (1)*;
 - (4) List of all affiliates of the business organization or association as defined ~~under~~ *in* NRS 463.0133;
 - (5) Organization chart depicting the business organization's or association's management structure;
 - (6) Organization chart depicting the business organization's or association's ownership structure, including, but not limited to any parent and affiliated entities;
 - (7) List of the names of all officers, directors, managers, and key employees of the business organization or association;

(8) Where the business organization or association is not the hosting center itself, a description of the business organization's or association's relationship to the relevant hosting center, and of what duties or responsibilities it will have under that relationship;

(9) List and description of any professional licenses that the business organization or association has held, past and present, and any past or current disciplinary action against those licenses;

(10) List and description of any criminal charges brought against the business organization or association involving a felony or crime of moral turpitude; and

(11) List and description of any incidents in which the person has, either individually or part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;

(c) For each hosting center provide a description of the facility and services available. The following descriptions must be provided:

(1) Location description including:

- ~~[(a)]~~ (I) Floor plan;
- ~~[(b)]~~ (II) Reliability of power and telecommunications;
- ~~[(c)]~~ (III) Bandwidth availability;
- ~~[(d)]~~ (IV) Compliance of server room to international standards;
- ~~[(e)]~~ (V) Redundancy of power and telecommunications feeds;
- ~~[(f)]~~ (VI) Offline power capabilities (e.g., UPS and generator power);
- ~~[(g)]~~ (VII) Refueling requirements of generators and fuel acquisition arrangements;
- ~~[(h)]~~ (VIII) Fire suppression system(s);
- ~~[(i)]~~ (IX) Temperature and humidity control system(s);
- ~~[(j)]~~ (X) Procedures for switching to offline power; and

(2) Security description including:

- ~~[(a)]~~ (I) Perimeter boundary fences;
- ~~[(b)]~~ (II) Use of security guards (employees or contracted);
- ~~[(c)]~~ (III) Access controls;
- ~~[(d)]~~ (IV) Alarm systems;
- ~~[(e)]~~ (V) Video surveillance coverage and storage;
- ~~[(f)]~~ (VI) Monitoring of personnel access to sensitive areas;

- ~~[(g)]~~ (VII) Anti-surveillance measures;
 - ~~[(h)]~~ (VIII) Tenants; and
 - ~~[(i)]~~ (IX) Contractors in use for services such as cleaning and maintenance.
- (3) Disaster recovery capabilities, testing, and auditing.
- (4) Internal Control Procedures including:
- ~~[(a)]~~ (I) Visitor access procedures and controls;
 - ~~[(b)]~~ (II) Maintenance and audit of access logs;
 - ~~[(c)]~~ (III) Alarm procedures for technical and security response;
 - ~~[(d)]~~ (IV) Due diligence performed on contractors, tenants, and staff;
 - ~~[(e)]~~ (V) Emergency access procedures; and
 - ~~[(f)]~~ (VI) Any other relevant procedures.

~~[3.]~~~~[4.]~~ 5. Any request for registration pursuant to subsection 1 shall contain a statement subscribed by the applicant for registration that:

- (a) The information being provided to the Board is accurate and complete;
- (b) That the applicant for registration agrees to cooperate with requests, inquiries, or investigations of the Board and Commission; ~~[and]~~
- (c) The applicant for registration acknowledges that the Commission may demand the person or entity to submit an application for finding of suitability, and that a failure to submit such an application within 30 days of the demand may constitute grounds for a finding of unsuitability by the Commission; *and*

(d) That the hosting center is in compliance with, and will continue to remain in compliance with, all applicable standards of the International Organization for Standardization, including ~~[but not limited to]~~, without limit, ISO/IEC 27001, 27002, and 27017, or the equivalent.

~~[4.]~~~~[5.]~~ 6. Any applications for registration required under this section shall be prepared and submitted by the relevant hosting center.

