



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

B&I Policy and Procedure	Number REPI.1.1	Page 1 of 13
Subject: Regulatory Experimentation Program for Product Innovation	Issued By: Department Director	Distribution: All Members of the Office of the Director, Financial Institutions Division, and Mortgage Lending Division of the Department of Business and Industry; All Applicants to the Nevada Sandbox Program; and the Consumer Advocate of the Bureau of Consumer Protection.
	Amends/Supersedes:	REPI.1.0
	References: NRS Chapter 657A; LCB File No. R089-19.	Effective Date: February 14, 2020

I. PURPOSE

To establish guidelines for the Nevada Regulatory Experimentation Program for Product Innovation (herein referred to as “Nevada Sandbox Program”) for use and reference by Department employees as well as applicants or participants of the subject program.

The guidelines are implemented by the Director of the Department of Business and Industry pursuant to authorities granted that position by Nevada Revised Statutes (NRS) Chapter 657A. A copy of the NRS chapter is attached for reference.

II. POLICY

It is the policy of the Department of Business and Industry to conduct the Nevada Sandbox Program in a manner consistent with the direction and intent of the Nevada Legislature as expressed in NRS Chapter 657A.

III. SCOPE

This policy applies to (1) all employees working under the authority of or within the Department of Business and Industry on behalf of the Nevada Sandbox Program, and (2) all applicants and participants of the Nevada Sandbox Program.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 2 of 13

IV. RESPONSIBILITY

A. Employees are responsible for:

1. Complying with the guidelines contained in this policy and, when uncertain, seeking guidance from the Director or his or her designee.

B. Applicants and participants are responsible for:

1. Complying with the guidelines contained in this policy and, when uncertain, seeking guidance from the Office of the Director.

V. PROCEDURES

The Department of Business and Industry is committed to facilitating the introduction and testing of innovative products and services in Nevada in a way that protects consumers and encourages business and economic development in the areas of financial and advanced technology. It is also important for the Department to understand how its current regulatory processes address the consumer and industry challenges presented by innovative financial and advanced technology products and services, in order to make policy recommendations as appropriate.

To that end, the following procedures describe certain administrative requirements for use in the Nevada Sandbox Program by all Department employees, applicants and participants.

A. Program Application

1. An application to the Nevada Sandbox Program must meet the following requirements before the Director will begin to consider the proposed product or service test for possible acceptance into the program:
 - (a) It must be in writing.
 - (b) It must use a form provided by the Department for that purpose.
 - (c) It must include, with regard to the applicant submitting the application:
 - i. All information required under subsections 2 and 3(c) through 3(e) of NRS 657A.400. This includes:



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 3 of 13

- a. Showing that the applicant will, at all times during the test, be subject to the exercise of personal jurisdiction by the courts of Nevada.
 - b. Showing that the applicant will establish and maintain a physical or virtual location that is reasonably accessible to the Director, from which testing will occur and at which all records, documents and data required by the Nevada Sandbox Program will be maintained.
 - c. Providing the full legal name, physical address, every telephone number, facsimile number, electronic mail address and Internet address of the applicant and, if the applicant is not a natural person, each officer, director or other principal of the applicant.
 - d. Providing a description of any criminal conviction and any final administrative suspension, revocation or termination of a professional or occupational license of the applicant and any other person described in item (c) if such a conviction or suspension, revocation or termination occurred in Nevada or another jurisdiction within the five (5) years immediately preceding the date of the application.
- ii. The applicant's written consent to:
 - a. The applicability of Nevada law and the exercise of personal jurisdiction by the courts of Nevada over all matters associated with the program and the product or service test, if approved.
 - b. The review or investigation, at the Director's discretion and applicant's expense, of the credit history, criminal history and background of the applicant and, if the applicant is not a natural person, each officer, director or other principal of the applicant.
 - iii. The applicant's written agreement to comply with all program requirements and regulations, including any requirements imposed by the Director as a condition to the product or service test at the time of approval or in response to actions taken pursuant to authorities described in NRS 657A.610 and 657A.620.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 4 of 13

- iv. Any name under which the applicant does or expects to do business.
 - v. The federal employer identification number of the applicant.
 - vi. The state in which the applicant is incorporated or otherwise organized, if applicable.
 - vii. The date upon which the applicant was incorporated or otherwise organized, if applicable.
 - viii. The county in which the mailing address of the applicant is located.
 - ix. The name and title of the natural person who is the primary contact for the applicant.
- (d) It must include, with regard to the product or service for which the application is being submitted:
- i. All information required under subsections 3(a) and 3(b) of NRS 657A.400. This includes:
 - a. A description of the product or service proposed for testing and an explanation of:
 - (1) The innovation included in the product or service.
 - (2) The regulatory scheme otherwise applicable to the product or service outside the Nevada Sandbox Program.
 - (3) Any benefit of the product or service to consumers.
 - (4) Any risk of financial loss or other harm to consumers associated with the product or service.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 5 of 13

- (5) The nature or features of the product or service that distinguish it from any similar product or service available in Nevada.
 - (6) How participation in the Nevada Sandbox Program will facilitate a successful test of the product or service.
- b. A statement of the proposed plan for testing the product or service, including:
- (1) An estimate of the dates or periods of time anticipated for entry into and exit from the relevant market in Nevada.
 - (2) Measures to protect consumers from financial loss or other harm caused by a failure of the test, including any proposed bonding and the amounts thereof.
 - (3) The plan to wind up and terminate the test, including any proposed exit procedures if the applicant decides not to pursue formal licensing in Nevada following termination of the test or conclusion of the testing period.
- ii. A nonrefundable application fee of \$500 paid to the Nevada Department of Business and Industry.
- (e) It must include, with regard to regulatory sandbox activities by the applicant in general:
- i. Disclosure of whether the applicant has conducted a similar test of the same product or service, or a similar product or service, in another regulatory sandbox jurisdiction.
 - ii. A copy of any approved or denied applications by the applicant to another regulatory sandbox jurisdiction, if any.
 - iii. A statement concerning whether the applicant's regulatory sandbox efforts elsewhere, if any, were successful or not, or remain ongoing.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 6 of 13

- iv. A statement by the applicant describing any complaints tied to its regulatory sandbox efforts elsewhere, if any, and their status or resolution.
- (f) It must include a statement describing any regulatory actions, of any nature, pending or taken against the applicant (or any owner, officer, director or other principal thereof) elsewhere, if any, and their status or resolution.
2. An applicant must also provide any additional information requested by the Department at the time of application or during the application review process.

