

**PROPOSED AMENDMENTS TO**  
**NEVADA GAMING COMMISSION REGULATIONS**

**Addendum To The Draft Dated: 02/28/2024**

**EXPLANATION:** Matter in *blue italics* is new language; and matter between ~~red brackets with single strikethrough~~ is material to be omitted.

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**The Following Replaces The Version Of NGC Regulation 5.242**  
**Presented In The Draft Dated 02/28/2024**

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REGULATION 5  
**OPERATION OF GAMING ESTABLISHMENTS**

**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~~ *section 5.240 of these regulations*; 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~~ *On the premises of a* licensed gaming establishment;

(b) ~~A~~ *On the premises of a* hosting center registered with the Board pursuant to section 5.230 *of these regulations*; 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;

(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 *of these regulations* 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 *of these regulations* have been met regarding the business premises.

*3. A cloud computing service provider may apply to the Board Chair for a waiver or modification of the requirements of subsection 2.*

*(a) If satisfied that the requested waiver or modification is consistent with the public policy set forth in NRS 463.0129, the Board Chair may, in the Chair's sole and absolute discretion, grant the requested waiver or modification subject to any conditions, limitations, or alternative requirements as the Chair may deem necessary or appropriate.*

*(b) If the waiver allows for the use of one or more hosting centers that are not registered with the Board pursuant to section 5.230 of these regulations, any such hosting center shall:*

*(1) Be deemed the business premises of the cloud computing service provider for purpose of these regulations; and*

*(2) With the exception of the requirement to register with the Board, comply with the standards and requirements set forth in sections 5.231 through 5.235 of these regulations unless specifically waived or modified by the Board Chair pursuant to this subsection.*

*(c) Such application shall be considered part of, or an addendum to, the cloud computing service provider's application for registration, and the Board may impose an investigation fee pursuant to paragraph (d) of subsection 3 of section 4.200 of these regulations to cover any costs associated with processing the application for waiver or modification.*

4. 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) 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

(c) 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 *of these regulations*, to the extent such access is necessary to perform those services.

~~[4.]~~ 5. 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 *of these regulations*, 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.

(d) A statement subscribed by the applicant that:

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

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

~~{5.}~~ 6. The Commission may require a cloud computing service provider, or any person associated with the cloud computing service provider who is registered with the Board pursuant to subsection 6 of section 5.240 *of these regulations*, 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.

~~{6.}~~ 7. 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.}~~ 8. 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 *computing* service provider.

~~[8. The]~~ *9. Except as otherwise provided in subsection 3, the Board Chair, or the Chair's designee, in his or her sole and absolute discretion may, upon receipt of ~~[a written request]~~ an application for waiver or modification, waive or modify any requirement of this section, including, without limitation, ~~[if]~~ the disclosure to the Board of certain information that would hinder operations or pose a hardship due to contractual obligations, if the Board Chair, or the Chair's designee, is satisfied that the requested waiver or modification is consistent with the public policy set forth in NRS 463.0129. Such waiver or modification shall be subject to any condition, limitation, or alternative requirement the Chair, or the Chair's designee, may deem necessary or appropriate. Such application shall be considered part of, or an addendum to, the cloud computing service provider's application for registration, and the Board may impose an investigation fee pursuant to paragraph (d) of subsection 3 of section 4.200 of these regulations to cover any costs associated with processing the application for waiver or modification.*

~~[9.]~~ *10. 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]~~ sections 4.185 through 4.195 of these regulations, inclusive.*

~~[10.]~~ *11. 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, and an attestation that the transactions that will be processed using the cloud computing service provider will comply with the law in the jurisdiction(s) in which such services are provided. 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.