~~[5.]~~~~[6.]~~ 7. By the 15th day of each January, each registered hosting center shall inform the Board in writing of any changes in the information provided in its application for registration, and the applications for registration of any owner, operator, or person having significant involvement with the hosting center, or provide the Board with an affirmative statement indicating that there have been no changes to that information. If such information or statement

is not provided to the Board within ninety days of January 15th of each year, the hosting center's registration, and the registrations of each owner, operator, and person having significant involvement with the hosting center will lapse. If any registrations lapse pursuant to this subsection, the applicable registrants must reapply for registration with the Board in order to reinstate the person's or entity's registered status.

~~6.17.1~~ ~~8.~~ The Board Chair, or the Chair's designee, in his or her sole and absolute discretion may, upon receipt of a written request:

(a) Waive the registration requirements of ~~subsections 2(a) and 2(b)~~ paragraphs (a) and (b) of subsection 3 for an individual or entity that currently holds a nonrestricted gaming license, or an affiliate thereof that has been registered or found suitable by the Commission; or

(b) Waive the registration requirements of paragraph (c) of subsection ~~2(e)~~ 3 if the hosting center can demonstrate, to the Chair's or the Chair's designee's satisfaction, that the disclosure to the Board of certain information required under that subsection would hinder operations or pose a hardship due to contractual obligations.

5.2305 Location of Hosting Center; suitability of jurisdiction

1. A hosting center may not be registered with the Board if it is located or operated in a jurisdiction whose laws, regulations, ordinances, or policies in any way limit or infringe on the power and authority of the Board and Commission provided in section 5.231 of these regulations.

2. A hosting center located and operated outside the State of Nevada may not be registered with the Board until:

(a) The applicant for registration establishes, to the sole satisfaction of the Board Chair or the Chair's designee, that:

(1) The location and operation of the hosting center in the subject jurisdiction will not violate the prohibition set forth in subsection 1;

(2) The transactions that will be processed on the parts of the associated equipment, cashless wagering systems, games, gaming devices, race book operations, or sports pool operations housed at the hosting center are lawful in the subject jurisdiction and will not violate the laws of the country, territory, or other recognized regional or tribal government where the hosting center is located and operated; and

(3) *The applicant has performed adequate due diligence to ensure that the location and operation of the hosting center in the subject jurisdiction will not present any unreasonable risks of an unsuitable method of operation or a violation of the public policy of the state set forth in NRS 463.0129; and*

(b) *The Board Chair, or the Chair's [Designee] designee, determines that the location and operation of the registered hosting center in the subject jurisdiction:*

(1) *Is consistent with the public policy of the state set forth in NRS 463.0129;*

(2) *Will not limit or infringe on the Board's ability to monitor and investigate the registered hosting center's operations;*

(3) *Will not prevent or limit the Board's ability to enforce the requirements of the Gaming Control Act and these regulations applicable to the registered hosting center and its operation;*

(4) *That there are no material concerns over the reputation, suitability, or stability of the subject jurisdiction; and*

(5) *The transactions to be processed at the hosting center will not violate the laws of the subject jurisdiction and will not violate the laws of the country, territory, or other recognized regional or tribal government where the hosting center is located and operated.*

3. *The applicant requesting to register a hosting center located and operated outside the State of Nevada has the burden of establishing the suitability of the subject jurisdiction.*

4. *A person whose application for registration of a hosting center located and operated outside the State of Nevada is not approved by the Board Chair or the Chair's designee may appeal the decision using the administrative appeal process found in section 4.185 through 4.195 of these regulations.*

5.235 Hosting center; requirements on licensees utilizing hosting centers; limitations on operations at hosting centers.

1. *Gaming licensees may only operate ~~[parts of any game, gaming device, cashless wagering system or race book or sports pool operation]~~ associated equipment, cashless wagering systems, games, gaming devices, race book operations, or sports pool operations, in whole or in part, at one or more hosting centers ~~[that have]~~ with an active registration with the Board pursuant to regulation 5.230.*

2. A gaming licensee must report in writing to the Board the name of any registered hosting center it intends to utilize along with a description of what operations will take place at the hosting center. A gaming licensee must inform the Board in writing should any operations at the hosting center change or if the gaming licensee ceases operations at the hosting center altogether.