B. Change Requests

1. A change request submitted pursuant to NRS 657A.320 and 657A.350, or subsections 1(b) and 2 of Section 11 of LCB File No. R089-19 as adopted (NAC 657A), must meet all the following requirements:
 - (a) It must be in writing.
 - (b) It must use a form provided by the Department for that purpose.
 - (c) A request for relief from the test limits of NRS 657A.300(2) or NRS 657A.310(1) must include:
 - i. The specific change requested.
 - ii. An explanation by the participant of why the change is being sought, including any benefits or potential risks to consumers.
 - iii. Information on the participant's capitalization.
 - iv. Information on the participant's processes and procedures for the oversight and management of risk.
 - (d) A request for extension of the testing period must include:
 - i. The specific change requested.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 7 of 13

- ii. An explanation by the participant of its plan to apply for license or other authorization required by the state.
 - (e) A request to co-locate business activity or to move the place of business must include:
 - i. The specific change requested, including details and addresses as applicable.
 - ii. An explanation by the participant of the reason for the request, including timeline for co-location or relocation, if approved.
2. A participant must also provide any additional information requested by the Department at the time of the change request or during the request review process.

C. Consumer Disclosures

1. In addition to meeting the consumer disclosure requirements set forth in NRS 657A.330, participants in the Nevada Sandbox Program must ensure their disclosures are:
 - (a) Posted in a conspicuous place in the participant's physical or virtual location from which testing will occur, for the consumer to see.
 - (b) Provided to the consumer in a printed or electronic disclosure statement prior to the participant providing any product or service.
2. The printed or electronic disclosure statement must be in substantially the following form:
 - (a) On the top of the disclosure page, in a non-italic font size not smaller than 12-point:

Organization Name
Mailing address of the participant
Testing address of the participant
Contact person
Telephone number of the participant
Email address of the participant



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 8 of 13

Website address of the participant
The registration number issued by the Director
The approved testing period

(b) Within the body of the disclosure, in a non-italic font size not smaller than 12-point:

The product or service being offered to you is being tested under the provisions of the Nevada Regulatory Experimentation Program for Product Innovation (Nevada Revised Statutes xxx), also known as the Nevada Sandbox Program.

Products or services being tested under this Program are generally exempt from the provisions of Nevada Revised Statutes (NRS) chapters 645A, 645B, 645F and 645G; title 55; and any regulation adopted pursuant thereto, except as otherwise required by the Nevada Department of Business and Industry as part of the applicant's approval to participate in the Program.

The participant is not a holder of a license or other authorization in this State to provide this product or service outside the scope of the Nevada Sandbox Program.

The participant was approved to provide this product or service as part of a test, but the product or service is not endorsed or recommended by the Nevada Department of Business and Industry or any governmental agency.

The product or service being offered may be discontinued at or before the end of the testing period, which is *MM/DD/YYYY*.

(c) Within the body of the disclosure, in 12-point bold type, in all uppercase letters:

NOTICE OF RIGHT TO CONTACT THE DIRECTOR OF THE DEPARTMENT OF BUSINESS AND INDUSTRY REGARDING CONCERNS OR COMPLAINTS.

YOU MAY CONTACT THE DIRECTOR OF THE DEPARTMENT OF BUSINESS AND INDUSTRY REGARDING CONCERNS OR COMPLAINTS RELATING TO THE PRODUCT OR SERVICE PROVIDED TO YOU UNDER THE NEVADA SANDBOX



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 9 of 13

PROGRAM BY CALLING THE FOLLOWING TOLL-FREE TELEPHONE NUMBER:
(844) 594-7275 OR BY VISITING THE FOLLOWING WEBSITE:
www.consumeraffairs.nv.gov.

Consumer's acknowledgement

Printed Name

Signature

D. Consumer Complaints

1. Consumer complaints that relate to a product or service being tested under the Nevada Sandbox Program shall be directed to the Nevada Consumer Affairs Unit, Office of the Director, at (844) 594-7275 or www.consumeraffairs.nv.gov, for disposition by the Department. The Nevada Consumer Affairs Unit shall provide an informational copy of each complaint to the Bureau of Consumer Protection, Nevada Attorney General's Office.
2. A consumer complaint relating to a product or service test under the Nevada Sandbox Program may be resolved by the Department in any one or combination of the following ways, as the Director, in consultation with the applicable regulator, deems appropriate:
 - (a) By informal discussion and resolution between the consumer and the program participant identified in the complaint.
 - (b) By referral to the Department's Nevada Consumer Affairs Unit.
 - (c) By referral to the Attorney General's Office for possible investigation and action.
 - (d) Pursuant to any provisions agreed to by the participant pursuant to NRS 657A.330(2), 657A.430 or 657A.620.
3. Unless otherwise required by items (2) through (4), if applicable, a participant must respond to the Director within 10 days of being informed of a complaint. The response must meet all the following requirements:
 - (a) It must be in writing.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 10 of 13

- (b) It must use a form provided by the Department for that purpose.
- (c) It must include any information relating to the complaint requested by the Director.
- (d) It must include the participant's response to the complaint, including any corrective action, reimbursement or other steps taken to resolve the issue.

E. Status Reports

1. A participant must submit regular reports to the Director on the status of the product or service test.
2. Unless required otherwise by the Director, the reports must be submitted on a quarterly basis, due as follows:

Reporting period:	January 1 – March 31	Due date: April 15
Reporting period:	April 1 – June 30	Due date: July 15
Reporting period:	July 1 – September 30	Due date: October 15
Reporting period:	October 1 – December 31	Due date: January 15

3. Unless required otherwise by the Director, each report must meet the following requirements:
 - (a) It must be in writing.
 - (b) It must use a form provided by the Department for that purpose.
 - (c) It must include, with respect to the product or service test for which the report is being submitted:
 - i. The number of consumers using the product or service, by month and in total since launch of the test.
 - ii. The total number of transactions during the reporting period.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 11 of 13

- iii. The total number of transactions from inception to reporting date.
- iv. The consumer name and his or her contact information.
- v. The date (*mm/dd/yyyy*) the product or service was provided.
- vi. Any due dates or deadlines assigned to the consumer, if applicable.
- vii. The value of the product or service.
- viii. The amount of cash, credit, digital assets or other value provided to the consumer.
- ix. The amount of cash, credit, digital assets or other value received from the consumer.
- x. The assigned consumer transaction number.
- xi. Financial statements for the reporting period (income statement, balance sheet, and profit and loss statement).
- xii. List of consumer complaints filed directly with the participant, to include:
 - a. The consumer's contact information.
 - b. Nature of the complaint.
 - c. Description of the outcome.
 - d. If applicable, the corrective action plan to prevent the issue from occurring again.
- xiii. The number and type of transmittals performed, if applicable, including aggregate dollar amounts and the range of transaction amounts, by month and in total since launch of the test.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 12 of 13

- xiv. Demographic or socioeconomic information on the types of consumers being served, to assist the Director in understanding the community effects of the test and program.
 - xv. Any other data or information requested by the Department.
4. A participant must also provide any additional information requested by the Department at the time of reporting or during the report review process.

