

REGULATION 22

RACE BOOKS AND SPORTS POOLS

PROPOSED AMENDMENTS TO REGULATION 22

PURPOSE: In accordance with NRS 463.145, NRS 463.150, and S.B. 9 passed during the 2015 Legislative Session and as part of the creation of a comprehensive framework for wagering accounts through new Regulation 5.225, to amend Regulation 22 to include without limitation: 1) to amend the definitions of “secure personal identification” and “wagering account;” 2) to remove regulatory provisions that are otherwise addressed in Regulation 5.225; 3) to provide provisions clarifying the interplay between Regulation 22 and Regulation 5.225; 4) to clarify that a book that knows or should know that the outcome of an event has already been determined shall not accept money or its equivalent ostensibly as a wager upon such an event; 5) to clarify that an electronic signature of the person accepting or approving a wager in a wagering multiple transaction log is acceptable; 6) to specify that a book may withhold payment of a winning wager if the patron refuses to supply certain information; 7) to specify that parlay card rules must be submitted to the chairman for approval; 8) to provide that a book must register patrons and create wagering accounts in accordance with Regulation 5.225 and to provide additional registration requirements; 9) to clarify requirements for and provide additional requirements related to wagering accounts for business entity patrons; 10) to clarify requirements related to books accepting wagers from another book; 11) to clarify that a book shall not allow the use of a wagering account for forms of wagering other than sports wagering, nonpari-mutuel race wagering, or other event wagering, unless the establishment and use of the wagering account otherwise meets all of the requirements of Regulation 5.225 and administrative approval has been granted by the chairman; 12) to clarify that a book may accept wagering activity from a business entity acting through its designated individuals and to require a book that accepts wagers from business entities to implement policies and procedures designed to ensure that their wagering accounts are used only to place race book or sports pool wagers; 13) to provide that deposits, withdrawals, credits and debits to wagering accounts shall be made in

accordance with Regulation 5.225; and 14) to take such additional action as may be necessary and proper to effectuate these stated purposes.

(Draft Date: March 30, 2017)

[Deleted]/Added Language

22.010 Definitions. As used in this regulation:

1. No change
2. No change
3. No change
4. No change
5. No change
6. No change
7. No change
8. No change
9. No change
10. No change
11. No change
12. No change
13. No change
14. No change
15. No change
16. “No change
17. No change
18. No change

19. “Secure personal identification” means ~~[an encoded alpha-numeric character code or any other method of identifying the patron as approved by the chairman through which the book may verify a wager or account transaction was authorized by the patron]~~ a secure personal identification as that term is defined in Regulation 5.225.

20. No change

21. “Wagering account” means ~~[an electronic ledger wherein the following types of transactions relative to sports and nonpari-mutuel race wagers are recorded:~~

- ~~—(a) Deposits;~~
- ~~—(b) Withdrawals;~~
- ~~—(c) Amounts wagered;~~
- ~~—(d) Amounts paid on winning wagers;~~

- ~~—(e) Amounts paid for horse racing-related services or merchandise;~~
- ~~—(f) Service or other transaction-related charges authorized by the patron; and~~
- ~~—(g) Adjustments to the account.]~~

a wagering account as that term is defined in Regulation 5.225.

22. No change

23. No change

22.040 Reserve requirements.

1. ~~[Unless the chairman for good cause permits or requires a different amount,]~~ Notwithstanding the minimum reserve requirements established for wagering accounts pursuant to subsection 20(b) of Regulation 5.225, each book shall comply with the following to calculate the minimum reserve requirements:

(a) E[e]ach book shall at all times maintain a reserve of not less than the greater of \$25,000 or the sum of the following amounts:

~~[(a)]~~ (1) Amounts held by the book for the account of patrons;

~~[(b)]~~ (2) Amounts accepted by the book as wagers on contingencies whose outcomes have not been determined; and

~~[(c)]~~ (3) Amounts owed but unpaid by the book on winning wagers through the period established by the book for honoring winning wagers.