3. The parts of the operation of any ~~[game, gaming device, cashless wagering system or race book or sports pool operation]~~ *associated equipment, cashless wagering systems, games, gaming devices, race book operations, or sports pool operations* that involve the physical acceptance of a wager from a patron or payout of winnings to a patron cannot occur at the hosting center, but rather must only occur in such manner and location as allowed under the Gaming Control Act or the regulations adopted thereunder.

4. *Before utilizing a registered hosting center, the gaming licensee must perform due diligence to ensure that:*

(a) The hosting center will not have access to the software, applications, or data contained or transacted on any associated equipment, cashless wagering system, game, gaming device, race book operation, or sports pool operation of the gaming licensee housed at the registered hosting center's facility; and

(b) The housing of the associated equipment, cashless wagering system, game, gaming device, race book operation, or sports pool operation, in whole or in part, of the gaming licensee at the registered hosting center's facility and the processing of transactions thereon does not violate the laws of the jurisdiction in which the registered hosting center is located and operated, including without limit, the laws of the respective country, territory, or other recognized regional or tribal government thereof.

5. *The gaming licensee must document what procedures and efforts it undertook to meet the due diligence requirement set forth in subsection 4. Such documentation must be provided to the Board upon request. Such documentation must be retained by the gaming licensee for a period of five years following the cessation of the gaming licensee's use of the hosting center for the purposes described in this section.*

5.240 Service Providers.

1. Findings. The Commission hereby finds that service providers are secure and reliable, that service providers do not pose a threat to the integrity of gaming, and that service providers are consistent with the public policy of this State as set forth in ~~to~~ NRS 463.0129.

2. Definitions.

(a) “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

(b) “*Cloud computing services*”:

(1) Consist of the following as defined by the National Institute of Standards and Technology in NIST SP 800-145 and as further explained in NIST SP 500-292:

(I) Software as a Service;

(II) Platform as a Service; or

(III) Infrastructure as a Service.

(2) The services described in subparagraph (1) do not include the performance of any service, action, transaction, or operation that would otherwise require a gaming license or registration pursuant to Chapter 463 of NRS or these regulations, other than a registration as a cloud computing service provider.

(c) “*Cloud computing service provider*”:

(1) Means a person who, on behalf of a licensee, provides cloud computing services by acquiring and maintaining the computing infrastructure and software necessary to provide cloud computing services for associated equipment, cashless wagering systems, games, gaming devices, race book operations, or sports pool operations, in whole or in part, and otherwise in accordance with paragraph (4) of section 5.225 and section 5.242.

(2) The services described in subparagraph (1) do not include the performance of any service, action, transaction, or operation that would otherwise require a gaming license or other registration pursuant to Chapter 463 of NRS or these regulations.

(d) “*Information technology service provider*” means a person who, on behalf of a licensee, provides management, support, security, or disaster recovery services for games, gaming devices, or associated equipment.

~~(e)~~ (e) “*Service provider*” means a person who:

(1) Is a cash access and wagering instrument service provider as defined in NRS 463.01395; ~~or~~

(2) Is an information technology service provider; *or*

(3) Is a cloud computing service provider.

3. ~~[A]~~ *Except as otherwise provided in this subsection, a licensee may only use a service provider that is registered as such with the Board ~~[or]. A licensee may use~~ a person holding a manufacturer's license issued by the Commission pursuant to NRS 463.650 ~~or registered with the Board as a manufacturer of associated equipment pursuant to section 14.020 of these regulations as a service provider~~ to the extent the *licensed manufacturer or registered manufacturer of associated equipment* is supporting ~~[such manufacturer's]~~ *or providing cloud computing services for gaming products manufactured by the licensed manufacturer or registered manufacturer of associated equipment.* The Board shall make a list available of all registered service providers.*

4. A licensee continues to have an obligation to ensure, and remains responsible for, compliance with this regulation, the Nevada Gaming Control Act and all other regulations of the Commission regardless of its use of a service provider.