F. Notices to the Director

1. A participant must notify the Director in writing within 24 hours of any of the following:
 - (a) Any failure of the product or service test during the period of testing.
 - (b) Any discovery by the participant of an unauthorized acquisition of computerized data constituting a breach of the security of the system data as that term is defined in NRS 603A.020.
 - (c) Any change to the information required pursuant to subsection 3(c) of NRS 657A.400 during participation in the Nevada Sandbox Program and for the time period prescribed by way of subsection 3 of NRS 657A.500.
2. The notice to the Director must include, at minimum:
 - (a) For events under item 1(a), information on the failure and a description of any action taken by the participant to protect consumers from financial loss or other harm caused by the event.
 - (b) For events under item 1(b), information on the breach, including any potential effects on consumers and the product or service test and a description of any action taken by the participant to address these effects.
 - (c) For events under item 1(c), details of the change, including but not limited to the full legal name, address, telephone number, electronic mail address and website address of the person or persons involved.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

POLICY AND PROCEDURE

Policy and Procedure # REPI.1.1

Page 13 of 13

VI. POLICY EXCEPTION

The Director reserves the right to deviate from this policy for any good cause, or to modify the applicability of the policy or procedures to a particular product, service, applicant or participant if, in the Director's opinion, attendant circumstances warrant such modification.

VII. POLICY COMMUNICATION

This policy will be communicated to all Department employees in the Office of the Director, Financial Institutions Division and Mortgage Lending Division. The Office of Director will provide a copy of this policy to each applicant to the Nevada Sandbox Program, as well as to the Consumer Advocate of the Bureau of Consumer Protection of the Office of Nevada Attorney General for distribution to staff as that agency deems appropriate.

This policy is not a substitute for relevant law or regulation, nor does it establish additional rights beyond those provided in law and regulation. This policy is intended to be used in conjunction with NRS 657A and NAC 657A; as well as any existing provisions of NRS chapters 645A, 645B, 645F and 645G; NRS title 55; and the various regulations adopted pursuant to those statutes, to the extent those provisions have been conditionally applied to a participant and its product or service as part of an approved test in the Nevada Sandbox Program.

-Original signed and dated as indicated-

February 14, 2020

Terry Reynolds, Director

Issue Date

Attachments: NRS Chapter 657A
LCB File No. R089-19 (as adopted)

NRS CHAPTER 657A - REGULATORY EXPERIMENTATION PROGRAM FOR PRODUCT INNOVATION

GENERAL PROVISIONS

<u>NRS 657A.100</u>	Definitions. [Effective January 1, 2020.]
<u>NRS 657A.110</u>	“Applicable regulator” defined. [Effective January 1, 2020.]
<u>NRS 657A.120</u>	“Consumer” defined. [Effective January 1, 2020.]
<u>NRS 657A.130</u>	“Director” defined. [Effective January 1, 2020.]
<u>NRS 657A.140</u>	“Financial product or service” or “product or service” defined. [Effective January 1, 2020.]
<u>NRS 657A.150</u>	“Innovation” defined. [Effective January 1, 2020.]
<u>NRS 657A.160</u>	“Participant” defined. [Effective January 1, 2020.]
<u>NRS 657A.170</u>	“Program” defined. [Effective January 1, 2020.]
<u>NRS 657A.180</u>	“Test” defined. [Effective January 1, 2020.]

ADMINISTRATION OF PROGRAM

<u>NRS 657A.200</u>	Establishment of Program. [Effective January 1, 2020.]
<u>NRS 657A.210</u>	Regulations. [Effective January 1, 2020.]
<u>NRS 657A.220</u>	License or authorization from other jurisdiction; Director may enter into agreements concerning license or authorization. [Effective January 1, 2020.]
<u>NRS 657A.230</u>	Participant deemed to hold a license or other authorization. [Effective January 1, 2020.]
<u>NRS 657A.300</u>	Financial product or service provided within Program: Requirements and limitations. [Effective January 1, 2020.]
<u>NRS 657A.310</u>	Limitations on transactions. [Effective January 1, 2020.]
<u>NRS 657A.320</u>	Request for relief from certain limitations; approval, denial, rescission or modification of request. [Effective January 1, 2020.]
<u>NRS 657A.330</u>	Required disclosures. [Effective January 1, 2020.]
<u>NRS 657A.340</u>	Period of testing. [Effective January 1, 2020.]
<u>NRS 657A.350</u>	Request for extension of period of testing: Procedure; requirements; approval or denial by Director; report on extension. [Effective January 1, 2020.]

APPLICATION TO PROGRAM

<u>NRS 657A.400</u>	Application to participate; requirements for application; fee. [Effective January 1, 2020.]
<u>NRS 657A.410</u>	Director may refuse incomplete application; applicant required to provide additional information upon request; Director required to consult with certain regulators; timeline to approve or deny application. [Effective January 1, 2020.]
<u>NRS 657A.420</u>	Approval or denial of application; notice of approval or denial. [Effective January 1, 2020.]
<u>NRS 657A.430</u>	Issuance of registration upon approval of application; conditional approval of application. [Effective January 1, 2020.]

RECORDS AND REPORTS

<u>NRS 657A.500</u>	Regulations concerning reporting; required records and reporting; participant to notify Director of failed product or service or unauthorized acquisition of computerized data. [Effective January 1, 2020.]
<u>NRS 657A.510</u>	Confidentiality of records and information; immunity from liability for Director and applicable regulators concerning disclosure of certain records and information; admissibility of certain records and information. [Effective January 1, 2020.]
<u>NRS 657A.520</u>	Electronic form of certain information; substitution of certain information. [Effective January 1, 2020.]
<u>NRS 657A.530</u>	Report by Director to Legislature. [Effective January 1, 2020.]

