TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

_____ **Session, 2026** **H. B. 24-** 113

A BILL FOR AN ACT

To repeal and reenact Title 1, Division 9, Chapter 3 of the Commonwealth Code, to insert Article I (Commonwealth Lottery Commission), insert Article II (Public Lottery), and insert Article III (Global Digital Lottery); and for other purposes.

BE IT ENACTED BY THE 24TH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose.

The Legislature finds and declares as follows:

(a) Modernization and Alignment of Commonwealth Lottery Law with the Reality of the Internet and International Digital Markets.

The existing Commonwealth Lottery Commission Act, codified at 1 CMC §§ 9301 through 9323, was enacted by Public Law 3-60 in 1983 and was drafted at a time when all lottery activity in the Commonwealth, and substantially all lottery activity in the world, was conducted exclusively through the sale of paper tickets at fixed, physical retail locations. The drafters of the 1983 Act could not have anticipated, and the 1983 Act accordingly does not address, the emergence of a global digital economy built on the World Wide Web, in which lawful, regulated online lottery operations now generate more than one hundred to one hundred twenty billion dollars ($100B - $120B) in annual revenue worldwide and are projected to grow at compound annual rates approaching ten percent through the end of the current decade.

The Legislature finds that the 1983 statutory framework as amended, designed exclusively to govern retail, physical-location, multi-licensee public lotteries conducted within the Commonwealth, played primarily by and for the benefit of Commonwealth residents, is simply incompatible with the modern digital financial reality, where consumers everywhere carry smartphones, readily engage in online transactions, and continually seek out the best gaming experiences available in a global marketplace.

The Legislature further finds that the Commonwealth's ability to participate in the global digital economy, and to derive revenue from that participation for the benefit of its residents, depends on modernizing its laws in a manner that is both legally coherent and operationally practical. The Legislature thus finds that modernizing the Commonwealth's lottery framework is an independent and affirmative legislative purpose. By establishing a new, separate Article 3 that governs the Global Digital Lottery exclusively and preserving the existing 1983 provisions, as amended, as a distinct framework governing traditional Public Lotteries exclusively, this Act creates a clear, unambiguous distinction between two categorically different forms of lottery activity. Each framework is tailored to its own operational and governance requirements, and neither framework is intended to overlap with the other.

Finally, the Legislature must revise the lottery framework expeditiously, given the economic disruptions that have burdened the Commonwealth for many years, as described next.

(b) Economic Conditions in the Commonwealth.

The Commonwealth's economy is in acute crisis. Tourism activity has declined substantially from the pre-pandemic period. Visitor arrivals declined from approximately 607,543 in 2018 to

424,858 in FY2019, the last available pre-pandemic reference year, and approximately 228,963 in 2024. Now, two years later, three mutually reinforcing shocks converged: (i) severe damage to housing, hotel, and utility infrastructure from Super Typhoon Sinlaku in April 2026 and Super Typhoon Bavi in July 2026; (ii) the sharp increase in jet-fuel prices following conflict in Iran in early 2026, after which the U. S. Energy Information Administration reported that U. S. Gulf Coast jet-fuel spot prices from March through May 2026 averaged about double the price at the start of the year, materially increasing the cost and risk of long-haul service to remote Pacific destinations; and (iii) the Commonwealth's continuing dependence on U. S. Federal visitor-admission programs, including the Guam–CNMI Visa Waiver Program and EVS-TAP, that remain subject to changes in U. S. Federal law and policy.

The combined effect of these shocks is a severe, self-reinforcing decline: reduced air service has depressed hotel operations, hotel closures have eliminated demand for remaining flights, and threatened loss of visa-free access risks causing airlines and tour operators to further remove the Commonwealth from planned schedules. Saipan's principal casino closed in 2020 and has not reopened; garment manufacturing ended years ago; and gross domestic product has contracted. The CNMI economy remains exposed to tourism shocks, limited diversification, and lagged official economic data. As of enactment, U.S. federal disaster relief for Super Typhoons Sinlaku and Bavi is a material source of off-island capital flowing into the Commonwealth, and that temporary source cannot sustain government operations, essential public services, or pension obligations into the future.

The Commonwealth's historically dominant revenue sources, tourism, casino gaming, and garment manufacturing, are no longer sustainable, and no near-term alternative source of comparable magnitude has been identified. The Legislature finds that developing diversified, resilient revenue sources, including the Global Digital Lottery authorized by this Act, is therefore an urgent fiscal necessity rather than a policy preference.

(c) Clear Statutory Distinction Between Public Lottery and Global Digital Lottery. The Legislature finds that the Global Digital Lottery is categorically different from the traditional "Public Lottery" regulated under the existing Commonwealth Lottery Commission Act, for the following reasons:

Participant Base. The Public Lottery is available to residents of, and persons physically present within, the Commonwealth. The Global Digital Lottery is categorically prohibited from accepting any participation by Commonwealth residents, by any other United States citizen, or by any person physically present within the United States or its territories.

Operations and Infrastructure. The Public Lottery is provided primarily for Commonwealth residents exclusively through paper tickets or video tickets at retail locations in the Commonwealth. The Public Lottery relies on physical equipment, point-of-sale video terminals, paper tickets, ticket dispensers, and fixed retail premises, all of which require an extensive, locally-focused, regulatory regime to manage. By contrast, the Global Digital Lottery targets a global population that excludes United States citizens and residents (and thus Commonwealth citizens and residents) and operates exclusively through internet and mobile-device-based digital channels, with no physical retail locations in the Commonwealth and no paper tickets. The Global Digital

Lottery relies on well-developed, regulated cloud-based digital infrastructure, real-time geolocation and identity-verification systems, and global payment-processing networks.

Economic Model. The Public Lottery serves a local market and generates local revenue through ticket sales. The Global Digital Lottery serves a global market of non-United States persons and generates international revenue that the Commonwealth repatriates through taxes on the Licensee's Net Lottery Revenue and prize winnings.

Regulatory Requirements. The Public Lottery is governed by the existing 1983 statutes, as amended, and implementing rules and regulations tailored to retail, physical-location operations. The Global Digital Lottery requires an entirely new framework tailored to digital operations, international markets, real-time compliance monitoring, and the special U.S. federal compliance obligations that apply to cross-border online gaming.

By reason of these categorical differences, the Legislature finds that it is both appropriate and necessary to establish separate and distinct statutory frameworks for the two forms of lottery activity, and to expressly provide that the rules and regulations governing one framework shall not apply to the other.

(d). Commonwealth Authority to Authorize the Global Digital Lottery with Respect to UIGEA and the Wire Act.

The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, Pub. L. 94-241 (1976) ("Covenant"), guarantees the Commonwealth's right of local self-government over internal affairs under § 103. The Legislature adopts the good-faith legal position that licensing and regulating a Global Digital Lottery operating

within the Commonwealth and serving exclusively foreign participants falls within the Commonwealth's local regulatory authority, subject in all events to applicable U.S. federal law.

The Unlawful Internet Gambling Enforcement Act of 2006, 31 U. S. C. §§ 5361-5367 ("UIGEA"), restricts certain forms of internet-based wagering and payment activity. More specifically, UIGEA defines "unlawful Internet gambling" as "to place, receive, or otherwise knowingly transmit a bet or wager by any means which involves the use, at least in part, of the Internet where such bet or wager is unlawful under any applicable Federal or State law in the State or Tribal lands in which the bet or wager is initiated, received, or otherwise made." 31 U. S. C. § 5362(10)(A). In the context of this section of UIGEA, the Commonwealth is a "State." Given this definition, UIGEA then specifically criminalizes knowingly accepting, in "connection with the participation of another person in unlawful Internet gambling," various forms of payments for wagers, such as credit, electronic funds transfer, checks, or other financial instruments.

After considering the statutory text and available legal authorities, the Legislature adopts the good-faith legal position that the U. S. Federal prohibition is not an absolute prohibition on lotteries themselves, but rather a prohibition on businesses that accept any form of payments for wagers in "unlawful Internet gambling," and whether the gambling is unlawful is determined by the law of the jurisdiction in which the wager is received. Accordingly, the Legislature adopts the good-faith legal position that since the Commonwealth, by this Lottery Modernization, expressly authorizes receipt by the Licensee of wagers initiated by non-United States persons in foreign jurisdictions, such wagers are not "unlawful under any applicable . . . State law in the State … in which the bet or wager is … received," and thus, should not constitute "unlawful Internet gambling" or

"restricted transactions" under UIGEA. Therefore, the design of the Global Digital Lottery, which excludes persons within the United States and U.S. citizens and residents using the Exclusion Technology required by § 9333, and requires each Wager to be initiated by a non-United States person in a foreign jurisdiction, is an appropriate structure for compliance with U. S. Federal law.

Separately, the Legislature adopts the good-faith legal position that, because the Global Digital Lottery does not involve bets or wagers on a "sporting event or contest," its authorized operations fall outside the prohibitions of the Wire Act, 18 U. S. C. § 1084.

The Legislature recognizes that U. S. Federal authorities and courts retain authority to interpret and apply U. S. Federal law, and therefore requires the continuing Reasoned Legal Opinion and legal-change procedures in § 9333(c). Thus, pursuant to § 9333(c), the Licensee shall provide to the Commission a current Reasoned Legal Opinion. The RLO does not create U. S. Federal immunity, an exemption, a safe harbor, or a binding U. S. Federal determination. If an intervening legal change by a decision of the U. S. Court of Appeals for the Ninth Circuit, the U. S. Supreme Court, or the U. S. District Court for the Northern Mariana Islands materially addressing the scope of 18 U. S. C. § 1084 or 31 U. S. C. § 5362 prevents qualified counsel from refreshing the RLO, § 9345(h) governs targeted suspension, orderly wind-down, preservation of the License, and tolling.

The foregoing findings state the Legislature's good-faith legal positions and factual predicates for Commonwealth action; nothing in this Act, those findings, or the License purports to bind a U. S. Federal agency or court, conclusively determine U. S. Federal law, or create a U. S. Federal immunity, exemption, or safe harbor.

(e) Necessity of Automated Exclusion Technology. The Global Digital Lottery operates through digital networks and client devices, and clients may access it from many geographic locations. Manual or purely administrative methods of identifying and excluding United States citizens and residents and persons barred from an affected Game or function in an Excluded Jurisdiction or Prohibited Jurisdiction (generally, "Excluded Persons") are insufficient, unreliable, and incapable of operating at the speed, scale, and accuracy required to ensure compliance with U. S. Federal law on a real-time, transaction-by-transaction basis. Reliable exclusion of United States persons therefore requires automated technical systems that can identify an Excluded Person before any wagering transaction is completed and prevent an Excluded Person from collecting any prize payout from the Global Digital Lottery.