5. Except as otherwise provided in this subsection, a person may act as a service provider only if that person is registered with the Board pursuant to this section. Once registered, a service provider may act on behalf of one or more gaming licensees. Any person holding a manufacturer's license issued by the Commission pursuant to NRS 463.650 *or registered with the Board as a manufacturer of associated equipment pursuant to section 14.020 of these regulations* may perform the services of a service provider without registering pursuant to this section only if such services are limited to supporting ~~[such manufacturer's]~~ *or providing cloud computing services for gaming products manufactured by the licensed manufacturer or registered manufacturer of associated equipment. Any licensed manufacturer or registered manufacturer of associated equipment that functions as a service provider pursuant to this subsection shall notify the Board of performing such services within 30 days of commencing such function.*

6. Service providers, including each direct or beneficial owner of 10% or more of the service provider and any person having significant control over the operations of the service provider, as determined by the Chair, including without limitation, officers, directors, or other principals, must register with the Board. A registration issued by the Board pursuant to this section expires five years after the Chair sends notice to the service provider that the service provider is registered with the Board, and every five years thereafter if a completed application

for renewal of registration is received by the Board prior to the expiration of the registration. A completed application for renewal of registration must be submitted to the Board not less than 60 days prior to the expiration of the registration.

7. A service provider shall not provide services as a service provider until the Chair notifies the service provider in writing that the service provider is registered with the Board.

8. Applications for registration, or renewal of registration, as a service provider must include:

(a) Completed forms as furnished by the Board, information, and documents as required by the Chair;

(b) A written statement, signed under penalty of perjury on a form furnished or approved by the Board, affirming that the service provider, including each person otherwise required to be registered pursuant to subsection 6:

(1) Submits to the jurisdiction of the State of Nevada, the Board, and the Commission;

(2) Agrees to be governed and bound by the laws of the State of Nevada and the regulations of the Commission;

(3) Provided complete and accurate information to the Board; and

(4) Will cooperate with all requests, inquiries, and investigations of the Board or Commission;

(c) If a natural person, one complete set of fingerprints from the service provider, and from each person otherwise required to be registered pursuant to subsection 6;

(d) A registration and investigation fee, as determined by the Chair, not to exceed \$10,000; and

(e) Any additional information requested by the Chair.

9. A service provider must not be registered with the Board unless the Chair is satisfied, based on the information provided pursuant to this subsection, that the service provider meets the standards ~~[established pursuant to]~~ *set forth in* NRS 463.170.

10. A service provider shall have the burden of showing that its operations are secure and reliable.

11. A person who has a pending application for registration as a service provider shall report any changes to the information required pursuant to subsection 8 within 30 days of such change.

12. A person registered as a service provider shall report any changes in who owns 10% or more of the direct or beneficial ownership of the service provider and any changes in the service provider's principals within 30 days of such changes. The Chair may, in the Chair's sole and absolute discretion, require additional information or a new registration as a service provider if there is such a change in ownership.

13. At any time prior to notifying the service provider in writing that the service provider is registered with the Board or that the service provider's registration with the Board is renewed, the Chair may object to the registration of a service provider for any cause deemed reasonable by the Chair and such service provider shall not be registered.

14. At any time after registration, the Chair may cancel the registration of a service provider if the service provider, including any of those persons required to register pursuant to subsection 6, is convicted of a felony. The effective date of cancellation of a registration as a service provider issued pursuant to this section shall be 5 days after the Board deposits notice of cancellation to the service provider's last known address with the United States Postal Service with postage thereon prepaid. The Board shall notify licensees of such cancellation and the effective date thereof.