ENFORCEMENT OF CHAPTER

<u>NRS 657A.600</u>	Establishment of toll-free telephone number and Internet website for complaints. [Effective January 1, 2020.]
<u>NRS 657A.610</u>	Powers of Director to enforce chapter. [Effective January 1, 2020.]
<u>NRS 657A.620</u>	Powers of Director to take action relating to certain acts or omissions of participants. [Effective January 1, 2020.]

GENERAL PROVISIONS

NRS 657A.100 Definitions. [Effective January 1, 2020.] As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 657A.110 to 657A.180, inclusive, have the meanings ascribed to them in those sections.

(Added to NRS by 2019, 3985, effective January 1, 2020)

NRS 657A.110 “Applicable regulator” defined. [Effective January 1, 2020.] “Applicable regulator” means the Commissioner of Mortgage Lending, the Division of Mortgage Lending of the Department of Business and Industry, the Commissioner of Financial Institutions or the Division of Financial Institutions of the Department of Business and Industry, as applicable, responsible for regulating a financial product or service.

(Added to NRS by 2019, 3985, effective January 1, 2020)

NRS 657A.120 “Consumer” defined. [Effective January 1, 2020.] “Consumer” means any person who purchases or otherwise enters into a transaction or agreement to receive a financial product or service.

(Added to NRS by 2019, 3985, effective January 1, 2020)

NRS 657A.130 “Director” defined. [Effective January 1, 2020.] “Director” means the Director of the Department of Business and Industry.

(Added to NRS by 2019, 3985, effective January 1, 2020)

NRS 657A.140 “Financial product or service” or “product or service” defined. [Effective January 1, 2020.] “Financial product or service” or “product or service” means any product, service, activity, business model, mechanism for delivery or element of any of these that:

1. Includes an innovation; and

2. But for the provisions of this chapter, is governed by the provisions of this title, chapter 645A, 645B, 645F or 645G of NRS or any regulation adopted pursuant thereto.

(Added to NRS by 2019, 3986, effective January 1, 2020)

NRS 657A.150 “Innovation” defined. [Effective January 1, 2020.] “Innovation” means any use of a new or emerging technology, or any novel use of an existing technology, to address a problem, provide a benefit or otherwise offer or provide a financial product or service that is determined by the Director not to be widely available in this State.

(Added to NRS by 2019, 3986, effective January 1, 2020)

NRS 657A.160 “Participant” defined. [Effective January 1, 2020.] “Participant” means a person whose application to participate in the Program has been approved by the Director pursuant to NRS 657A.420.

(Added to NRS by 2019, 3986, effective January 1, 2020)

NRS 657A.170 “Program” defined. [Effective January 1, 2020.] “Program” means the Regulatory Experimentation Program for Product Innovation established and administered by the Director pursuant to this chapter.

(Added to NRS by 2019, 3986, effective January 1, 2020)

NRS 657A.180 “Test” defined. [Effective January 1, 2020.] “Test” means to offer or provide a financial product or service through the Program.

(Added to NRS by 2019, 3986, effective January 1, 2020)

ADMINISTRATION OF PROGRAM

NRS 657A.200 Establishment of Program. [Effective January 1, 2020.] In consultation with each applicable regulator, the Director shall establish and administer the Regulatory Experimentation Program for Product Innovation to enable a person to obtain limited access to markets in this State to test a financial product or service without:

1. Applying for or obtaining any license or other authorization otherwise required by any provision of this title, chapter 645A, 645B, 645F or 645G of NRS or any regulation adopted pursuant thereto; or

2. Otherwise complying with any provision of this title, chapter 645A, 645B, 645F or 645G of NRS or any regulation adopted pursuant thereto, except as otherwise required by the Director pursuant to NRS 657A.430 or 657A.620.

(Added to NRS by 2019, 3986, effective January 1, 2020)

NRS 657A.210 Regulations. [Effective January 1, 2020.]

1. The Director shall, in consultation with the Consumer’s Advocate of the Bureau of Consumer Protection in the Office of the Attorney General and the applicable regulator, adopt regulations that establish protections for consumers of financial products or services provided through the Program.

2. The Director may adopt such other regulations as he or she deems necessary to carry out the provisions of this chapter.

(Added to NRS by 2019, 3992, effective January 1, 2020)

NRS 657A.220 License or authorization from other jurisdiction; Director may enter into agreements concerning license or authorization. [Effective January 1, 2020.]

1. Nothing contained in this chapter shall be deemed to prohibit a participant who holds a license or other authorization in another jurisdiction from acting in accordance with that license or authorization.

2. The Director may enter into an agreement with any governmental agency or official of any other jurisdiction to authorize:

(a) A participant to operate in such a jurisdiction; or

(b) A person who is authorized to operate in such a jurisdiction to be a participant.

(Added to NRS by 2019, 3992, effective January 1, 2020)

NRS 657A.230 Participant deemed to hold a license or other authorization. [Effective January 1, 2020.] For the purposes of any federal statute or regulation requiring a participant to hold a license or other authorization from this State in connection with a financial product or service, a participant shall be deemed to hold such a license or other authorization.

(Added to NRS by 2019, 3992, effective January 1, 2020)

NRS 657A.300 Financial product or service provided within Program: Requirements and limitations. [Effective January 1, 2020.] Any financial product or service provided within the scope of the Program is subject to the following requirements and limitations:

1. Any consumer of the product or service must be a resident of this State on the date that the product or service is first provided to the consumer.

2. Except as otherwise provided in subsection 3, not more than 5,000 consumers may be provided a given product or service by a participant during the period of testing.

3. If the Director approves a request for relief by a participant pursuant to NRS 657A.320, not more than 7,500 consumers may be provided a given product or service by the participant during the period of testing.

(Added to NRS by 2019, 3988, effective January 1, 2020)

NRS 657A.310 Limitations on transactions. [Effective January 1, 2020.]

1. Except as otherwise provided in subsection 2, in addition to complying with any other applicable requirements and limitations, a participant who is testing a financial product or service within the scope of the Program for which a license is otherwise required pursuant to chapter 671 of NRS shall not receive for transmission or transmit during the period of testing:

(a) More than \$2,500 in any single transaction for a consumer.

(b) More than \$25,000 in any series of transactions for a consumer.