~~[2.]~~ (b) Before beginning operations, each newly-licensed book must establish a reserve of at least the greater of \$25,000 or the amount the chairman projects will at least equal the sum of the amounts specified in paragraphs ~~[(a), (b) and (c)]~~ (1), (2), and (3) of subsection 1(a) at the end of the first week of the book's operation. After the book begins operations, the book's reserve must comply with subsection 1.

~~[3. The reserve described in subsections 1 and 2 must be maintained in the form of cash, cash equivalent, an irrevocable letter of credit, a bond, or a combination thereof. Except as otherwise provided in subsection 4, the reserve must be unencumbered and must not be commingled with funds of the book or any of its owners, employees, affiliates, or other persons or entities associated with the book.~~

~~—4.]~~ 2. The reserve described in subsection[s] 1 ~~[and 2]~~ may be combined as a single amount for a book and its satellite books.

~~[—5. If a reserve is maintained in the form of cash, cash equivalent, or an irrevocable letter of credit, it must be held or issued, as applicable,~~

~~by a federally insured financial institution. If the reserve is maintained in the form of a bond, it must be written by a bona fide insurance carrier. The reserve must be established pursuant to a written agreement between the book and the financial institution or insurance carrier, but the book may engage an intermediary company or agent acceptable to the chairman to deal with the institution or carrier, in which event the reserve may be established pursuant to written agreements between the book and the intermediary and between the intermediary and the financial institution or insurance carrier.~~

~~—6. The agreements described in subsection 5 must reasonably protect the reserve against claims of the book’s creditors other than the patrons for whose benefit and protection the reserve is established, and must provide that:~~

~~—(a) The reserve is established and held in trust for the benefit and protection of patrons to the extent the book holds money for their account, has accepted wagers from them on contingencies whose outcomes have not been determined, or owes them on winning wagers;~~

~~—(b) The reserve must not be released, in whole or in part, except to the board on the written demand of the chairman or to the book on the written instruction of the chairman. The reserve must be available within 60 days of the written demand or written notice. The book may receive income accruing on the reserve unless the chairman instructs otherwise pursuant to subsection 13;~~

~~—(c) The book has no interest in or title to the reserve or income accruing on the reserve except to the extent expressly allowed in this section;~~

~~—(d) Nevada law and this section govern the agreements and the book’s interest in the reserve and income accruing on the reserve;~~

~~—(e) The agreements are not effective until the chairman’s approval has been obtained pursuant to subsection 7; and~~

~~—(f) The agreements may be amended only with the prior, written approval of the chairman.~~

~~—7. Each book shall submit to the chairman all information and copies of all documents relating to its proposed reserve arrangement, including copies of the agreements described in subsections 5 and 6, and must obtain the chairman’s approval of the agreements and of the reserve arrangement generally. The chairman shall determine whether the agreements and arrangement satisfy the purposes and requirements of~~

~~this section, may require appropriate changes or withhold approval if they do not, and shall notify the book of the determination.~~

~~Amendments to reserve agreements or arrangements must be approved in the same manner.~~

~~—8. A book must calculate its reserve requirement each day. In the event a book determines that its reserve is not sufficient to cover the calculated requirement, the book must, within 24 hours, notify the chairman of this fact in writing and must also indicate the steps the book has taken to remedy the deficiency.~~

~~—9. Each book must engage an independent certified public accountant to examine the pertinent records relating to the reserve each month and determine the reserve amounts required by this section for each day of the previous month and the reserve amounts actually maintained by the book on the corresponding days. The book shall make available to the accountant whatever records are necessary to make this determination. The accountant shall report the findings with respect to each day of the month under review in writing to the board and the book no later than the tenth day of the next month. The report shall include the licensee's statement addressing each day of noncompliance and the corrective measures taken.~~

~~—10. The report described in subsection 9 may be prepared by an employee of the licensee that is independent of the book if written approval has been received from the chairman. The report must contain the signature of an employee attesting to the accuracy of the submitted information.~~

~~—11. If the chairman is notified pursuant to subsection 8, or the report described in subsection 9 indicates that at any time during the month under review the amount of the reserve did not meet the requirements of this section, the chairman may instruct the book to either increase the reserve accordingly or cease accepting wagers and money for the account of patrons until such time as the reserve meets the requirements of this section and is confirmed to the chairman's satisfaction.~~