15. The objection to or cancellation of the registration of a service provider shall be considered an administrative decision subject to review upon appeal by the service provider pursuant to the procedures ~~[established by Regulations]~~ *set forth in sections 4.185, 4.190 and 4.195 of these regulations*. A service provider is prohibited from applying for registration as a service provider to the Board for 1 year from the date of notice of the objection to or cancellation of the registration of a service provider, or the final decision on any appeal of such objection or cancellation, whichever occurs later.

16. The premises on which a service provider conducts its operations is subject to the power and authority of the Board and Commission pursuant to NRS 463.140, *in accordance with this section and section 5.242*.

17. ~~[A]~~ *To the extent required in Chapter 463 of NRS, a service provider shall be liable to the licensee on whose behalf the service provider acts for the service provider's proportionate share of the fees and taxes paid by the licensee.*

18. The Commission may, upon a recommendation from the Board, require any person owning, operating, or having a significant involvement with a service provider to file an

application for a finding of suitability at any time by providing written notice to the person. A person required to file an application for a finding of suitability pursuant to this subsection shall apply within 30 days of the person's receipt of written notice. Failure to timely submit an application for a finding of suitability shall constitute grounds for a finding of unsuitability.

19. A person required to file an application for a finding of suitability pursuant subsection 18 does not have any right to the granting of the application. Any finding of suitability hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under this section.

20. If the Commission finds any person owning, operating, or having a significant involvement with a service provider to be unsuitable under this section, the registered service provider and gaming licensees shall, upon written notification from the Board, terminate any existing relationship, direct or indirect, with such person. Failure to terminate such relationship may be deemed to be an unsuitable method of operation.

21. No determination of suitability of a person owning, operating, or having a significant involvement with a service provider shall preclude a later determination by the Commission of unsuitability.

22. All service provider licenses issued by the Commission prior to July 1, 2019 shall remain valid until such licenses expire on December 31, 2019. Any service provider, as defined pursuant to this section, holding a service provider license issued by the Commission as of December 31, 2019, shall be deemed registered as a service provider with the Board as follows:

(a) Until March 2, 2020 if the service provider license was initially issued prior to January 1, 2015; or

(b) For five years following the date of the initial issuance of the service provider license if the service provider license was initially issued on or after January 1, 2015.

5.242 Cloud computing services.

1. Before a cloud computing service provider may provide any cloud computing services to a licensee:

(a) *The cloud computing service provider must be registered with the Board as a cloud computing service provider or exempt from such registration in accordance with Regulation 5.240; and*

(b) *The cloud computing services offered by the cloud computing service provider must be approved by the Board Chair or the Chair's designee in writing pursuant to this section.*

2. *Equipment and software utilized by the cloud computing service provider for any cloud computing services provided to a licensee must be located on the premises of:*

(a) *A licensed gaming establishment;*

(b) *A hosting center registered with the Board pursuant to section 5.230; or*

(c) *On the business premises of the cloud computing service provider if:*

(1) *The business premises is controlled by the cloud computing service provider and the cloud computing service provider is the sole occupant of the space; ~~and~~*

(2) *The transactions conducted pursuant to the cloud computing services are lawful in the jurisdiction in which the business premises is located and do not violate the laws of the respective country, territory, or other recognized regional or tribal government thereof; and*

(3) For business premises that house equipment and software utilized by the cloud computing service provider located outside the State of Nevada, the cloud computing service provider has established the business premises meet the factors set forth in paragraph (a) of subsection 2 of section 5.2305 to the Board Chair, or the Chair's designee's, satisfaction, and the Board Chair, or the Chair's designee, has determined that the criteria set forth in paragraph (b) of subsection 2 of section 5.2305 have been met regarding the business premises.