The Legislature further finds that the Exclusion Technology for initial qualification must implement multiple complementary technical functions associated with a person's client device, specifically:

(1) GPS-based Player registration using geographic-location data from a Global Positioning System receiver in the person's client device;

(2) IP-based Entry issuance using an Internet Protocol address of the client device and its corresponding geographic location;

(3) IP-based lottery operation using an Internet Protocol address and corresponding geographic location to determine eligibility, provide an Entry, register the Player, select a winning Entry, and award the Prize; and

(4) telephone- and IP-based lottery access using the locations associated with the telephone number and source Internet Protocol address to determine eligibility for registration, Entries, and Prize collection, together with Player-record, Entry-record, and Prize-award controls. The Legislature also recognizes that a competent foreign regulator may prohibit or not require collection or transfer of one or more of those location methods, or may require reliance on a locally regulated operator, verified eligibility token, documentary or biometric control, or another control architecture. An Alternative Compliance Method that is required or approved by a competent foreign regulator, or independently certified as providing materially equivalent or greater protection, may therefore be used as expressly provided in § 9333(b).

(f) Requirement of U. S. Patent Protection of Exclusion Technology.

The Legislature finds that to ensure the stable and continued operation of the Global Digital Lottery, the Licensee must own, exclusively license, or otherwise control enforceable patent rights covering the Exclusion Technology features defined in § 9333(u)(1)-(4) when obtaining the License. The Legislature recognizes that a patent does not grant its holder an affirmative right to practice an invention, but instead grants the right to exclude others from making, using, offering for sale, selling, or importing the patented invention. The Legislature further finds that this exclusionary right is precisely the characteristic that makes patent ownership or control relevant to the Global Digital Lottery. Because Exclusion Technology is a mandatory condition of lawful operation under this Act, the Licensee must possess enforceable legal control over the technology necessary to obtain the License. A Licensee lacking such control would present unacceptable risks

of third-party injunction, royalty hold-up, interruption of operations, dilution of regulatory accountability, and impairment of the Commonwealth's revenue stream.

The Legislature further finds that ownership, exclusive licensing, or other control of a Qualified Patent is an initial qualification for issuance of the License and is not intended to require that a Qualified Patent remain unexpired, valid, enforceable, or under the Licensee's control throughout the License Term. After the License is issued, the expiration, narrowing, invalidation, unenforceability, or other change in the status of a patent does not impair the License, the License Term, or the Licensee's renewal rights, as provided in §§ 9331(d) and 9339(k).

(g) Exclusive Licensing Regime. The Legislature finds that the Global Digital Lottery is most likely to maximize revenue and social benefit to the Commonwealth under an exclusive licensing regime in which the Commonwealth shall issue one exclusive license to the Licensee and in return, the Licensee shall be domiciled in the Commonwealth, pay the Global Digital Lottery License Tax on its Net Lottery Revenue, and withhold taxes on prizes as set forth in this Act. This exclusive framework is a material element of the bilateral contract between the Commonwealth and the Licensee and is the fundamental consideration supporting the Licensee's financial commitments to the Commonwealth, as well as the Pre-Launch Period, the Initial Term, and two Renewal Terms.

The Legislature further finds that the Commonwealth's material covenants should be judicially enforceable through the remedies ordinarily available for breach of a bilateral contract, including liquidated or unliquidated compensatory damages. Title 7, Division 2, Chapter 2 authorizes civil actions against the Commonwealth founded upon Commonwealth law or an express or implied

contract, including claims for liquidated or unliquidated damages not sounding in tort, while preserving the statutory process for payment of judgments. Accordingly, this Act expressly permits damages and other appropriate relief for breach of the License or § 9331(f), subject to applicable judgment-payment and appropriation requirements. If the Commonwealth actually issues a competing license authorizing another Person to conduct a Global Digital Lottery from the Commonwealth, the License continues, each remaining Renewal Term vests without the Minimum Aggregate Payment requirements or a Renewal True-Up Payment, while License Fees, the Global Digital Lottery License Tax, Prize-Tax withholding, and Regulatory Support Reimbursements continue. This outcome is economically rational since the original Licensee has lost exclusivity, while the Commonwealth has obtained an additional source of tax revenue, license fees and renewal fees.

(h) Urgent Compelling Economic Necessity. One CMC § 9310 establishes that contracts entered into by the Commission for the operation of a public lottery are specifically exempt from any requirement of competitive bidding, and extending this rule to the Global Digital Lottery is consistent with the authority of the Legislature and the Commission. The Legislature finds that the economic emergency of the Commonwealth, the absence of viable alternative revenue sources, the direct relationship between operational delay and foregone revenue, and the interaction of that delay with the U. S. Federal law compliance requirement collectively constitute a condition of urgent and compelling necessity that independently and jointly justify the award of an exclusive contract and license for the Global Digital Lottery to the Licensee. The award of an exclusive contract and license to the Licensee is therefore not merely a procurement preference but a rational

basis for U. S. Federal law compliance and a fiscal necessity. This finding of economic urgency is intended to supplement, and not to displace, the patent-based justification set forth in subsection (f), and both grounds independently and jointly support the exclusive authorization provided in § 9331 below.

(i) Ten-Year License Term with Two Renewal Terms. The Legislature finds that a Pre-Launch Period, an Initial Term of ten (10) years, and two successive Renewal Terms of ten (10) years each, conditioned only on satisfaction of the statutory Renewal Condition based on Aggregate Commonwealth Payments meeting or exceeding specified minimum amounts, are rational, necessary, and appropriate for the following reasons, each of which is independent of any patent right:

(1) License Term and Renewal Rights as Consideration. The Pre-Launch Period, Initial Term, and two Renewal Terms are material consideration for the Licensee's substantial financial commitments, including the Global Digital Lottery License Tax, Prize-Tax withholding, Annual License Fees, minimum aggregate-payment obligations, and Regulatory Support Reimbursements. Without renewal rights, the Commonwealth would be unlikely to receive equivalent economic benefits.

(2) Capital Recovery and Investment Incentive. Developing, launching, and globally marketing a regulated digital lottery requires substantial upfront capital investment in technology infrastructure, regulatory compliance systems, anti-money laundering protocols, player verification systems, and market development. An initial ten-year term, combined with renewal terms, provides the investment horizon necessary to attract the

private investment required to build an operation of the scale and sophistication required by this Act.

(3) Balance of Accountability and Certainty. The Legislature finds that a ten-year initial term with renewal upon specific monetary targets balances the Commonwealth's interest in ensuring continuing compliance with the Licensee's need for certainty. The Licensee receives protection against discretionary re-competition, political interruption, or arbitrary non-renewal, while the Commonwealth obtains the expected economic benefits of the exclusive license.

(4) Regulatory Stability and International Market Confidence. Market acceptance and regulatory cooperation from foreign governments, financial institutions, payment processors, and commercial partners require a stable, long-term regulatory framework, both in appearance and in reality. Renewal Terms conditioned only upon specific monetary targets provide such stability while avoiding uncertainty associated with discretionary relicensing decisions.

(5) Ministerial Renewal. The Legislature intends that renewal provisions under this Act shall be ministerial rather than discretionary. If the Licensee satisfies the Renewal Condition set forth in this Act, then the License shall be automatically renewed as a matter of law, without any lapse or changes in terms or operating conditions, and without any further conditions, policy reconsideration, competitive procurement, or political preference.

(j) Financial and Social Benefits with Minimized Risk to the Commonwealth. The Legislature finds that the Global Digital Lottery presents a uniquely favorable revenue and economic benefit opportunity by generating substantial financial returns and measurable social benefits for the Commonwealth while requiring no Commonwealth capital investment in, guarantee of, or assumption of operational or financial risk for the Global Digital Lottery. Specifically:

(1) No Required Commonwealth Investment. The Licensee structures and operates the Global Digital Lottery entirely through its technology, infrastructure, and capital resources. The Commonwealth is not required to make any capital investment, assume any financial obligation, or incur any startup costs.

(2) No Commonwealth Land or Natural Resources Required. The Global Digital Lottery requires no allocation, lease, transfer, dedication, or encumbrance of Public Land, territorial waters, airspace, or other natural resources.

(3) No Negative Social Impact on Commonwealth Residents. Because Commonwealth residents are categorically excluded from participation, the risks of gambling accessibility to Commonwealth residents are materially reduced. The responsible-participation and Player-protection requirements in § 9350 address the remaining risks to eligible foreign Players.

(4) No Negative Impact on Public Lotteries. The Global Digital Lottery serves an exclusively international participant base and does not compete with, draw revenues from, or otherwise affect the participant base, ticket sales, prize pools, or revenue streams of any Public Lottery operated in the Commonwealth for the benefit of Commonwealth residents.

(5) Employment Opportunities. The operation of the Global Digital Lottery may generate direct and indirect employment opportunities for Commonwealth residents in technology operations, compliance and regulatory oversight, financial administration, legal and audit services, and associated administrative functions.

(k) Regulatory Monitoring, Integrity, and Regulatory Support. The Legislature finds that insufficient oversight, limited transparency, and inadequate tools for monitoring complex digital gaming impaired prior Commonwealth gaming efforts. Because the Public Lottery framework was designed for physical retail operations, it cannot be effectively applied to a Global Digital Lottery using internet systems, international payments, automated exclusion technology, and real-time digital transactions. The Monitoring Interface established by this Act is therefore necessary to give the Commission secure, continuous, read-only access to aggregate compliance information, material exception reports, certifications, and targeted records reasonably needed for regulation, while preserving the Licensee's exclusive operational control. This approach reflects recognized digital-gaming oversight practices by providing visibility into draw integrity, exclusion controls, player-fund protections, financial obligations, audits, and material system events without allowing the regulator to operate, alter, or interrupt the Licensee's systems.

The Legislature finds that the Commission's existing statutory access to Department of Finance personnel and assistance from other Commonwealth agencies is sufficient for the ordinary administration and implementation of Article 3; that operation of the Global Digital Lottery may require specialized third-party regulatory services beyond those existing resources; and that reimbursement of actual, documented, incremental third-party costs, subject to a $150,000

aggregate limitation before the Commercial Operations Date and a $150,000 annual limitation thereafter, together with legislative appropriation, reasonably protects existing Commonwealth resources without impairing the Commission's independence.