~~—12. If the report indicates that the amount of the reserve exceeds the requirements of this section, the chairman shall, at the book's request, instruct the financial institution, insurance carrier, or intermediary to remit the excess to the book or, in the case of a bond, to reduce the bond accordingly.~~

~~—13. When a book ceases operating and its license lapses or is surrendered or revoked, the chairman may demand payment of the reserve, any income accruing on the reserve after operations cease, and, if instructions from the chairman that income accruing on the reserve not be paid to the book are in effect when operations cease, any income accruing since the instructions took effect. The board may interplead the funds in state district court for distribution to the patrons for whose protection and benefit the reserve was established and to such other persons as the court determines are entitled thereto, or shall take such other steps as are necessary to effect the proper distribution of the funds, or may do both.~~

~~—14. As used in this section, “month” means a calendar month unless the chairman requires or approves a different monthly period to be used for purposes of this section, in which case “month” means the monthly period so required or approved.]~~

22.060 Acceptance of wagers.

1. No change.

2. No change.

3. A book that knows or should know that the outcome of an event has already been determined shall not [~~knowingly~~] accept money or its equivalent ostensibly as a wager upon such an event [~~whose outcome has already been determined~~]. A licensed sports pool shall not accept a wager on an event unless the date and time at which the outcome of the event is determined can be confirmed from reliable sources satisfactory to the chairman or from records created and maintained by the book in such manner as the chairman may approve.

4. Licensed sports pools may accept wagers, including parlay card wagers, as to which of the participating contestants will win specified sports events and as to whether the total points scored in a specified game, match, or similar sports event will be higher or lower than a number specified for that event. Licensed sports pools shall not accept wagers, including parlay card wagers, on other contingencies unless their outcomes are reported in newspapers of general circulation or in official, public records maintained by the appropriate league or other governing body, or unless the pertinent sports events are televised live at the book and a book employee other than a betting ticket writer monitors the telecast, records the occurrence of the pertinent events

and contingencies simultaneously with their occurrence, and records the time of their occurrence.

5. No change

6. No book may hold a patron's money or its equivalent on the understanding that the book will accept the money as a wager only upon the occurrence of a specified, future contingency, unless a betting ticket documenting the wager and contingency is issued immediately when the book receives the money or its equivalent.

7. No change

22.062 Multiple wagers.

1. No change.

2. No change.

3. Each log entry in a wagering multiple transaction log shall be made by the employee accepting or approving the wager, immediately after accepting the wager, and shall include at a minimum:

(a) Description of the patron (or agent), which may include such identifiers as age, sex, race, eye color, hair, weight, height and attire, if the person is present when the wager is accepted;

(b) Patron's name and agent's name, if known;

(c) Window number or other identification of the location where the wager occurred;

(d) Time and date of the wager;

(e) Dollar amount of the wager; and

(f) Signature or electronic signature of person accepting or approving the wager.

One log shall be maintained for each monitoring area, for each designated 24-hour period. A log is completed for each 24-hour period regardless of whether any nonpari-mutuel wagers occurred. At the conclusion of each designated 24-hour period, the last entry on the log shall be an indication that the end of the designated 24-hour period has occurred. A book shall not implement alternative procedures or records to comply with this subsection without the written approval of the chairman.

4. No change.

5. No change.

6. No change.

7. No change.

22.080 Payment of winning wagers.

1. Except as otherwise provided in this subsection, books shall make payment on a winning wager to the person who presents the patron's copy of the betting ticket representing the wager. A book need not make payment to a person who the book or an agent or employee of the book knows is not the person to whom the patron's copy was issued. A book shall not make payment on a winning wager to a person who the book or its agent or employee knows or reasonably should know is collecting the payment on behalf of another for monetary consideration or in violation of federal law. A book may withhold payment of a winning wager if the patron refuses to supply identification or any other documentation required by state or federal law.