3. A cloud computing service provider registered with the Board:

(a) Must comply with all applicable standards of the International Organization for Standardization, including, without limit, ISO/IEC 27001, 27002, and 27017, or the equivalent;

~~(b) The cloud computing service provider must be~~ Must be the sole operator and administrator of the equipment utilized in the cloud computing services provided pursuant to this section, and the equipment used to provide the applicable cloud computing services must be under the exclusive operation and control of the cloud computing service provider~~;~~; and

~~[4.] (c) The cloud computing service provider shall~~ Shall not have access to the software, applications, or data contained or transacted on any associated equipment, cashless wagering system, game, gaming device, race book operation, or sports pool operation of the gaming licensee for which it is providing its services, except when the service provider is a licensed manufacturer or registered

manufacturer of associated equipment providing cloud computing services for gaming products manufactured by the licensed manufacturer or registered manufacturer of associated equipment, as permitted in subsections 3 and 5 of section 5.240, to the extent such access is necessary to perform those services.

~~5.1~~ 4. An application for an approval required by paragraph (b) of subsection 1 shall be made, processed, and determined using such forms as the Chair may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required by the Board. The application shall include the following:

(a) A description of the scope and nature of the specific services provided to licensees.

(b) A statement on compliance of the cloud computing services provided by the cloud computing service provider with all applicable standards of the International Organization for Standardization, including but not limited to ISO/IEC 27001, 27002, and 27017, or the equivalent.

(c) If the equipment and software used by the cloud computing service provider is located:

(1) On the premises of a licensed gaming establishment, the name of the licensed gaming establishment.

(2) On the premises of a hosting center registered with the Board pursuant to section 5.230, the name of the registered hosting center.

(3) On the business premises of the cloud computing service provider, the location of those premises and a written statement, signed under penalty of perjury, that the premises comply with the requirements set forth in paragraph (c) of subsection 2.

~~6.1~~ (d) ~~Any request for approval pursuant to paragraph (b) of subsection 1 shall contain~~
~~a~~ A statement subscribed by the applicant that:

~~(a)~~ (1) The information being provided to the Board is accurate and complete; and

~~(b)~~ (2) ~~That the~~ The applicant agrees to cooperate with requests, inquiries, or investigations of the Board and Commission~~; and~~.

~~(c)~~ 5. ~~The applicant acknowledges that the~~ The Commission may require ~~the~~ a cloud computing service provider ~~to~~, or any person associated with the cloud computing service provider who is registered with the Board pursuant to subsection 6 of section 5.240, submit an application for finding of suitability, and that a failure to submit such an application within 30

days of the notice to file such an application may constitute grounds for a finding of unsuitability by the Commission.

~~17.1~~ 6. Each cloud computing service provider shall inform the Board in writing within 30 days of any material changes in the information provided in accordance with subsection 4. Failure to comply with the reporting requirement of this subsection constitutes an unsuitable method of operation.

7. The use of a registered cloud computing service provider by a licensee shall in no way alter the nature or classification of a transaction, nor shall such use relieve a licensee of any obligation or liability the licensee has under the Gaming Control Act or the regulations adopted thereunder. Any such transaction shall be considered as if the licensee conducted it without the use of a cloud service provider.

8. The Board Chair, or the Chair's designee, in his or her sole and absolute discretion may, upon receipt of a written request, waive any requirement of this section, including, without limitation, if disclosure to the Board of certain information would hinder operations or pose a hardship due to contractual obligations.

9. Any person or entity whose request for approval of a cloud computing service under this section is not approved by the Board Chair or the Chair's designee may appeal the decision using the administrative appeal process found under Regulations 4.185 through 4.195, inclusive.

10. A state gaming licensee shall report in writing to the Board the use of any approved cloud computing service at least 30 days prior to the commencement of such services. The report required by this subsection must include the name of the registered cloud computing service provider and a description of the operations of the state gaming licensee that will use such services. Any change to or termination of the use of the cloud computing services reported pursuant to this subsection must be reported by the gaming licensee to the Board within 30 days of such change or termination of service.