(l) International Market, Financial, and Operational Resilience. The Legislature finds that a Global Digital Lottery serving foreign participants through international digital networks must be able to adapt to different foreign laws, game types, payment systems, currencies, taxes, responsible-participation requirements, data-protection regimes, and market-access conditions. It must also maintain continuity through typhoons, cyber incidents, telecommunications failures, cloud-service interruptions, banking or payment-provider termination, vendor insolvency, and other events beyond the reasonable control of the Licensee. The Legislature therefore finds that long-term Commonwealth revenue and acquisition value are best protected by establishing outcome-based statutory standards for Player-fund protection, prize-liability management, operational resilience, foreign-market compliance, responsible participation, regulatory equivalence, and financing continuity, while leaving technology, vendor, corporate, treasury, and market-specific implementation decisions to the Licensee.

(m) Expedited License Application Process. The Legislature further finds that prompt, but orderly selection of the Licensee is necessary to advance the urgent fiscal and implementation purposes of this Act. The Legislature has considered alternative selection procedures, including competitive or comparative evaluation, acceptance and review of every application submitted during a fixed filing period, and selection according to the first Complete Application. The

Legislature finds that the first-complete procedure established by § 9332 is necessary and appropriate to the particular objectives and structure of Article III.

Article III authorizes only one exclusive License and establishes objective minimum qualifications rather than comparative criteria for determining which qualified applicant submits the best application for the License. The application is therefore not a bid or proposal to be comparatively scored. It is the prescribed means of demonstrating that an applicant has assembled the ownership, control, Qualified Patent, legal-opinion, disclosure, and authorization materials necessary for the Commission to begin its investigation. Once the Commission officially receives the first Complete Application, no later applicant can obtain priority by offering different commercial terms, political commitments, or other considerations outside the Act. Continuing to admit new applicants after that event would serve no comparative-selection purpose and would undermine the certainty and immediacy that the first-complete procedure is intended to provide.

Accordingly, receipt of the first Complete Application terminates the opportunity of another Person to submit a new application. An applicant that timely submitted a Complete Application before the application period closed retains the cure and priority rights expressly provided by § 9332. This distinction prevents the Commission from maintaining an unnecessary and potentially unbounded queue of contingent applicants while preserving the rights of every Person that entered the process before the statutory closing event.

The Legislature finds that accepting applications throughout a fixed thirty-day period would require one of three procedures, each inconsistent with the purposes of this Act: delaying selection until the fixed period expired; conducting multiple simultaneous completeness, cure, suitability,

and background-review proceedings; or maintaining, throughout the fixed thirty-day filing period, a sequential queue open to every new applicant, in which each successor could require an additional Investigation Period. Those procedures would consume limited Commonwealth personnel and investigative resources, increase the likelihood of inconsistent treatment, protests, and litigation, and could postpone final selection, financing, implementation, and Commercial Operations. Because operational delays forgo tax revenue and prolong the Commonwealth's identified fiscal need, the Legislature finds the resulting delay and uncertainty unacceptable.

The first-complete rule rationally advances the purposes of this Act by permitting the Commission to begin the Investigation Period immediately; directing its resources to the applicant having the earliest objectively complete filing; minimizing subjective discretion and opportunities for favoritism; and producing the prompt regulatory and commercial certainty necessary for investigation, financing, development, and launch. Priority is determined by an official time stamp and facial completeness under requirements under Article III, with a fixed twenty-five-thousand-dollar ($25,000) filing fee and without any additional qualification imposed by the Commission. The Legislature finds that first application completeness is an objective, administrable, and rational measure of demonstrated readiness to enter the statutory investigation process and is reasonably related to the Commonwealth's legitimate interests in prompt implementation, regulatory efficiency, fiscal urgency, and selection without discretionary favoritism.

(n) Summary Finding. Based on the foregoing, the Legislature finds and declares that the Act is rational, necessary, and appropriate to modernize the Commonwealth's lottery framework, address the Commonwealth's urgent fiscal needs, and comply with U.S. federal law governing

cross-border online gaming. Accordingly, Article III is enacted pursuant to Article XXI of the Constitution to authorize and establish the Commonwealth as the premier and exclusive domicile for regulated Global Digital Lottery operations consistent with U.S. federal law.

Section 2. Repealer and Reenactment. Title 1. Division 9, Chapter 3, of the Commonwealth Code is repealed and reenacted to read:

"**Article I. Lottery Commission**

§ 9301. Lottery Commission: Established.

The Commonwealth government has a Commonwealth Lottery Commission, which shall supervise, organize, and operate a Public Lottery in the Commonwealth and shall regulate the Global Digital Lottery.

§ 9302. Lottery Commission: Composition.

The commission shall consist of:

(a) The Director of Finance or his designee.

(b) The Attorney General or his designee.

(c) The Director of Commerce or his designee.

(d) The Commissioner of the Department of Public Safety of his designee

§ 9303. Lottery Commission: Procedures.

A majority of the members of the commission constitute a quorum. No official business of the commission may be conducted without a quorum being present, and no official action may be taken without the affirmative vote of a majority of the members.

§ 9304. Lottery Commission: Executive Secretary.

(a) The Director of Finance or his designee shall be the Executive Secretary of the commission. The Executive Secretary shall be responsible for the administration of this chapter in a manner consistent with its provisions, as well as the actions or directives of the commission.

(b) The Executive Secretary's duties include preparation of reports relating to lottery revenues, prize disbursements, and expenses of the commission. The Executive Secretary shall also provide logistical support to the commission through the Department of Finance or through such full- or part-time employees of the commission as it deems necessary.

§ 9305. Lottery Commission: Duties and Responsibilities.

The Commonwealth Lottery Commission has the following duties and responsibilities:

(a) To keep records of all official actions, expenditures, funds and revenues received, and all other commission business;

(b) To administer and operate the Public Lottery to produce the maximum amount of net revenues for the Commonwealth consonant with the general welfare of the people, and to license such persons engaged in the operation of the Public Lottery as the commission determines will best serve the public welfare and convenience;

(c) To supervise and administer the operation of any Public Lottery in accordance with the provisions of this chapter and the regulations of the commission; and

(d) To exclusively license such person to operate the Global Digital Lottery in accordance with the provisions of Article 3.

Article II. Public Lottery

§ 9306. Lottery Commission: Rules and Regulations.

(a) As used in this chapter, "Public Lottery" means a gambling scheme in which:

(1) The players pay or agree to pay something of value for chances, represented and differentiated by numbers or by combinations of numbers or some other medium, one or more of which chances are to be designated the winning ones; and

(2) The winning chances are to be determined by a drawing or by some other method based on an element of chance; and

(3) The holders of the winning chances are to receive something of value; and

(4) A gambling scheme in which electronic machines are used and are centrally connected and/or monitored through a wide-area network approved computer system, otherwise known as video lottery terminals.

(b) The Commonwealth Lottery Commission shall promulgate regulations in the manner prescribed by law providing for the following:

(1) The type of Public Lottery and the manner in which the lottery is to be conducted;

(2) The number and size of the prizes of the Public Lottery;

(3) The manner of selecting the prize winners of the Public Lottery;

(4) The manner of payment of prizes to the prize winners of the Public Lottery;

(5) The frequency of the Public Lotteries and the time at which they may be held;

(6) The types of locations at which participation in the Public Lotteries may be permitted, provided that said locations are strictly limited to golf resorts, hotels

that have one hundred rooms or more or at any airport departure area that is accessible to departing passengers only;

(7) The method to be used in promoting the Public Lottery;

(8) The licensing of persons engaged in the operation of the Public Lottery and requiring that no person under the age of 18 may be directly engaged in such operation; and

(9) Such other regulations as are necessary to ensure the efficient administration of and compliance with the provisions of this article.

§ 9307. Lottery Commission: Prize Allotment.

There shall be reserved and deposited in the Commonwealth Lottery Fund-Prize Trust account, to be apportioned for payment of prizes to the winners, such set amount, minimum balance, or proportion of the total annual revenue accruing from the operation of the lottery, as the commission determines. Such payments shall not require appropriation by the legislature, but may be made only with commission approval. Prize winners shall have a claim against the Commonwealth government for the payment of their prizes only to the extent that funds have been accrued, reserved, and deposited in the Commonwealth Lottery Fund-Prize Trust account.

§ 9308. Lottery Commission: Reports of the Executive Secretary.

The Executive Secretary shall make a monthly report to the Governor and the legislature. The monthly report shall include the total lottery revenues, prize disbursements, and other expenses for the preceding month. The Executive Secretary shall also make an annual report to the Governor and to the legislature on the first Monday in November of each year. The annual report

shall include a fiscal year account of funds received and expended, report of funds transferred to the Lottery Fund of the Commonwealth, and full and complete recommendations for such changes in this chapter as the Executive Secretary of the commission may deem necessary or desirable, if any.

§ 9309. Lottery Commission: Abuse and Corrections of Lottery Laws and Regulations.

(a) The commission shall report immediately to the Governor and the legislature any matter that requires immediate change in the laws of the Commonwealth in order to prevent abuses or evasions of this chapter or any regulations promulgated hereunder, or to rectify undesirable conditions with the administration or operation of the lottery.

(b) The commission shall make a continuous study and investigation of the lottery:

(1) To ascertain any defects in this chapter or in the commission's regulations by reason whereof any abuses in the administration and operation of the lottery or any evasion of this article or the regulations may arise;

(2) To formulate recommendations for changes in this article;

(3) To guard against the use of this chapter and the regulations as a cloak for the carrying on of organized gambling and crime; and

(4) To ensure that this chapter and the regulations are administered so as to serve the true purposes of this article.

(c) The commission shall make a continuous study and investigation of the operation and the administration of similar laws which may be in effect in other states, territories, or countries, and literature on the subject which may be published or available, any federal law which may

affect the operation of the lottery, and the reaction of citizens to existing and potential features of the lottery with a view to recommending or effecting changes that will tend to serve the purposes of this article.

§ 9310. Lottery Commission: Power to Contract.

The commission may enter into contracts for the supervision, organization, and operation of the lottery, or any part thereof, and into contracts for the promotion of the lottery. These contracts are not subject to the laws generally applicable to public contracts, and are specifically exempt from any requirement of competitive bidding. A contract awarded or entered into by the commission may not be assigned by its holder except by prior specific written approval of the commission.

§ 9311. Lottery Commission: Personnel. The commission shall use such personnel as necessary from the Department of Finance or shall contract for such full-time or part-time personnel as necessary to implement this chapter. The departments, boards, agencies, instrumentalities, commissions or other governmental subdivisions of the Commonwealth shall provide assistance to the commission upon the commission's request.