2. If the Director approves a request for relief by a participant pursuant to NRS 657A.320, the participant shall not receive for transmission or transmit during the period of testing:

(a) More than \$15,000 in any single transaction for a consumer.

(b) More than \$50,000 in any series of transactions for a consumer.

(Added to NRS by 2019, 3989, effective January 1, 2020)

NRS 657A.320 Request for relief from certain limitations; approval, denial, rescission or modification of request. [Effective January 1, 2020.]

1. At any time during the period of testing a financial product or service, a participant may submit to the Director a written request for relief from the limitations of subsection 2 of NRS 657A.300 or subsection 1 of NRS 657A.310, or both, as they otherwise apply to the participant.

2. In accordance with any regulations adopted pursuant to NRS 657A.210, the Director may:

(a) Approve a request for relief if the Director determines that the participant has adequate capitalization and satisfactory procedures and processes in place for the oversight of its operations and the management of risk.

(b) Rescind or modify at any time his or her approval of a request for relief.

3. The approval, denial, rescission or modification of approval of a request for relief is final and not subject to administrative or judicial review.

(Added to NRS by 2019, 3989, effective January 1, 2020)

NRS 657A.330 Required disclosures. [Effective January 1, 2020.]

1. Before providing any financial product or service to a consumer, a participant shall disclose to the consumer:

(a) The name and contact information of the participant;

(b) The registration number applicable to the product or service, as issued by the Director pursuant to NRS 657A.430;

(c) The fact that the product or service is generally exempt from any provisions of this title, chapter 645A, 645B, 645F or 645G of NRS or any regulation adopted pursuant thereto, except as otherwise required by the Director pursuant to NRS 657A.430 or 657A.620;

(d) If applicable, the fact that the participant is not the holder of a license or other authorization in this State to provide any product or service outside the scope of the Program;

(e) The fact that the participant has been approved to provide the product or service pursuant to this chapter, but that the product or service is not endorsed or recommended by the Director or any governmental agency;

(f) The fact that the product or service is provided as part of a test and may be discontinued at or before the end of the test, with the date on which the test is expected to end; and

(g) The fact that the consumer may submit a complaint to the Director relating to the product or service, with the telephone number and Internet address of the Internet website maintained by the Director pursuant to NRS 657A.600.

2. The Director may condition approval of an application to participate in the Program on, or require at any time thereafter, the disclosure by a participant of information relating to a product or service in addition to the disclosures required by subsection 1. The Director shall give written notice to the participant of any additional disclosures required pursuant to this subsection.

3. The disclosures required by subsections 1 and 2, as applicable, must be clear and conspicuous and must be provided in English and Spanish. If a product or service is provided through an Internet website or mobile application, the consumer must acknowledge receipt of the disclosures before the completion of any transaction.

(Added to NRS by 2019, 3989, effective January 1, 2020)

NRS 657A.340 Period of testing. [Effective January 1, 2020.] Unless a timely request for an extension of the period of testing is made and approved pursuant to NRS 657A.350:

1. The period of testing for a financial product or service ends 2 years after the date of the notice given pursuant to NRS 657A.420.

2. Except as otherwise provided in this subsection, the participant shall, within 60 days after the end of the period of testing, wind down the test and cease offering or providing the product or service. If the product or service entails the performance of any ongoing duty or function, such as the servicing of a loan, the participant shall continue to perform or contract with another person for the continued performance of the duty or function.

(Added to NRS by 2019, 3991, effective January 1, 2020)

NRS 657A.350 Request for extension of period of testing: Procedure; requirements; approval or denial by Director; report on extension. [Effective January 1, 2020.]

1. A participant may request an extension of the period of testing to apply for any license or other authorization required for the financial product or service by any statute or regulation of this State. A participant who desires such an extension must submit a written request to the Director not less than 30 days before the end of the period of testing.

2. The Director shall:

(a) Approve or deny the requested extension before the end of the prescribed period of testing; and

(b) Give written notice of the approval or denial as provided in NRS 657A.420.

3. Only one extension of the period of testing may be granted pursuant to this section. Any such extension must not exceed 1 year in duration.

4. A participant who obtains an extension shall report periodically to the Director, in writing, on the status of the efforts of the participant to obtain a license or other authorization. The first such report must be submitted within 90 days after the date of the notice described in subsection 2, and subsequent reports must be submitted at intervals of not more than 90 days until the application of the participant for a license or other authorization is finally approved or finally denied by the applicable regulator.

(Added to NRS by 2019, 3991, effective January 1, 2020)

APPLICATION TO PROGRAM

NRS 657A.400 Application to participate; requirements for application; fee. [Effective January 1, 2020.]

1. A person who desires to participate in the Program to test a financial product or service must submit a written application in accordance with this section, in the form prescribed by the Director. A separate application must be filed for each product or service proposed for testing.

2. The application must show that the applicant will at all times during the test:

(a) Be subject to the exercise of personal jurisdiction by the courts of this State; and

(b) Establish and maintain a physical or virtual location that is reasonably accessible to the Director, from which testing will occur and at which all records, documents and data required by this chapter will be maintained.

3. The application must include:

(a) A description of the product or service proposed for testing and an explanation of:

(1) The innovation included in the product or service;

(2) The regulatory scheme otherwise applicable to the product or service outside the Program;

(3) Any benefit of the product or service to consumers;

(4) Any risk of financial loss or other harm to consumers associated with the product or service;

(5) The nature or features of the product or service that distinguish it from any similar product or service available in this State; and

(6) The manner in which participation in the Program will facilitate a successful test of the product or service;

(b) A statement of the proposed plan for testing the product or service, including:

(1) An estimate of the dates or periods of time anticipated for entry into and exit from the relevant market in this State;

(2) Measures to protect consumers from financial loss or other harm caused by a failure of the test; and

(3) The plan to wind up and terminate the test;

(c) The full legal name, address, telephone number, electronic mail address and website address of the applicant and, if the applicant is not a natural person, each officer, director or other principal of the applicant;

(d) A description of any criminal conviction and any final administrative suspension, revocation or termination of a professional or occupational license of the applicant and any other person described in paragraph (c) if such a conviction or suspension, revocation or termination occurred in this State or another jurisdiction within the 5 years immediately preceding the date of the application;

(e) The consent of the applicant to the provisions for choice of law and provisions for the selection of a forum as prescribed by the Director; and

(f) Any other information deemed necessary by the Director.