2. No change

3. Books shall honor winning betting tickets for 30 days after the conclusion of the event wagered upon unless a longer period is established by the book. The book shall state the redemption period on each betting ticket, in house rules and on notices conspicuously placed about the licensed premises. Payment by mail may be made only after presentment of the betting ticket and all identification information and documentation required by state or federal law, and must be made not later than 10 days after presentment.

4. No change

22.090 Parlay card wagers.

1. No change.

2. No change.

3. No change.

4. Prior to adopting or amending parlay card rules, a book shall submit such rules to the chairman for approval.

22.140 Wagering communications; establishing patron wagering accounts for sports, nonpari-mutuel race, and other event wagering.

1. A book may only accept a sports wager, nonpari-mutuel race wager, or other event wager made in person unless the transmission of a wager is initiated from within the State of Nevada. Each book must conspicuously display signs to that effect on its premises.

2. No change

3. No change

4. No change

5. Each book shall prepare a written description of its rules and procedures for wagering communications, and shall ~~[furnish a copy]~~ make a copy available to each patron for whom a wagering account is established.

6. ~~[Each book shall issue each patron or authorized employee of a book a secure personal identification reasonably designed to prevent the acceptance of wagers from persons other than the patrons or authorized employees of books for whom wagering accounts are established. More than one patron or authorized employee of a book may be assigned to a single wagering account; however, each patron or authorized employee of a book assigned to an account must comply with the provisions of subsections 7, 8, and 9.~~

7.] Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, on any nonpari-mutuel race wager, or on any other event wager, the following must occur:

(a) A book must register patrons and create wagering accounts in accordance with Regulation 5.225 except as follows:

(1) For purposes of presenting a government issued picture identification credential to confirm the patron's identity, a patron may either personally appear before an employee of the licensee at which the book is located as provided in subsection 7 of Regulation 5.225 or before an employee of the book at the premises of the book or, for central site books, at an outstation, satellite or affiliated book.

(2) A book may register and create wagering accounts for patrons, including inspecting a patron's government issued picture identification credential to confirm their identity as required by subsection 7 of Regulation 5.225, by filing a request with the chairman for permission to have its employees register and create wagering accounts for patrons outside the premises of the book. The request must include a comprehensive marketing plan setting out, at a minimum, the types of locations and types of potential patrons to which a book intends to send its employees for the purposes of registering and creating wagering accounts for patrons. A book may not act under its marketing plan prior to the chairman approving the request. The chairman may impose

limitations and conditions on any approved request. The chairman may rescind approval of a request of a book to have its employees register and create wagering accounts outside the premises of the book upon written notice to the book. Wagering accounts may not be created pursuant to such marketing plan outside the State of Nevada;

(b) In addition to the requirements of Regulation 5.225, before registering a patron for a wagering account, the book must have the patron affirm that the patron has been informed and acknowledges that:

(1) Patrons are prohibited by law from placing sports wagers, nonpari-mutuel race wagers, and other event wager wagers from outside Nevada and that the book is prohibited from accepting such wagers; and

(2) With regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of regulation 26C.

~~[(a) The patron must personally appear before employees of the book to open a wagering account. If the patron does not appear personally at the premises of the book or, for central site books, at an outstation, satellite or affiliated book, to open a wagering account, a book must file a request with the chairman for permission to have its employees open wagering accounts outside the premises of the book. The request must include a comprehensive marketing plan setting out, at a minimum, the types of locations and types of potential patrons to which a book intends to send its employees for the purposes of opening wagering accounts. A book may not act under its marketing plan prior to the chairman approving the request. The chairman may impose limitations and conditions on any approved request. The chairman may rescind his approval of a request of a book to have its employees open wagering accounts outside the premises of the book upon written notice to the book. Wagering accounts may not be opened outside the State of Nevada;~~

~~—(b) For an individual patron, an employee of the book must examine, in the patron's presence, the patron's:~~

~~—(1) Driver's license;~~

~~—(2) Passport;~~

~~—(3) Non-resident alien identification card;~~

~~—(4) Other reliable government issue identification credential; or~~

~~—(5) Other picture identification credential normally acceptable as a means of identification when cashing checks;~~