§ 9312. Lottery Commission: Compelling of Testimony and Records.

Upon petition of the commission, the Commonwealth Trial Court may issue subpoenas to compel the attendance of witnesses and the production of documents, books, records and other evidence before the commission in any matter over which the commission has jurisdiction, control or supervision. If a person subpoenaed to attend any such proceeding or hearing fails to obey the command of the subpoena without reasonable cause, or if a person in attendance in any such

proceeding or hearing refuses, without lawful cause, to be examined or to answer a legal or pertinent question or to produce any subpoenaed book, account, record or other document, that person may be held in contempt and punished by the court.

§ 9313. Lottery Commission: Licenses.

(a) Before issuing a license, the commission shall consider factors such as:

(1) The financial responsibility and security of the person and his or her business activity;

(2) The appropriateness of the location at which the person intends to conduct the lottery;

(3) The sufficiency of existing licenses to serve the public convenience; and (4) The volume of expected sales.

(b) As used in this section, "person" includes an individual, association, corporation, club, trust, estate, society, company, joint stock company, receiver, trustee, any other person acting in a fiduciary or representative capacity, or any combination of individuals. "Person" includes any department, commission, agency or instrumentality of the Commonwealth, including any municipality or political subdivision and any agency or instrumentality thereof. "Person" excludes any religious or other nonprofit organization.

(c) Notwithstanding any other provision of law, a person licensed pursuant to this chapter may operate or be engaged in the operation of the lottery, pursuant to this law and the regulations governing such activity. A person lawfully engaged in nongovernmental business on Commonwealth or federal property may be licensed.

(d) A license shall not be assignable or transferable.

(e) The commission may issue temporary licenses upon such conditions as it deems necessary for a term not to exceed 90 days.

(f) The commission may impose fees for any licenses and may require a bond from any licensed person, in an amount provided by regulation.

(g) A licensed person shall display his or her license or a copy of it conspicuously in accordance with the regulations.

(h) The commission may suspend or revoke, with or without prior hearing, the license of any person who violates this chapter or a regulation promulgated pursuant to this chapter. The commission shall comply with the Administrative Procedure Act (1 CMC § 9101 et seq.).

(i) The license requirement established by this section shall be in addition to those required by 4 CMC § 1503.

§ 9314. Lottery Commission: Payment of Prizes.

The right of any person to a prize is not assignable, except that payment of any prize may be paid to the estate of a deceased prize winner or to a person pursuant to an appropriate judicial order. The commission and Commonwealth government shall be discharged of all further liability upon payment of a prize pursuant to this section.

§ 9315. Lottery Commission: Unclaimed Prizes. The commission shall establish the time and manner in which prize winners are to claim their prizes. If a claim is not made for the money within the time so established, all rights of the winning ticket holder shall thereupon lapse.

§ 9316. Lottery Commission: Delivery of Funds. The commission shall establish procedures and regulations for the collection of funds raised by the lottery, and for regular reporting and accounting thereof.

§ 9317. Commonwealth Lottery Fund.

(a) A special fund to be known as the "Commonwealth Lottery Fund" is hereby created which shall be divided into three accounts:

(1) A Prize Trust account;

(2) An Administration account; and

(3) A General Lottery account.

(b) Should the commission elect to require the person contracted to operate the lottery to maintain the Prize Trust account pursuant to 1 CMC § 9307, the "Commonwealth Lottery Fund" shall consist of the two remaining accounts.

(c) The fund shall consist of all revenues received by the commission from the operation of the lottery and all other monies credited or transferred to it from any other fund or source pursuant to law. Such funds and revenues shall be placed in interest-bearing accounts in a local branch of a bank or savings institution whose deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. Interest earnings of the Commonwealth Lottery Fund shall be credited to the General Lottery account.

§ 9318. Use of Commonwealth Lottery Fund.

If a Commonwealth Lottery Fund-Prize Trust account is established, the commission may draw from the funds deposited pursuant to 1 CMC § 9307 those sums of money needed to pay prizes won in the Commonwealth lottery. The operations of the commission shall be funded by appropriation of the legislature from the General Fund of the Commonwealth, which appropriated funds shall be deposited in the Commonwealth Lottery Fund-Administration account. All other revenues received by the commission shall be deposited in the Commonwealth Lottery Fund-General Lottery account. Not less than 10 days before making its annual report as required by 1 CMC § 9308, the commission shall transfer the balance of all earned revenue and interest not

needed to pay prizes in prior lotteries to the Commonwealth Lottery Fund-General Lottery account. No fund in the Commonwealth Lottery Fund-General Lottery account shall be disbursed except pursuant to appropriation enacted by the legislature.

§ 9319. Compensation of Commission Members.

Each member of the commission shall receive the sum of $60 for attendance at any meeting of the commission, and shall be reimbursed for actual travel, subsistence and out-of-pocket expenses incurred in the discharge of his responsibilities, including authorized attendance at meetings held outside the Commonwealth, pursuant to appropriation enacted by the legislature.

§ 9320. Audit of Commission.

The Public Auditor shall conduct quarterly post audits as the legislature deems necessary, and shall have access and authority to examine any and all records of the commission, its distributing agents and its licenses.

§ 9321. Inapplicability of Chapter to Religious and Nonprofit Groups.

The provisions of this article do not apply to the activities, such as lotteries and raffles, of religious and other nonprofit organizations.

§ 9322. Prohibited Acts.

(a) Operation of Lottery. No persons other than those licensed by the commission may operate or be engaged in the operation of the lottery.

(b) Sale to Minors Prohibited. No person under the age of 18 may participate in the lottery.

(c) Forgery of Tickets. No person with intent to defraud, may falsely make, alter, forge, utter, pass, or counterfeit any instrument used in connection with the lottery.

(d) Prohibition Against Prizes for Employees. A ticket or share may not be purchased by, and a prize may not be paid to, an officer or employee of the commission or to any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of abode of an officer or employee of the commission.

(e) Other Lotteries Prohibited. It is illegal for any person to sell, buy, or transfer in exchange for anything of value, any ticket or share of any lottery, regardless of place of origin, which is not authorized by the commission. The commission may authorize the sale in the

Commonwealth of tickets or shares of the lottery of any state or territory of the United States or of any foreign country only if such state, territory, or country permits the sale of tickets or share of any Commonwealth lottery within its jurisdiction.

§ 9323. Penalties.

Any person who willfully violates any of the provisions of this article shall, upon conviction, be imprisoned for a period of not more than five years or be fined not more than $5,000, or both.

§ 9324. The provisions of this Article II shall not apply to Article III.

Article III. Global Digital Lottery

§ 9330. Definitions.

For the purposes of this Article, the following terms shall have the following meanings:

(a) "Aggregate Commonwealth Payments" means the total amount actually paid or remitted by the Licensee to the Commonwealth under § 9338 and §§ 9340 through § 9342 for License Fees, including the Initial Term License Fee and Annual Renewal-Term License Fees, the Global Digital Lottery License Tax, the Global Digital Lottery Prize Tax, and Regulatory Support Reimbursement during the applicable Qualifying Period.

(b) "Alternative Compliance Method" means a control, procedure, certification, technical measure, or combination thereof that provides protection materially equivalent to or greater than the protection intended by a requirement of this Article or the Rules and Regulations, where this Article expressly permits equivalent compliance.

(c) "Attempted Wager" means a submission or attempted submission of money, a Digital Payment Asset, or other thing of value by or on behalf of one or more natural persons seeking to participate in a Game, whether or not the submission is accepted by the Licensee as a Wager.

(d) "Authorized Jurisdictions" means any country, territory, sovereign entity, state, province, political subdivision, or other jurisdiction that is not an Excluded Jurisdiction or a Prohibited Jurisdiction.

(e) "Business Day" means a day other than a Saturday, Sunday, or legal holiday observed by the Commonwealth.

(f) "Cause" means a definitive legal ground for the suspension or revocation of the License, strictly limited to a material, demonstrable breach of this Act, the License, or the Rules and Regulations by the Licensee that remains uncured following the exhaustion of all administrative due process and Cure periods, including any extension granted under § 9359.

(g) "Change of Control" means any transaction or series of related transactions, whether by merger, consolidation, reorganization, stock sale, asset sale, recapitalization, tender offer, whole-business transfer, or otherwise, that results in: (1) any Person or group of Persons acting in concert acquiring, directly or indirectly, more than fifty percent (50%) of the beneficial ownership or voting power of the Licensee; or (2) any Person or group of Persons acting in concert acquiring, directly or indirectly, the power to direct or cause the direction of the management and policies of the Licensee, whether through ownership of voting securities, by contract, or otherwise.

(h) "Commercial Operations Date" means the first date on which the Licensee or a Related Entity acting in connection with the Global Digital Lottery commences bona fide revenue-

generating commercial operations by: (1) accepting a paid Wager through a production Global Digital Lottery system; (2) accepting a paid Foreign Reference Bet through a production system; or (3) receiving or accruing material consideration in the ordinary course from a production business-to-business hosting, supply, platform, white-label, Official Results, outcome-reference-rights, or other commercial arrangement authorized by § 9335. The Commercial Operations Date is not triggered by the application for, receipt, holding, or maintenance of a foreign license or authorization; pre-application, nil-return, or other Pre-Launch regulatory filings; vendor, platform, or partner contracting; technical development, integration, or testing; test transactions not involving paid public participation; marketing preparation; other bona fide Pre-Launch Activity. The Licensee may choose an earlier Commercial Operations Date by written notice to the Commission.

(i) "Commission" means the Commonwealth Lottery Commission, including all of its officers, agents, and instrumentalities.

(j) "Commonwealth" means the government of the Commonwealth of the Northern Mariana Islands, including all of its departments, commissions, offices, senatorial-districts, municipalities, public corporations, or other instrumentalities.

(k) (Reserved).

(l) (Reserved).

(m)"Critical Service Provider" means a third-party provider whose prolonged failure would reasonably be expected to cause a material interruption of Wager acceptance, outcome determination, Prize validation or payment, Player-fund protection, Exclusion Technology,

cybersecurity, payment processing, identity verification, regulatory reporting, or another material Global Digital Lottery function.

(n) "Cure" means the specific action or series of actions taken by the Licensee to fully remedy, rectify, or correct a breach or non-compliance identified by the Commission, such that the Licensee is restored to full compliance with the provisions of this article, the License, or the Rules and Regulations.