4. The application must be submitted to the Director and be accompanied by a nonrefundable fee of not more than \$1,000. The Director shall account separately for the money received from fees collected pursuant to this section and use that money solely to pay the expenses of administering the Program.

(Added to NRS by 2019, 3986, effective January 1, 2020)

NRS 657A.410 Director may refuse incomplete application; applicant required to provide additional information upon request; Director required to consult with certain regulators; timeline to approve or deny application. [Effective January 1, 2020.]

1. The Director may refuse to consider any application submitted pursuant to NRS 657A.400 if the application does not include the information required by NRS 657A.400 or any other information deemed necessary by the Director. The applicant shall provide, within the period directed by the Director, any additional information required in connection with the application. If the required information is not provided, the application may be denied by the Director as incomplete.

2. Upon receipt of a completed application and payment of the required fee, the Director shall identify and consult with each applicable regulator having an interest in the subject of the application. The consultation is advisory only and not binding on the Director. The consultation may relate to any matter deemed by the Director to be relevant to the application, including, without limitation:

(a) Any license or other authorization previously issued by the applicable regulator, or the corresponding regulator in another jurisdiction, to the applicant or any other person described in paragraph (c) of subsection 3 of NRS 657A.400;

(b) Any criminal, civil, administrative or other proceeding previously brought by or on behalf of the applicable regulator, or the corresponding regulator in any other jurisdiction, against the applicant or any other person described in paragraph (c) of subsection 3 of NRS 657A.400; and

(c) The ability of the applicant or any other person described in paragraph (c) of subsection 3 of NRS 657A.400 to qualify for a license or other authorization from the applicable regulator upon the completion of testing.

3. Unless the Director and the applicant mutually agree to extend this period, the Director shall approve or deny an application within 90 days after the completed application is received.

(Added to NRS by 2019, 3987, effective January 1, 2020)

NRS 657A.420 Approval or denial of application; notice of approval or denial. [Effective January 1, 2020.]

1. Except as otherwise provided in this subsection, the Director may approve or deny any application or request submitted pursuant to this chapter. The Director may not approve an application or request if provision of the relevant financial product or service to consumers in this State would exceed the applicable limitation provided by subsection 2 or 3 of NRS 657A.300.

2. The Director shall give the applicant or participant written notice of the approval or denial of the application or request within 5 business days after the date of approval or denial.

3. The approval or denial of an application or request is final and not subject to administrative or judicial review.

(Added to NRS by 2019, 3988, effective January 1, 2020)

NRS 657A.430 Issuance of registration upon approval of application; conditional approval of application. [Effective January 1, 2020.]

1. If the Director approves an application to participate in the Program:

(a) The applicant shall be deemed a participant.

(b) The Director shall issue a registration number unique to the approval.

(c) Except as otherwise required by the Director pursuant to subsection 2 or NRS 657A.620, a product or service offered or provided within the scope of the Program is exempt from any provision of this title, chapter 645A, 645B, 645F or 645G of NRS or any regulation adopted pursuant thereto.

2. In addition to any other requirements or limitations of NRS 657A.300 or 657A.310 that apply to a product or service, the Director may condition approval of an application upon compliance by the participant with one or more provisions of this title, chapter 645A, 645B, 645F or 645G of NRS or any regulation adopted pursuant thereto.

3. A notice of approval of an application given pursuant to NRS 657A.420 must be accompanied by a copy of the provisions of this chapter and any applicable regulations of the Director then in effect, and set forth:

(a) The registration number applicable to the approval;

(b) The period of testing prescribed by NRS 657A.340;

(c) The general limitations of NRS 657A.300, any additional requirements or limitations applicable specifically to the product or service pursuant to NRS 657A.310 and any conditions imposed pursuant to subsection 2 or NRS 657A.620; and

(d) Any additional information required by the Director to be disclosed to consumers pursuant to subsection 2 of NRS 657A.330.

(Added to NRS by 2019, 3988, effective January 1, 2020)

RECORDS AND REPORTS

NRS 657A.500 Regulations concerning reporting; required records and reporting; participant to notify Director of failed product or service or unauthorized acquisition of computerized data. [Effective January 1, 2020.]

1. The Director may establish by regulation periodic reporting requirements for participants in the Program.

2. On request by the Director, a participant shall make any requested record, information or data available for inspection and copying by the Director.

3. Each participant shall retain, for not less than 2 years after the end of the prescribed period of testing or for such longer period as the Director requires by order or regulation, all records and data produced in the ordinary course of business relating to a financial product or service tested in the Program.

4. If a product or service fails before the end of the period of testing, the participant shall:

(a) Give written notice of the failure to the Director.

(b) Include in the notice a description of any action taken by the participant to protect consumers from financial loss or other harm caused by the failure.

5. In addition to providing any other disclosure or notice of the unauthorized acquisition of computerized data required by any applicable statute or regulation, a participant shall promptly

notify the Director of any unauthorized acquisition of computerized data constituting a breach of the security of the system data as that term is defined in NRS 603A.020.

(Added to NRS by 2019, 3990, effective January 1, 2020)

NRS 657A.510 Confidentiality of records and information; immunity from liability for Director and applicable regulators concerning disclosure of certain records and information; admissibility of certain records and information. [Effective January 1, 2020.]

1. Any record or information in a record submitted to or obtained by the Director or an applicable regulator pursuant to this chapter:

(a) Except as otherwise provided in this section, is confidential and not a public book or record within the meaning of NRS 239.010.

(b) May be disclosed by the Director or an applicable regulator to:

(1) Any governmental agency or official; or

(2) A federal, state or county grand jury in response to a lawful subpoena.

2. Any disclosure pursuant to subsection 1 of a complaint relating to a financial product or service or the results of an examination, inquiry or investigation relating to a participant or product or service does not make the relevant record or information in a record a public record within the meaning of NRS 239.010, and a participant shall not disclose any such record or information to the general public except in connection with any disclosure required by law. A participant shall not disclose, use or refer to any comments, conclusions or results of an examination, inquiry or investigation in any communication to a consumer or potential consumer.

3. The Director and any applicable regulator are immune from civil liability for any damages sustained because of a disclosure of any record or information in a record that is received or obtained pursuant to this chapter.

4. Nothing contained in this section shall be deemed to preclude the disclosure of any record or information in a record that is admissible in evidence in any civil or criminal proceeding brought by a state or federal law enforcement agency to enforce or prosecute a civil or criminal violation of any law.