~~—(e) For an individual patron, the employee must record:~~

~~—(1) The patron's name, permanent home address (other than a post office box number), and home telephone number;~~

~~—(2) The patron's mailing address and, if the mailing address is not a post office box number and is a residence or place of business of the patron, the telephone number of the resident or place of business;~~

~~—(3) The patron's date of birth, gender, a description and number of the identity credential examined, and social security number, for United States residents only;~~

~~—(4) The method used to verify the patron's identity and residence, and a description, including the document number, of the identity credential examined;~~

~~—(5) The patron's approved credit limit or the amount of the patron's initial wagering account or front money deposit;~~

~~—(6) The patron's account number with the book; and~~

~~—(7) The date the patron's account with the book is opened;~~

~~—(d)]~~ (c) Notwithstanding the requirements of subsection 5 of Regulation 5.225, Ffor a business entity patron, the patron must provide an employee of the book with the information required pursuant to NRS Chapter 463.800 before the book registers and creates a wagering account for the patron. The employee must record such information. Unless a book has otherwise been granted approval by the chairman pursuant to subsection 6(a)(2) of this section, the information required pursuant to NRS 463.800 shall be provided by the patron to an employee of the book at the premises of the book or, for central site books, at an outstation, satellite or affiliated book. [~~—(e) The patron must sign, in the presence of a supervising employee of the book, statements attesting that the patron:~~

~~—(1) Confirms the accuracy of the information recorded;~~

~~—(2) Has received a copy of the book's rules and procedures for wagering communications;~~

~~(3) Has been informed and understands that patrons that establish a wagering account pursuant to this subsection 7 are prohibited by law from placing wagering communications from outside Nevada and that the book is prohibited by law from accepting them;~~

~~—(4) Has been informed and understands that, with regard to pari-mutuel horse race wagers, a race book may only accept off track pari-mutuel horse race account wagers pursuant to the provisions of Regulation 26C; and~~

~~—(5) Consents to the monitoring and recording by the board of any wagering communications; and~~

~~—(f) The employee who verifies the patron's identity and residence and who obtains and records the information on behalf of the book and the supervising employee described in subparagraph (e), must each sign statements that they witnessed the patron's signature and confirmed the patron's identity and residence.~~

—8.] **7.** Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, nonpari-mutuel race wager, or other event wager from another book:

(a) The authorized employee of the other book must personally appear at the premises of the book or, for central site books, at an outstation, satellite or affiliated book, to open a wagering account;

(b) The book employee must record:

(1) The authorized employee of the other book's name, permanent business address (other than a post office box number), and business telephone number;

(2) ~~[t]~~ The documents used to verify the other book is a book, the authorized employee is an employee of the other book and is authorized to open this wagering account;

(3) The amount ~~[e]~~ **of** the authorized employee of the other book's initial wagering account or front money deposit;

(4) The authorized employee of the other book's account number with the book; and

(5) The date the authorized employee of the other book's account with the book is opened;

(c) The authorized employee of the other book must sign, in the presence of a supervising employee of the book, statements attesting that the authorized employee of the other book:

(1) Confirms the accuracy of the information recorded;

(2) Has received a copy, **or has had a copy made available to them,** of the book's rules and procedures for wagering communications;

(3) Has been informed and understands that authorized employees of other books that establish a wagering account pursuant to this

subsection are prohibited by law from placing wagering communications from outside Nevada and that the book is prohibited by law from accepting them;

(4) Has been informed and understands that, with regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of Regulation 26C; and

(5) Consents to the monitoring and recording by the board and the book of any wagering communication; and

(d) The employee who verifies the authorized employee of the other book's information and who obtains and records the information on behalf of the book and the supervising employee described in subparagraph (c), must each sign statements that they witnessed the authorized employee's signature and confirmed the authorized employee of the other book's identity and residence.