(o) "Digital Payment Asset" means a lawful, regulated digital representation of value used or capable of being used for payment, settlement, custody, conversion, or Prize payment, including a digital payment instrument issued or administered by a nongovernmental third party and redeemable for a fixed amount of United States dollars or another national currency, a tokenized deposit, a central-bank digital currency, a payment token, or a successor regulated digital-payment technology. The term does not imply issuance, sponsorship, backing, guarantee, or endorsement by the Commonwealth, the Commission, or any other public entity.

(p) "Entry" means a discrete, electronically recorded unit of participation by a Player in a particular Game that is generated upon the acceptance and recording of a Wager in accordance with the applicable Game Rules. An Entry may consist of one or more selected numbers, symbols, combinations, chances, plays, or other game attributes specified in the applicable Game Rules. A single Wager may generate one or more Entries, as specified in the applicable Game Rules.

(q) "Excluded Jurisdiction" means the United States, including each state, the District of Columbia, and each territory or possession of the United States, and any country, territory, sovereign entity, state, province, political subdivision, or other jurisdiction that the Licensee

designates in good faith as unavailable or restricted for a Game, payment method, marketing activity, distribution channel, or other Global Digital Lottery function using one or more applicable exclusion criteria designated by the Licensee, including citizenship, nationality, lawful permanent residence, residence, physical location, or any combination thereof based on applicable law, sanctions, regulatory action, a Foreign Governmental Objection, payment or banking availability, responsible-participation requirements, fraud or financial-crime risk, cybersecurity risk, commercial impracticability, or another reasonable legal, operational, or commercial ground. For each Excluded Jurisdiction, the Licensee shall specify the applicable exclusion criteria.

(r) "Excluded Person" means, with respect to a particular Attempted Wager, Wager, Game, payment method, marketing activity, distribution channel, or other Global Digital Lottery function, a natural person who:

(1) satisfies an applicable exclusion criteria designated by the Licensee for an Excluded Jurisdiction; or

(2) is physically present within a Prohibited Jurisdiction.

A natural person who was not an Excluded Person when a Wager was accepted does not become ineligible for the resulting Prize solely because of a later change in citizenship, nationality, lawful permanent residence, residence, physical location, or jurisdictional designation, although payment may be delayed, blocked, withheld, or otherwise handled as required by sanctions, anti-money-laundering, tax, court order, or other applicable law.

(s) "Excluded Wager" means a legal status applied to: (1) an Attempted Wager made by or on behalf of an Excluded Person; or (2) a transaction initially accepted as a Wager that is later determined to have involved an Excluded Person at the time of attempted placement or acceptance. An Attempted Wager is made by or on behalf of an Excluded Person if the Excluded Person is the account holder; submits, directs, or controls the Attempted Wager; provides the consideration for the Attempted Wager; or has a beneficial interest in the resulting Entry or Prize. An Excluded Wager does not create or support a right to an Entry, a Prize, or a prize payout, except that an Entry initially created before the exclusion determination shall be invalid for Prize-payment purposes. A later change in citizenship, residence, physical location, or jurisdictional designation does not convert a validly accepted Wager into an Excluded Wager. The underlying transaction remains subject to applicable recordkeeping, reporting, fraud-prevention, anti-money-laundering, sanctions, and tax obligations.

(t) "Exclusion Technology" means technical systems, including computer systems and software, that, alone or together with other systems used to operate the Global Digital Lottery, determine whether a person is an Excluded Person, including but not limited to:

(1) Telephone- and IP-Based Lottery Access. For a person accessing the Global Digital Lottery through a client device to which a telephone number is assigned, automatically determine whether the person is a citizen or resident of an Excluded Jurisdiction or Prohibited Jurisdiction based at least in part on whether the respective geographic locations associated with the telephone number and the source Internet Protocol address of the device are within that jurisdiction. Only in

response to determining that the person is not a citizen or resident of that jurisdiction, permit the person to register as a Player, obtain Entries through Wagers, and collect any Prize. The systems shall store Player records, identify the number of Entries issued to each Player based on Wagers accepted for that Player, select a winning Entry, and award the Prize to the corresponding Player only upon a determination that the winning Player is not a citizen or resident of that jurisdiction.

(2) GPS-Based Player Registration. In response to a request from a natural person's client device to participate as a registered Player in the Global Digital Lottery, receive geographic-location data from a Global Positioning System receiver in the person's client device indicating its current geographic location and, when that location is outside an Excluded Jurisdiction or Prohibited Jurisdiction, use that information at least in part to determine that the person is not a citizen or resident of that jurisdiction and create an entry for the Player indicating that the person is registered to participate.

(3) IP-Based Entry Issuance. In response to a request from a natural person's client device to obtain an Entry to the Global Digital Lottery, automatically determine an Internet Protocol address of the client device and, in response to automatically determining that the person is not a citizen or resident of an Excluded Jurisdiction or Prohibited Jurisdiction based at least in part on that address not being within that jurisdiction, provide the Entry to the person and register the person as a Player.

(4) IP-Based Lottery Operation. In response to a request from a natural person's client device to obtain an Entry to the Global Digital Lottery, automatically determine whether the person is a citizen or resident of an Excluded Jurisdiction or Prohibited Jurisdiction based at least in part on whether an Internet Protocol address of the client device is within that jurisdiction, and provide an Entry only if the determination is that the person is not a citizen or resident of that jurisdiction, thereby registering the person as a Player, and then select a winning Entry from additional registered Player Entries, and award the Prize to the Player with the winning Entry.

(u) "Force Majeure Event" means an event or condition beyond the reasonable control of the affected party, including a typhoon, hurricane, earthquake, tsunami, flood, fire, epidemic, war, terrorism, civil disorder, labor disruption, utility failure, telecommunications or internet outage, cyberattack, ransomware event, cloud-service or Critical Service Provider failure, payment-network or banking interruption, sanctions or governmental action, blockchain or distributed-ledger failure, Digital Payment Asset freeze or de-pegging, or other comparable event that materially prevents or delays performance despite commercially reasonable mitigation efforts.

(v) "Foreign Betting Customer" means a Person who places a Foreign Reference Bet with the Licensee, a Related Entity, a Foreign Market Entity, a Foreign Principal Operator, or another unaffiliated Person acting under an arrangement authorized by § 9335. A Foreign Betting Customer is not, by reason of placing a Foreign Reference Bet, a Player and does not thereby acquire any right to an Entry, a Ticket, or a Prize. The Licensee and any Related Entity shall not

knowingly accept a Foreign Reference Bet from a person who is an Excluded Person at the time the bet is accepted.

(w) "Foreign Betting Winnings" means an amount paid or payable to a Foreign Betting Customer upon the determination of a Foreign Reference Bet. Foreign Betting Winnings are not Prizes, are not Commonwealth-source Global Digital Lottery prize winnings, and are not subject to the Global Digital Lottery Prize Tax or the withholding duties of § 9340 unless such treatment is independently required by applicable law.

(x) "Foreign Exchange Conversion" means the conversion of money, a currency, a Digital Payment Asset, or another permitted instrument of value into another currency, Digital Payment Asset, or permitted instrument of value, whether performed by the Licensee, a Related Entity, or a Payment Service Provider.

(y) "Foreign Governmental Objection" means a formal written notice issued in an official capacity by a national or subnational governmental authority responsible for administering or enforcing the gaming, lottery, or wagering laws of the jurisdiction, and delivered to the Commission or the Licensee, that: (1) expressly states the authority's official position that applicable law prohibits the Licensee from accepting Wagers from persons located in the jurisdiction; and (2) expressly requests or directs the Licensee to restrict or cease that activity. The term does not include an inquiry, request for information, informal communication, public statement, press release, private complaint, or communication from an official or governmental body that is not responsible for administering or enforcing the applicable law.

(z) "Foreign Market Entity" means a Related Entity, branch, joint venture, locally regulated partner, or other Person designated or used by the Licensee under § 9335(e) to hold a foreign authorization or to perform regulated, commercial, operational, payment, Player-account, tax, data, risk management, insurance, trust, distribution, or other market-access functions on behalf of, or attributable under this Article to, the Licensee in one or more foreign jurisdictions. A Foreign Principal Operator does not become a Foreign Market Entity solely because of a business-to-business supply, hosting, licensing, data, or outcome-rights arrangement.

(aa) "Foreign Principal Operator" means an unaffiliated Person that, under applicable foreign law and a written agreement with the Licensee or a Related Entity, acts as the principal regulated operator of a foreign-law product and bears material responsibility for customer contracting, acceptance of customer bets or wagers, customer funds, winnings or prize liabilities, payments, anti-money-laundering, responsible participation, complaints, taxation, and regulatory reporting. A Foreign Principal Operator does not become the Licensee, a Player, or a Foreign Market Entity solely by reason of purchasing or receiving Games, software, hosting, platform services, Official Results, outcome-reference rights, or other business-to-business rights or services from the Licensee or a Related Entity.

(bb) "Foreign Reference Bet" means a bet, wager, or similar transaction that is authorized, licensed, or otherwise regulated under the law of a foreign jurisdiction and whose subject is a draw, number, symbol, outcome, result, prize tier, jackpot level, or other objectively determinable event or statistic of the Global Digital Lottery or a Game, in a fixed-odds, pool, pari-mutuel, or other

locally permitted format. A Foreign Reference Bet is a foreign-law product; it is not a Wager, does not create or support an Entry or a Ticket, and does not entitle any Person to a Prize.

(cc) "Foreign Regulatory Charge" means a gaming duty, betting duty, remote or online gaming duty, license fee, lottery duty, value-added tax, corporate tax, income tax, goods-and-services tax, digital-services tax, payment levy, mandatory regulatory assessment, foreign withholding borne economically by the Licensee or a Related Entity, or similar governmental charge imposed outside the Commonwealth on Global Digital Lottery revenue, Wagers, Foreign Reference Bets, transactions, marketing, distribution, the licensing of Official Results or outcome-reference rights, or Prize or Foreign Betting Winnings payments, in each case whether imposed on or borne economically by the Licensee or by a Related Entity acting as a Foreign Market Entity.

(dd) "Full Execution" means the completion of execution of the License in the form prescribed by Appendix A by the Licensee and the Commission. Full Execution shall be conclusively deemed to have occurred on the License Effective Date.