(Added to NRS by 2019, 3990, effective January 1, 2020)

NRS 657A.520 Electronic form of certain information; substitution of certain information. [Effective January 1, 2020.] Any information, writing, signature, record or disclosure required by the provisions of this chapter or any regulation adopted pursuant thereto, may:

1. Be obtained, recorded, provided or maintained by a participant in electronic form.

2. With the approval of the Director, be substituted by a participant with any substantially equivalent information, writing, signature, record or disclosure.

(Added to NRS by 2019, 3991, effective January 1, 2020)

NRS 657A.530 Report by Director to Legislature. [Effective January 1, 2020.]

1. On or before March 1 of each year, the Director of the Department of Business and Industry shall prepare and submit to the Director of the Legislative Counsel Bureau, for transmittal to the Legislature, a report on the operation and status of the Program.

2. The report must include, for the immediately preceding calendar year:

(a) The number of applications submitted to participate in the Program, and the number of applications that were approved or denied;

(b) With respect to the applications that were denied, a description of the reasons for denial; and

(c) With respect to the applications that were approved:

(1) A description of each financial product or service provided by each participant in the Program;

(2) A statement of the number of participants providing each product or service; and

(3) An estimate of the number of consumers using each product or service.

3. The report may include any recommendations for legislation relating to the Program and any other information that the Director of the Department of Business and Industry deems relevant.

(Added to NRS by 2019, 3993, effective January 1, 2020)

ENFORCEMENT OF CHAPTER

NRS 657A.600 Establishment of toll-free telephone number and Internet website for complaints. [Effective January 1, 2020.] The Director shall establish and maintain a toll-free telephone number and Internet website through which a consumer may submit a complaint relating to any financial product or service provided by a participant.

(Added to NRS by 2019, 3990, effective January 1, 2020)

NRS 657A.610 Powers of Director to enforce chapter. [Effective January 1, 2020.]

1. If the Director has reasonable cause to believe that a participant has engaged in, is engaging in or threatens to engage in any act or omission in violation of any provision of this chapter or any other applicable statute or regulation for which a civil or criminal penalty is prescribed, the Director may:

(a) Request that the Attorney General bring an action in any court of competent jurisdiction to enjoin the violation;

(b) Remove the participant from the Program or order the participant to exit the Program; or

(c) Take any combination of those actions.

2. A removal of or compelled exit of a participant from the Program is final and not subject to administrative or judicial review.

(Added to NRS by 2019, 3992, effective January 1, 2020)

NRS 657A.620 Powers of Director to take action relating to certain acts or omissions of participants. [Effective January 1, 2020.]

1. If the Director has reasonable cause to believe that a participant has engaged in, is engaging in or threatens to engage in any act or omission that the Director determines is inconsistent with the health, safety or welfare of consumers or the public generally, the Director may:

(a) Proceed to adopt a regulation to address the issue pursuant to NRS 657A.210;

(b) Require the participant to comply with one or more provisions of this title, chapter 645A, 645B, 645F or 645G of NRS or any regulation adopted pursuant thereto;

(c) Remove the participant from the Program or order the participant to exit the Program; or

(d) Take any combination of those actions.

2. Any action taken by the Director pursuant to this section is final and not subject to judicial or administrative review.

(Added to NRS by 2019, 3992, effective January 1, 2020)

ADOPTED REGULATION OF THE DIRECTOR OF THE
DEPARTMENT OF BUSINESS AND INDUSTRY

LCB File No. R089-19

EXPLANATION – Matter in *italics* is new; matter in brackets [~~omitted material~~] is material to be omitted.

AUTHORITY: §§1-7, 9, 12 and 15, section 30 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3992 (NRS 657A.210); §§8, 10 and 11, section 12 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3986 (NRS 657A.400) and section 30 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3992 (NRS 657A.210); §§13 and 14, section 22 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3990 (NRS 657A.500) and section 30 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3992 (NRS 657A.210).

A REGULATION relating to the Regulatory Experimentation Program for Product Innovation; establishing conditions for participation in the Program; requiring the location maintained by each participant to satisfy certain conditions; requiring participants to collect certain consumer information; requiring participants to submit certain reports; requiring participants to retain business documents; establishing the process by which complaints related to Program will be resolved; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Director of the Department of Business and Industry to establish and administer the Regulatory Experimentation Program for Product Innovation. (Section 11 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3986 (NRS 657A.200)) Existing law also authorizes the Director to adopt such regulations he or she deems necessary to administer the Program. (Section 30 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3992 (NRS 657A.210))

Sections 2-6 of this regulation define terms related to the Program.

Section 7 of this regulation provides that any authority, duties and responsibilities assigned to the Director related to the Program may be delegated to a designee employed by the Department. **Section 7** similarly provides that any authority, duties or responsibilities related to the Program assigned to the Department may be exercised or performed by the Director.

Section 8 of this regulation requires each applicant for participation in the Program to consent in writing to: (1) the applicability of the laws of this State and personal jurisdiction of the courts of this State regarding all matters associated with the program and testing; (2) credit,

criminal and background checks; and (3) certain requirements imposed by the Director as a condition or restriction on participation in the Program.

Existing law requires each application to participate in the Program submitted to the Director to be accompanied by a nonrefundable fee of not more than \$1,000. (Section 12 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3986 (NRS 657A.400)) **Section 8** of this regulation requires each applicant to submit a nonrefundable application fee of \$500.

Section 9 of this regulation requires each participant to possess each license, registration and permit required by this State or by a local government as a condition to conducting business under the Program. **Section 10** of this regulation requires each participant to maintain with the Director the physical or virtual address of the participant and, if the participant is not a natural person, the address of each officer, director or other principal of the applicant.

Existing law requires each participant to establish and maintain a physical or virtual location that is reasonably accessible to the Director, from which testing will occur and all records are maintained. (Section 12 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3986 (NRS 657A.400)) **Section 11** of this regulation requires that such a location be accessible by the Director from within this State and once established, may not be relocated without the prior approval of the Director. **Section 11** also prohibits a participant from engaging in testing where another business operates without prior approval from the Director and requires a participant to allow the Director to access and review any documents maintained at the physical or virtual location of the participant.

Section 12 of this regulation requires each participant to collect and record certain consumer information.

Existing law authorizes the Director to establish by regulation periodic reporting requirements for participants in the Program. (Section 22 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3990 (NRS 657A.500)) **Section 13** of this regulation requires each participant to submit periodic reports as required by the Director.