~~[9. The book shall accept wagers on the patron's wagering account only during the year after the account is opened, unless:~~

~~—(a) The patron places an account wager at least once every year; or~~

~~—(b) The patron renews the account. Patrons may renew accounts for one and only one additional year by appearing personally before employees of the book as set out in subsection 7(a) of this section prior to the expiration of the initial year and signing a renewal form. Two employees of the book, at least one of whom must be a supervising employee, shall witness the patron's signature on the renewal form and each shall attest thereto by signing the renewal form. When the renewal period expires, the book shall accept no further wagering communications from the patron until the patron again complies with the provisions of subparagraphs (a), (b), (d), and (e) of subsection 7. Additionally, a book shall not accept a wager on such an account if the patron is not physically located within Nevada's borders.~~

~~—10. For each wagering account established for the purpose of accepting wagering communications, the book shall record the secure personal identification assigned to the patron and the date/time and amount of each:~~

~~—(a) Deposit;~~

~~—(b) Withdrawal;~~

~~—(c) Wager placed and accepted including the wagering transaction number;~~

- ~~—(d) Payout on winning wager;~~
- ~~—(e) Charge for horse racing related services or merchandise;~~
- ~~—(f) Service or other transaction related charge authorized by the patron; and~~
- ~~—(g) Adjustment to the account.~~

~~11.]~~ **8.** In addition to the posting of the wager in the computerized bookmaking system, all wagering communications shall be electronically recorded and retained for a period of 60 days. The method of recording the wager must be approved by the chairman. Such recordings must be made immediately available to any board agent upon request.

~~[12.]~~ **9.** All wagering account applications or amendments thereto for active accounts must be retained by the book. All wagering account applications or amendments thereto for rejected applications shall be retained by the book for no less than one year following the rejection of the related application. All wagering account applications or amendments thereto for closed accounts shall be retained by the book for no less than one year following the closure of the related wagering account.

10. A book shall not allow the use of a wagering account established pursuant to this section for forms of wagering other than sports wagering, nonpari-mutuel race wagering, or other event wagering unless:

- (a) The establishment and use of the wagering account otherwise meets all of the requirements of Regulation 5.225; and**
- (b) Administrative approval has been granted by the chairman.**

~~**[22.147 Account wagering rules.** Each book that offers account wagering shall adopt, conspicuously display at its licensed premises, make available through the account wagering system, and adhere to written, comprehensive house rules governing account wagering transactions with patrons. Without limiting the generality of the foregoing, the rules must include statements to the effect that:~~

- ~~—1. All applicable house rules apply to wagering accounts.~~
- ~~—2. The book shall provide each patron, upon reasonable request and consistent with its internal control policies, with a statement of account showing each wagering account deposit, each wagering account withdrawal, each credit to a wagering account, and each debit to the~~

wagering account made during the time period reported by the account statement. The patron may dispute any transaction according to NGC Regulation 7A.

~~—3. For all wagering communications the book is required to make a voice, print, electronic or other approved record of the entire transaction and shall not accept any such wager or transaction if the recording system is inoperable. The record of the patron's confirmation of all wagering information shall be deemed to be the transaction of record, regardless of what was recorded by the computerized bookmaking or pari-mutuel system. The records are made available to the board upon request.~~

~~—4. The book has the right to;~~

~~—(a) Refuse the establishment or maintenance of accounts for what it deems good and sufficient reason;~~

~~—(b) Refuse deposits to accounts for what it deems good and sufficient reason;~~

~~—(c) Refuse to accept all or part of any wager for what it deems good and sufficient reason;~~

~~—(d) Declare the account wagering system closed for receiving any or all wagers;~~

~~—(e) Suspend or close any account at any time, provided, however, when an account is closed, the book shall, within five business days, return the balance of the wagering account at the time of said action, subject to compliance with these regulations, the book's house rules, and federal and state laws and regulations, by sending a check to the patron's address of record; or~~

~~—(f) Close any wagering account when the patron thereof attempts to operate with an insufficient balance or when the account is dormant for a period established by the book. In either case, the book shall refund the balance of the wagering account, subject to compliance with these regulations, the book's house rules, and federal or state law.~~

~~—5. The book shall keep confidential, except from the patron, the board or as otherwise required by federal or state law:~~

~~—(a) The amount of money credited to, debited from, or present in any particular patron's wagering account;~~