(ee) "Game" means any type, category, or instance of a lottery, sweepstake, instant-win or digital scratch, reveal, or similar game, number-selection or other draw-based game, jackpot game, rapid-draw or fast-play game, keno, bingo, raffle, or second-chance drawing, in each case (1) in which the opportunity to win is conferred by a chance outcome or is dependent on an event, series of events, or a contingency, (2) a Wager is required to participate, and (3) a Prize is available. A "Game" may be combined with any pool, syndicate, synthetic, derivative, subscription, multi-draw, or group form of participation, and may be offered with fixed, progressive, pari-mutuel, pooled, or hybrid prize structures, and any variant, combination, hybrid, or successor form of any

of the foregoing. A "Game" does not include Casino gaming as defined in 4 CMC § 2312, a sporting event, animal racing, a game of skill, or a physical contest. The classification, characterization, or nomenclature applied to a Game or a related product under the law of a foreign jurisdiction does not alter the character of the Game under this Article.

(ff) "Game Rules" means the written rules and disclosures governing a particular Game, including the terms under which a Player may participate, the manner in which prizes are determined and paid, and the conditions applicable to a Player's Entry, Ticket, account, or Wager.

(gg) "Global Digital Lottery" means all Games operated exclusively through digital, electronic, or internet-based means (including mobile devices), where participation is strictly limited to natural persons who are not Excluded Persons. The Global Digital Lottery is categorically distinct from a "Public Lottery" as defined in 1 CMC § 9306(a) and does not include "Casino" gaming as defined in 4 CMC § 2312.

(hh) "Global Digital Lottery License Tax" means the tax imposed on the Licensee's Net Lottery Revenue pursuant to § 9340 and paid to the Commonwealth Treasury in lieu of the Gross Revenue Tax set forth in 4 CMC § 1301 and in lieu of all other gross receipts taxes.

(ii) "Gross Lottery Revenue" means the total of all Wagers, sales, and fees received or accrued by the Licensee or a Related Entity acting as a Foreign Market Entity from Global Digital Lottery operations before any deductions or Prizes are paid, together with amounts attributable to an unaffiliated Foreign Market Entity or Foreign Principal Operator as provided in § 9352. Gross Lottery Revenue also includes:

amounts received or accrued by the Licensee or a Related Entity from Foreign Reference Bets accepted by the Licensee or a Related Entity; and (ii) royalties, license fees, data fees, consent fees, and other consideration received or accrued by the Licensee or a Related Entity from the sale, licensing, syndication, distribution, or export of Official Results or outcome-reference rights under § 9335. Intercompany receipts and transfers between the Licensee and a Related Entity shall be eliminated to prevent duplication. Gross Lottery Revenue derived from Global Digital Lottery activities conducted from within a Local Economic Incentive District shall be treated as Qualified Trading Income under Section 102(k) of Saipan Local Law 24-18.

(jj) Reserved.

(kk) Institutional Investor" means any of the following Persons, regardless of the size of their direct or indirect beneficial interest in the Licensee: (1) any investment adviser registered under the Investment Advisers Act of 1940 or comparable laws of any United States state or foreign jurisdiction, and any pooled investment vehicle managed by such adviser; (2) any public pension plan, government retirement system, or sovereign wealth fund; (3) any entity whose securities are registered under Section 12 of the Securities Exchange Act of 1934 or whose securities are listed on any recognized national or international securities exchange, and any wholly-owned subsidiary of any such entity; (4) any bank, trust company, insurance company, or other financial institution subject to prudential regulation by a governmental authority; and (5) any entity treated as an Institutional Investor under the Rules and Regulations.

(ll) "License" means the single, exclusive, indivisible, and non-severable vested property interest and bilateral contract for consideration that is vested in the Licensee for the duration of the License Term, including the Pre-Launch Period and any Renewal Term, authorized by this Act, empowering the Licensee to conduct Global Digital Lottery operations in the Commonwealth. "License" and "Global Digital Lottery License" shall have the same meaning. The terms "indivisible" and "non-severable" describe the License as a single operating authorization and do not make invalidity of a payment, reporting, procedural, or administrative term a basis to invalidate the grant, License Term, or renewal rights.

(mm) "License Effective Date" means the date on which the License becomes effective under § 9334, including by operation of law or deemed execution. The License Effective Date shall be the single operative date for all exclusive rights, obligations, terms, deadlines, payment periods, notice periods, accruals, and other periods established by this Article or Appendix A that are stated to run from, be measured by reference to, or otherwise depend upon the execution, Full Execution, issuance, effectiveness, or commencement of the License, unless the applicable provision expressly identifies a different date or event.

(nn) "Licensee" means the holder of the Global Digital Lottery License.

"Licensee Intellectual Property" means all patents, patent applications, inventions, copyrights, trademarks, service marks, trade names, domain names, trade dress, software, source code, databases, game names, game designs, promotional materials, audiovisual works, documentation, trade secrets, know-how, administrative and compliance plans, and other intellectual property or proprietary rights, in each case to the extent lawfully owned, developed, acquired, or controlled by

the Licensee in connection with the establishment, operation, promotion, administration, financing, protection, or transfer of the Global Digital Lottery.

(oo) "Minimum Aggregate Payment" means the amount of Aggregate Commonwealth Payments required for an applicable Qualifying Period under § 9339(c).

(pp) "Monitoring Interface" means a specific access point or software interface on the Licensee's systems granted to the Commission and, solely for financial and tax information within its statutory duties, to the Department of Finance, which provides real-time or near-real-time, view-only access for compliance monitoring, but does not grant authority to execute, modify, or block transactions.

(qq) Net Lottery Revenue" means Gross Lottery Revenue minus the total sum of: (1) all winnings, Prizes, and payouts paid or accrued to Players, and all Foreign Betting Winnings paid or accrued to Foreign Betting Customers by the Licensee or a Related Entity; (2) amounts returned or credited to Players as a result of voided, cancelled, erroneous, or disputed transactions; (3) the monetary value of promotional credits, free plays, or bonuses redeemed by Players; (4) third-party market-access, regulated-operator, white-label, platform, licensing, affiliate-marketing, distribution, and revenue-share fees, commissions, and amounts retained by an unaffiliated Foreign Market Entity that are included in Gross Lottery Revenue under § 9352; (5) third-party payment-processing, custody, settlement, currency-conversion, fraud-prevention, identity-verification, and similar transaction costs directly attributable to Global Digital Lottery revenue; (6) Foreign Regulatory Charges; (7) unrecovered chargebacks, returned payments, bad debt, payment-provider losses, and fraud losses not caused by the Licensee's willful misconduct; (8)

premiums, fees, and contributions for jackpot insurance, prize indemnity, annuity funding, risk pools, guarantees, letters of credit, and other Prize-liability or Foreign Reference Bet liability protection; and (9) realized foreign-exchange losses and commercially reasonable hedging costs directly attributable to Global Digital Lottery operations. Amounts deducted under this definition shall be determined consistently and shall not be deducted more than once.

(rr) Non-United States person" means a natural person who is not a citizen or resident of, and is not physically present within, the United States or its territories.

(ss) "Official Results" means the outcomes, winning numbers, symbols, or combinations, draw results, prize-tier determinations, jackpot amounts, draw schedules, statistics, and related information of the Global Digital Lottery or of any Game thereof, in any form or medium, together with the associated data feeds, application programming interfaces, result certifications, and audit confirmations generated or maintained by or for the Licensee.

(tt) "Operational Resilience Plan" means the confidential written plan maintained by the Licensee under § 9348.

(uu) "Payment and Treasury Control Plan" means the confidential written plan maintained by the Licensee under § 9346.

(vv) "Payment Service Provider" means any bank, merchant acquiring bank, card processor, payment facilitator, payment gateway, payment orchestrator, money services business, electronic-money institution, foreign-exchange provider, remittance provider, wallet provider, custodian, digital-asset exchange, digital payment asset issuer or redemption provider, blockchain service

provider, or other Person providing payment, settlement, conversion, custody, fraud-prevention, or related financial services to the Licensee or a Related Entity.

(ww) "Permitted Whole-Business Transfer" means a transfer of the entire indivisible License, together with substantially all assets, operations, rights, and obligations comprising the Global Digital Lottery business, to a successor entity domiciled in the Commonwealth that assumes all obligations of the Licensee and is approved or deemed approved under § 9357. A Permitted Whole-Business Transfer does not include a partial assignment, division, or sublicense of the License.

(xx) "Person" means any natural person, corporation, limited liability company, partnership, trust, association, joint venture, or other legal entity, as appropriate for the context in which it appears.

(zz) "Player" means a natural person for whose own account the Licensee or a Related Entity acting as a Foreign Market Entity has accepted a Wager and generated one or more Entries into a Game in accordance with the applicable Game Rules. No Person other than a natural person may be a Player. A natural person does not become a Player solely by establishing an account, registering, accessing a Game, selecting game attributes, depositing funds, or submitting an Attempted Wager that is rejected, blocked, or designated as an Excluded Wager. A natural person later determined to have been an Excluded Person when the Wager was accepted shall not be considered a Player and is not eligible to receive a Prize; a natural person who was eligible when the Wager was accepted remains a Player notwithstanding a later change in citizenship, residence, physical location, or jurisdictional designation, subject to lawful payment controls. Where a Wager

is submitted through an authorized courier, messenger, agent, or other intermediary, or through a syndicate, pooled, or group-play arrangement permitted under § 9335, each beneficial participant shall be identified and shall be a natural person, and each such participant is the Player. The intermediary is not a Player unless the intermediary is also an identified beneficial participant for whose own account a Wager is accepted. A customer of a Foreign Principal Operator and a Foreign Betting Customer are not Players solely because of their foreign-law transactions.

(aaa) "Player Data" means information collected, generated, received, maintained, or used by the Licensee in connection with an actual or prospective Player, an account holder, a person submitting an Attempted Wager, or a Prize claimant, including identity-verification information, contact information, account information, payment information, device information, Internet Protocol address information, telephone-number information, geolocation information, transaction information, and biometric information, if collected.

(bbb) "Player Funds" means the aggregate value recorded to the credit of Players or account holders, including deposited but uncommitted amounts, withdrawable balances, refunds due, and validated Prizes due and payable, but excluding promotional credits that are not redeemable for money or another transferable thing of value.

(ccc) "Player Wallet" means an account, ledger balance, subaccount, or other electronic record maintained by or for the Licensee that records funds, credits, prizes, or permitted Digital Payment Assets attributable to a Player and available for participation, withdrawal, refund, or payment in accordance with the Game Rules and applicable law.

(ddd) "Pre-Launch Activities" means organizational, development, financing, contracting, testing, foreign licensing, marketing preparation, and other bona fide preparatory or market-entry activity, excluding the acceptance of a Wager, Foreign Reference Bet, or Entry into a Game.