Existing law requires participants to retain all records and data produced in the ordinary course of business relating to a financial product or service tested in the Program for not less than 2 years after the end of the prescribed period of testing or for such longer period as the Director requires. (Section 22 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3990 (NRS 657A.500)) **Section 14** of this regulation requires each participant to retain all records and data produced in the ordinary course of business related to the test for not less than 6 years. **Section 14** also requires each participant to submit any records and data to the Director upon request.

Existing law requires the Director to establish and maintain a toll-free telephone number and Internet website through which a consumer may submit a complaint relating to any financial product or service provided by a participant. (Section 21 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3990 (NRS 657A.600)) **Section 15** of this regulation requires the Director to provide to the Bureau of Consumer Protection in the Office of the Attorney

General a copy of any complaint received through the toll-free telephone number or Internet website and establishes how the Director will resolve complaints.

Section 1. Chapter 657A of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 15, inclusive, of this regulation.

Sec. 2. *As used in sections 2 to 15, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 6, inclusive, of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Department” means the Department of Business and Industry.*

Sec. 4. *“Director” means the Director of the Department.*

Sec. 5. *“Document” means any electronic, written, printed or recorded material or information of any kind inscribed on a tangible medium or stored in an electronic format that is retrievable in perceivable form, including, without limitation, records, data, communications and audio and video recordings. The term includes originals and copies of documents that have been altered, including, without limitation, copies of documents that have been amended by adding notes, underlining or attachments.*

Sec. 6. *“Program” means the Regulatory Experimentation Program for Product Innovation established and administered by the Director pursuant to sections 2 to 31, inclusive, of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at pages 3985 to 3993, inclusive (NRS 657A.100 to 657A.530, inclusive).*

Sec. 7. 1. *Any authority granted to the Director and any duty or responsibility assigned to the Director by any provision of this chapter or sections 2 to 31, inclusive, of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at pages 3985 to 3993, inclusive (NRS 657A.100 to 657A.530, inclusive), may be exercised or performed by any employee of the Department who is designated by the Director for that purpose.*

2. Any authority granted to the Department and any duty or responsibility assigned to the Department by any provision of this chapter or sections 2 to 31, inclusive, of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at pages 3985 to 3993, inclusive (NRS 657A.100 to 657A.530, inclusive), may be exercised or performed by the Director.

Sec. 8. 1. *Before the Director will approve a financial product or service for participation in the Program, the applicant must consent in writing to:*

(a) The applicability of the laws of this State and the exercise of personal jurisdiction by the courts of this State over all matters related to the Program and the test of the financial product or service;

(b) The review or investigation of the credit history, criminal history and background of the applicant, if the applicant is a natural person and, if the applicant is not a natural person, each officer, director or other principal of the applicant; and

(c) Comply with any requirements imposed by the Director pursuant to section 15 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3988 (NRS 657A.430), section 20 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3989 (NRS 657A.330) or section 26.3 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3992 (NRS 657A.620).

2. Each application must be accompanied by a nonrefundable application fee of \$500.

Sec. 9. *Except as otherwise provided in sections 2 to 31, inclusive, of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at pages 3985 to 3993, inclusive (NRS 657A.100 to 657A.530, inclusive), each participant must possess each license, registration and permit required by this State or by a local governmental entity as a condition to conducting business under the Program.*

Sec. 10. *Each participant shall maintain with the Director:*

- 1. The current physical or virtual location of the participant established and maintained by the participant during the test of a financial product or service pursuant to section 12 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3986 (NRS 657A.400); and*
- 2. If the participant is not a natural person, the current address of each officer, director or other principal of the participant.*

Sec. 11. *1. The physical or virtual location established and maintained by a participant during the test of a financial product or service pursuant to section 12 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3986 (NRS 657A.400):*

- (a) Must be accessible to the Director from within this State; and*
 - (b) May not be relocated without prior approval from the Director.*
- 2. A participant shall not engage in testing within any office, suite, room or business location in which any other business is solicited or engaged, or in association or conjunction with any other business, without prior approval from the Director.*
- 3. Each participant shall allow the Director to access and review any document maintained at the physical or virtual location of the participant pursuant to sections 2 to 31, inclusive, of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at pages 3985 to 3993, inclusive (NRS 657A.100 to 657A.530, inclusive).*

Sec. 12. *Each participant shall collect and record data for each consumer that purchases a financial product or service offered through the Program during the test of the financial product or service including, without limitation:*

- 1. The name of and contact information for the consumer;*
- 2. A description of the financial product or service; and*

3. Any other relevant information regarding the transaction.

Sec. 13. 1. Each participant shall submit periodic reports to the Director on the status of the test of a financial product or service, as required by the Director. The Director will consider the type of financial product or service being tested when determining the frequency of the required reports.

2. Each report must be in the form prescribed by the Director and include any documents related to the test requested by the Director.

3. The Director may request additional documents related to the test at any time. A participant must submit all documents requested pursuant to this section to the Director.

Sec. 14. 1. Each participant must retain all records and data produced in the ordinary course of business related to the testing of a financial product or service for not less than 6 years after the end of the test.

2. Each participant must submit any records or data retained pursuant to this section to the Director upon request.

Sec. 15. 1. The Director, in consultation with the applicable regulator, may resolve any complaint received relating to a financial product or service provided by a participant:

(a) By informal discussion and resolution between the consumer and the participant identified in the complaint;

(b) By referring the complaint to the Commissioner of Consumer Affairs of the Department;

(c) By requesting the Attorney General bring an action in any court of competent jurisdiction;

(d) Pursuant to any provisions agreed to by the participant pursuant to section 15 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3988 (NRS 657A.430), section 20 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3989 (NRS 657A.330) or section 26.3 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3992 (NRS 657A.620); or

(e) Any combination of the actions described in paragraphs (a) to (d), inclusive.

2. The Director shall provide to the Bureau of Consumer Protection in the Office of the Attorney General a copy of any complaint submitted through the toll-free telephone number or Internet website established and maintained by the Director pursuant to section 21 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3990 (NRS 657A.600).

3. Nothing in this section limits the authority of the Director to remove a participant from the Program or order the participant to exit the Program pursuant to section 26.3 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3992 (NRS 657A.620) or section 27 of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3992 (NRS 657A.610), or take any other action authorized by sections 2 to 31, inclusive, of Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at pages 3985 to 3993, inclusive (NRS 657A.100 to 657A.530, inclusive).