~~—(b) The amount of money wagered by a particular patron on any event;~~

- ~~—(c) The account number and secure personal identification method that identifies the patron;~~
- ~~—(d) The identities of particular entries on which a patron is wagering or has wagered; and~~
- ~~—(e) Unless otherwise authorized by a patron, the name, address, and other information in the possession of the book that would identify the patron to anyone other than the board or the book.~~
- ~~—6. Books shall disclose their policy regarding the acceptance of personal checks, cashier’s checks, wire transfers, money orders, debit cards, credit cards and electronic transfers of money to the patron.~~
- ~~—7. Books shall disclose their policy regarding the patron’s use of the wagering account while the patron is on the premises of the book.]~~

22.155 Business entity wagering.

1. No change
2. No change
3. No change
4. No change
5. No change
6. No change
7. No change
8. A book may only accept wagering activity from a business entity, acting through one or more designated individuals, through a wagering account established by the business entity and may only deposit winnings into such wagering account. The book must use an account wagering system for such wagering activity. The requirement to use an account wagering system is effective on January 1, 2017.
9. No change
10. No change
11. No change
12. A book that accepts wagers from business entities shall implement policies and procedures designed to ensure that business entities’ wagering accounts are used only to place book wagers.
13. As used in this section, “holding company” means any corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization which, directly or indirectly:
 - (a) Owns, as defined in Regulation 15.482-6;
 - (b) Controls, as defined in Regulation 15.482-4; or

(c) Holds with power to vote

□ any part of a business entity subject to this section. In addition to any other reasonable meaning of the words used, a holding company “indirectly” has, holds or owns any power, right or security if it does so through any interest in a subsidiary or successive subsidiaries, however many such subsidiaries may intervene between the holding company and the business entity subject to this section.

22.160 Wagering account transactions.

1. Except as otherwise provided herein, deposits, withdrawals, credits, and debits to wagering accounts shall be made in accordance with Regulation 5.225. [~~Wagering account deposits may be made by any of the following means:~~

~~—(a) Cash deposits made directly;~~

~~—(b) Personal checks, cashier’s checks, wire transfers and money order deposits made directly or mailed;~~

~~—(c) Credit instruments issued pursuant to Regulation 6.120 and in accordance with the Regulation 6.090 minimum internal control standards or the Regulation 6.100 internal control procedures, as applicable;~~

~~—(d) Transfers from safekeeping or front money accounts otherwise held by the licensed gaming establishment excluding other race or sports wagering accounts;~~

~~—(e) Debits from a patron’s debit card or credit card, upon direct instructions of the patron, provided the use of such card has been pre-approved by the book and designated by the patron;~~

~~—(f) Debits by electronic transfers of money from a monetary account controlled by a patron. The patron may be liable for any charges imposed by the transmitting and receiving entity and the charges may be deducted from the patron’s wagering account; and~~

~~—(g) Any other means approved by the chairman.~~

~~2. Wagering account credits may be made by any of the following means:~~

~~—(a) Deposits; and~~

~~—(b) Amounts won by a patron.~~

~~3. Wagering account debits may be made by any of the following means:~~

~~—(a) Amounts wagered by a patron;~~

~~—(b) Service or other transaction-related charges authorized by the patron;~~

~~—(c) Purchases of horse racing related merchandise and services requested by a patron; and~~

~~—(d) Withdrawals.~~

~~4. Wagering account withdrawals shall be completed within five business days after the book receives a request from a patron by mail, telephone, or a communications technology accompanied by the valid account number and the patron's secure personal identification and, if by mail, a signed completed withdrawal slip. If sufficient funds are available, the book shall refund to the patron the amount of the requested withdrawal to the address of record. An electronic transfer of money may be used at the discretion of the patron. Patrons may make withdrawals in person with such identification as required by the book, the valid account number and the patron's secure personal identification.~~

5.] 2. Business entity wagering account deposits and withdrawals may only be made by transfers to and from the bank or financial institution account maintained by the business entity. Business entity wagering account deposits and withdrawals may not be made in cash.