(eee) "Prize" means money, a Digital Payment Asset, or any other financial instrument that the applicable Game Rules for a Game designate as an award payable upon the valid determination of a winning Wager or other qualifying participation in a Game. "Prize" includes a jackpot and any portion thereof. "Prize" does not include: (1) a refund or return of consideration resulting from a cancelled, voided, or erroneous transaction; or (2) a promotional credit, promotional merchandise, promotional service, free play, bonus, or similar item unless it is redeemable for money, a Digital Payment Asset, or other financial instrument.

(fff) "Prize Reserve" means cash, deposits, securities, insurance, reinsurance, annuity contracts, guarantees, letters of credit, surety, risk-pool interests, binding third-party payment arrangements, or other Qualified Financial Assurance maintained to support accrued or reasonably foreseeable Prize obligations.

(ggg) "Prize Validation" means the procedures used to determine whether a claimed Prize is payable under the applicable Game Rules, including verification that the relevant Entry, Ticket, account, Wager, or transaction was validly created and recorded; corresponds to a winning outcome; has not been duplicated, altered, cancelled, voided, refunded, fraudulently obtained, or previously paid; and is associated with an eligible Player or other lawful claimant.

(hhh) "Prize Winner" means a Player who receives a Global Digital Lottery Prize.

(iii) "Prohibited Jurisdiction" means Cuba, Iran, North Korea, the Crimea region of Ukraine, the Covered Regions of Ukraine designated pursuant to Executive Order 14065, and any other country, territory, or geographically defined region that the United States Department of the Treasury expressly subjects to comprehensive, territory-based economic sanctions prohibiting United States persons generally from supplying services to persons located there. The term does not include a jurisdiction subject only to targeted or sectoral sanctions or restrictions concerning specified persons, entities, governments, financial institutions, property, activities, or transactions.

(jjj) "Prospective Investor" means any Person seeking to obtain an interest in Licensee that results in a Change of Control.

(kkk) "Public Lottery" means a gambling scheme licensed and operated under Article II, § 9306. The Public Lottery is categorically distinct from the Global Digital Lottery governed by this Article 3.

(lll) "Qualified Financial Assurance" means insurance, reinsurance, a surety bond, letter of credit, guarantee, trust, restricted account, reserve facility, annuity, risk-pooling arrangement, or another commercially reasonable financial resource issued, maintained, or supported by a financially capable Person.

(mmm) "Qualified Independent Auditor" means any certified public accounting firm or specialized forensic auditing firm that (1) is independent of the Licensee in accordance with applicable professional standards and (2) is licensed or otherwise authorized to practice in the jurisdiction of its principal place of business. A Qualified Independent Auditor need not be

licensed in the Commonwealth and may be any internationally recognized accounting or auditing firm meeting professional standards in its home jurisdiction.

(nnn) "Qualified Patent" means an unexpired U. S. patent with one or more claims that, individually or taken together, would (in the absence of a license to, or ownership thereof) be infringed by any Person operating the Global Digital Lottery in the Commonwealth that implements the Exclusion Technology functions defined in § 9330(u)(1)-(4), and any continuations, continuations-in-part, divisionals, reissues, renewals, extensions, and foreign counterparts thereof.

(ooo) "Qualifying Period" means the period specified by the operative renewal provisions of this Article, including applicable tolling, for determining satisfaction of a Renewal Condition.

(ppp) "Reasoned Legal Opinion" or "RLO" means a written expression of professional judgment by a U. S. state-licensed attorney that addresses the facts of the Licensee's business and the legality of the Licensee's provision of the Global Digital Lottery to relevant Players in the relevant jurisdictions under applicable U. S. Federal or state law, consistent with the standards set forth in 12 C. F. R. § 233.2(x). An RLO need not separately address foreign law or each foreign market, license, customer, or business-to-business model unless qualified counsel reasonably determines that the activity presents a distinct material United States-law issue.

(qqq) "Related Entity" means (1) any entity that controls, is controlled by, or is under common control with the Licensee; and (2) any special purpose vehicle established, sponsored, arranged, or used by the Licensee or another Related Entity in connection with the Global Digital Lottery, including for risk-management, insurance, reinsurance, collateralization, securitization, trust,

financing, or liability-management purposes. A Related Entity may be domiciled in and operate in any jurisdiction in which the Licensee is authorized by this Article to offer the Global Digital Lottery.

(rrr) "Reportable Beneficial Owner" means any natural person holding, directly or indirectly, more than ten percent (10%) of the voting equity of the Licensee, expressly excluding any Institutional Investor, any natural person whose beneficial ownership arises solely through an Institutional Investor, and any natural person whose beneficial ownership is held in a fiduciary or custodial capacity for the account of others.

(sss) "Responsible Participation Program" means the written, risk-based operational program required by the Licensee under § 9350 for identity and age checks, Player limits, self-exclusion, monitoring and intervention, marketing controls, and compliance with applicable jurisdiction-specific responsible-gaming and consumer-protection requirements.

(ttt) "Rules and Regulations" means the rules and regulations promulgated by the Commission specifically to govern the Global Digital Lottery established by this Article.

(uuu) "Settlement Currency" means the currency, Digital Payment Asset, tokenized deposit, or other lawful instrument of value in which a transaction, payment obligation, payment-provider remittance, treasury transfer, or Prize payment is finally settled.

(vvv) "Ticket" means an electronic record, confirmation, receipt, account entry, or other evidence issued or maintained by the Licensee that identifies or evidences one or more Entries. A Ticket is evidence of participation only and does not independently establish entitlement to a Prize

except as confirmed by the Licensee's records maintained in accordance with this Article and Prize Validation procedures.

(www) "Treasury Asset" means money, a deposit, a foreign currency, a Digital Payment Asset, a tokenized deposit, a short-term cash equivalent, or another lawful liquid asset maintained by the Licensee or a Related Entity for operating, settlement, reserve, Prize-payment, hedging, or liquidity-management purposes.

(xxx) "Unclaimed Player Property" means a valid Prize, withdrawal, refund, or Player Wallet balance that remains unpaid or unclaimed after the applicable claim, dormancy, notice, or verification period established by the Game Rules, terms of service, or applicable law.

(yyy) "Wager" means a sum of money, a Digital Payment Asset, or other thing of value, risked by a Player as consideration for participation in a Game and accepted by the Licensee. A Wager is deemed accepted only after the Licensee has determined that the Player is not an Excluded Person, has recorded the transaction, and generated the Entry or Entries specified by the applicable Game Rules.

§ 9331. Authorization for Global Digital Lottery and Exclusive Global Digital Lottery License.

(a) License for Global Digital Lottery. The Commonwealth Lottery Commission is hereby authorized, empowered, and directed to issue the single, exclusive Global Digital Lottery License, as set forth in Appendix A to this Article, to a single Licensee. The License is the sole and sufficient license and authorization under Commonwealth, municipal, senatorial-district, and other local law for the Licensee to exercise all rights and conduct all activities expressly authorized by this Article

and Appendix A. No additional Public Lottery, casino, internet-gaming, gambling, gaming-vendor, municipal, senatorial-district, or other gaming license, permit, certificate, approval, or operating agreement is required of the Licensee solely by reason of the exercise of those rights or activities. The Global Digital Lottery License is not subject to the laws generally applicable to public contracts and is specifically exempt from any requirement of competitive bidding. This subsection does not affect applicable U. S. Federal or generally applicable nongaming requirements.

(b) Basis for Award. The exclusive Global Digital Lottery License is rationally based, individually and jointly, on the legislative findings set forth in Section 2 of this Act, including: (1) the finding of urgent and compelling necessity in Section 2(h); (2) the finding that the Exclusion Technology is a necessary and appropriate means of supporting U. S. Federal-law compliance in Section 2(e); and (3) the finding that ownership of, or an exclusive license to, a Qualified Patent is a necessary and appropriate means of supporting operational continuity and minimizing litigation risk in Section 2(f).

(c) Vested Property Interest and Bilateral Contract. The Global Digital Lottery License is hereby declared to be an indivisible and non-severable vested property interest and bilateral contract between the Commonwealth and the Licensee, supported by independent consideration, including the Licensee's payment of the License Fees, Global Digital Lottery License Tax, withholding of taxes on Prize winnings, and Regulatory Support Reimbursements. In recognition of the substantial capital investment required to develop, launch, market, and operate the Global Digital Lottery, the Licensee shall have a settled expectation of the exclusive right to operate from

the License Effective Date through expiration of the License Term, including the Pre-Launch Period before the Commercial Operations Date and each Renewal Term. During the License Term, the License shall remain vested solely in the Licensee selected by the Commission or a successor Licensee acquiring the entire License through a Permitted Whole-Business Transfer, subject to § 9357. The License constitutes both a bilateral contract and a regulatory authorization. The contractual covenants supported by the Licensee's consideration, and the remedies expressly provided by this Article, shall be given effect to the maximum extent permitted by law. The remedies authorized against the Commonwealth by this Article include liquidated or unliquidated compensatory damages and other relief authorized by § 9360, subject to applicable judgment-payment and appropriation requirements. The characterization of the License as indivisible and non-severable means that the operating authorization may not be divided among multiple holders; it does not make invalidity of a payment or administrative term a basis to invalidate the grant, term, or renewal rights.

(d) Continuity of License. Any narrowing, invalidation, or expiration of any patent held by the Licensee during the License Term, including any Renewal Term, shall not constitute grounds for the revocation, suspension, or modification of the License awarded pursuant thereto. No administrative or judicial proceeding to revoke, suspend, or modify the License shall be predicated solely on a change in the status of any patent held by the Licensee.

(e) No Partial Transfer or Sublicense of License. The License may not be partially transferred, divided, separately assigned, or sublicensed. The entire indivisible License may be transferred only through a Permitted Whole-Business Transfer approved or deemed approved

under § 9357. Nothing in this subsection restricts a Change of Control of the Licensee or a commercial, intellectual-property, technological, distribution, marketing, operational, or foreign-market arrangement authorized by § 9335.

(f) Protected Commonwealth Covenants; Non-Impairment. The following are material covenants supported by the Licensee's consideration. From the License Effective Date through expiration of the License Term, the Commonwealth shall not:

(1) enact legislation, promulgate a regulation, issue or authorize an additional Global Digital Lottery License or other similar license, or permit any Person other than the Licensee to conduct Global Digital Lottery operations from the Commonwealth;

(2) materially impair the exclusive grant, authorized markets, or operational and commercial rights established by § 9331 and § 9335;

(3) terminate, shorten, suspend, condition, delay, or materially impair the License Term, a Renewal Term, or the renewal and continuity rights established by § 9337 and § 9339, except through an enforcement measure finally sustained under § 9359;

(4) increase or otherwise alter the License Fees established by § 9338; the Minimum Aggregate Payment amounts or Renewal Condition established by § 9339; the Global Digital Lottery License Tax rate, base, deductions, or in-lieu treatment established by § 9340; ;or impose a monetary obligation prohibited by § 9342;

(5) materially impair the financing and creditor protections in § 9355, the Change of Control and Permitted Whole-Business Transfer rights in § 9357, the enforcement protections in § 9359, or the rulemaking limits in § 9361.

(g) Commonwealth Legislative Authority Unencumbered. If the Commonwealth amends, repeals, supersedes, or applies a statute, regulation, order, policy, or other governmental action to accomplish an act prohibited by subsection (f)(1) through (5), without the Licensee's prior written consent, then § 9360 governs the judicial remedies for breach of these covenants. The competing-license consequences in subsection (h) arise only upon actual issuance of the competing license described there.

(h) Competing-License Consequences. If the Commonwealth issues a license to another Person authorizing that Person to conduct a Global Digital Lottery from the Commonwealth: (1) the License continues; (2) each remaining Renewal Term becomes unconditional and vests at its scheduled commencement; and (3) the Minimum Aggregate Payment requirements and any Renewal True-Up Payment for Renewal Term 1 and Renewal Term 2 are extinguished. All other accrued and continuing obligations remain in effect.

(i) Use of Names, Marks, and Official Symbols. The Licensee may adopt, use, register, maintain, enforce, and license trademarks, service marks, trade names, domain names, copyrights, and other intellectual property used in connection with the Global Digital Lottery; provided, that no such registration or use may include the name, seal, flag, insignia, or other official symbol of the Commonwealth or any Commonwealth agency without the prior written approval of the Commonwealth.

(j) Continuing Suitability. The Licensee, its principal officers and directors, and its Reportable Beneficial Owners shall continue to meet the objective suitability standard in

§ 9332(e)(2). A later issue is addressed through written notice and the Cure procedures in § 9359 and does not cause automatic suspension or revocation.

(k) Covenant of Good Faith. Both the Commission and the Licensee shall execute their respective duties under this Act in good faith. This covenant is a material inducement for the Licensee's entry into the License and is enforceable as a contractual commitment of the Commonwealth.

(l) No Automatic Stay. The filing of a protest, request for reconsideration, administrative petition, appeal, or civil action does not automatically stay or delay application receipt, priority, selection, investigation, or issuance of the License. A stay may issue only by affirmative order of a court of competent jurisdiction under otherwise applicable standards.

§ 9332. Application for Global Digital Lottery.

(a) Application Period and Filing.

(1) The application period for the Global Digital Lottery License begins when this Act becomes law ("Enactment") and ends upon the earlier of: (A) the Commission's official receipt of the first Complete Application, whether acknowledged or deemed complete under subsection (c); or (B) 5:00 p. m. on the thirtieth (30th) calendar day after Enactment.

(2) The Commission shall accept applications by hand delivery during ordinary business hours at the Department of Finance, Office of the Secretary, Capitol Hill, Saipan, Building No. 12554. The Commission shall accept every Part A tendered before the deadline, without evaluating completeness or the merits, and shall immediately provide a

written receipt or other acknowledgment, including the date and time which shall be the "Official Receipt Time."

(3) During the application period, any Person may submit Part A. After the period ends, no new Part A may be filed, but a timely Applicant may submit Part B, a permitted cure, or other material requested or allowed under this Section.

(b) Application Packet.

(1) Part A: Applicant Suitability Documentation. Part A is the exclusive submission used to determine facial completeness and priority. It shall contain the following information, certifications, and attachments in an organized written packet:

(i) Applicant Identity, Authority, and Commonwealth Domicile. The Applicant's legal and trade names; entity type, jurisdiction, and date of formation; Commonwealth registration and taxpayer-identification numbers, if issued; registered agent; principal and notice addresses; authorized filing contact; and authorized signatory. The Applicant shall attach its formation record, current evidence of good standing, and evidence of Commonwealth domicile.

(ii) Ownership and Control. The Applicant shall identify its principal officers and directors, each Reportable Beneficial Owner, and each other Person having actual power to direct management or policy, and shall state each Person's direct and indirect voting and economic interests.

(iii) Qualified Patent Certification. The Applicant shall identify each Qualified Patent by number, title, owner, status, and expiration date; state the basis for its ownership,

exclusive license, or other lawful control; attach the patent and the instruments reasonably necessary to establish its chain of title or rights; and identify any material limitation concerning territory, term, sublicensing, transfer, or encumbrance. For each patent identified as a Qualified Patent, the Applicant shall file a certification signed by an attorney who is admitted and in good standing in a state, territory, or the District of Columbia and registered to practice before the United States Patent and Trademark Office. The certification shall state that the attorney has completed a written claim analysis identifying a set of unexpired claims and has concluded that the identified claims, taken together, cover the combination of technological functions defined in § 9330(u)(1)-(4). The underlying written claim analysis shall not be required to be filed or otherwise disclosed to the Commission, and shall remain privileged and confidential to the fullest extent permitted under law.

(iv) Reasoned Legal Opinion. The Applicant shall provide a true and correct copy of the Reasoned Legal Opinion required by this Act. The RLO shall be maintained by the Commission as a confidential regulatory document. Counsel's privileged communications and work product other than the RLO are not part of the Application.

(v) Covered-Person Identity and Suitability. For this Section, a "Covered Person" is each principal officer or director, each Reportable Beneficial Owner, and each other Person having actual power to direct the Applicant's management or policy. For the Applicant, as applicable, and each Covered Person, Part A shall provide: (A) full legal and former names, aliases, date and place of birth, citizenship or nationality solely for

identification and records searches, current contact information, and residence addresses for the preceding ten (10) years; (B) each final felony conviction during the preceding ten (10) years for fraud, money laundering, terrorist financing, bribery, public corruption, or illegal gambling; (C) each final revocation during that period of a gambling, lottery, wagering, or financial-services license for fraud, dishonesty, financial crime, or unlawful gambling; and (D) each current material license of those types and the responsible regulator. Each reported matter shall be identified sufficiently to locate the official record. A response of "none" is sufficient. Arrests, allegations, investigations, dismissed charges, juvenile or traffic matters, and convictions or regulatory actions that were reversed, annulled, set aside, or pardoned are not required.

(vi) Material Current Financial or Legal Impediments. The Applicant shall state whether any current bankruptcy, insolvency, receivership, governmental lien, material tax debt, unsatisfied judgment, material litigation, or financing default could reasonably impair its ability to protect Player Funds, pay Prizes or taxes, or complete compliant launch preparations, and shall briefly explain any affirmative response. The same disclosure is required from a Covered Person only if that Person is a material source of capital or a guarantor.

(vii) Official-Record Authorization and Identification. Each Covered Person shall submit fingerprints through the Department of Public Safety for Commonwealth and national criminal-history record checks, including a Federal Bureau of Investigation criminal-history record check, and shall execute a written authorization permitting the

Department of Public Safety and the Commission to obtain official criminal-history records and records from gaming or financial regulators identified in the Application. The records may be used only for the investigation required by this section and shall be maintained as confidential information. The authorization may be reproduced and transmitted electronically. It may not authorize access to bank accounts, tax files, privileged communications, medical records, or unrelated personal records; appoint any Person as attorney-in-fact; waive any required notice or right to challenge inaccurate information; or include any release of liability, covenant not to sue, indemnity, duty to defend, or hold-harmless obligation.

(viii) Certifications and Continuing Duty to Update. An authorized representative shall certify under penalty of perjury that Part A is accurate in all material respects, that the Applicant has authority to file, that each required owner and controller has been disclosed, and that no material information has been knowingly concealed. Each Covered Person shall certify that Person's own disclosures and authorization. The Applicant and each Covered Person shall correct a material inaccuracy and update a material change before final determination.

(ix) Application Fee. The Applicant shall include a payment to the Commission in the amount of twenty five thousand dollars ($25,000) for application processing, review, and background investigation.

(2) Application Packet-Part B - Operational Supplement.

(i) Implementation and Compliance-Readiness Plan. The Applicant shall provide a concise implementation schedule covering the twenty-four (24) months following filing, as applicable, including capitalization, organizational build-out, technology development or procurement, banking and payment arrangements, compliance staffing, material service providers, independent testing, foreign-market authorization work, and the anticipated Commercial Operations Date. The plan shall identify the persons appointed or expected to be responsible for anti-money-laundering compliance, Game integrity, cybersecurity and privacy, treasury and Player Funds, and responsible participation. The Applicant is not required to demonstrate that all anticipated funding is on deposit or subject to an unconditional commitment at the time of the Application. Funding or financial arrangements may be staged, conditional upon issuance of the License, or expected to arise from a financing, investment, acquisition, Change of Control, service-provider arrangement, or other pre-launch transactions. The Commission shall not reject an Application solely because an identified source has not become binding or funded before issuance of the License, unless the Applicant represented that source as binding or funded.

(ii) Certification. An authorized representative shall certify under penalty of perjury that Part B is accurate in all material respects, reflects the Applicant's good-faith current plan, and identifies material assumptions and contingencies.

(c) Certification of Application Completion, Facial Completeness, Completeness, and Priority.

(1) Part A becomes a Complete Application when each category of information in subsection (b)(1) is present and facially responsive, each required certification is signed, and each expressly required attachment is included. "None" or "not applicable" is responsive when accurate. Part B, fingerprints, and later verification are not conditions of completeness. The Commission may use a checklist or forms matching subsection (b)(1), but may not add a requirement. An organized written submission by the Applicant is sufficient. The review is ministerial and may not address truth of facts asserted in the application documents or the merits.

(2) Within one (1) Business Day after receipt, the Commission shall acknowledge the Complete Application or give one written notice listing every facial omission. If the Commission does not timely give the notice, Part A is deemed complete as of its Official Receipt Time. The Applicant may correct a listed omission within five (5) Business Days. Within one (1) Business Day after the correction, the Commission shall acknowledge completeness or identify a previously stated omission that remains; no new ground may be added. If the Commission does not timely act, Part A is deemed the Complete Application as of the Official Receipt Time of the correction. Completeness relates back to the original Official Receipt Time if the time-stamped record shows the cited item was present and responsive in the original filing. An uncorrected Part A is withdrawn. The Commission's written acknowledgment of completeness shall be presumptive evidence that the Application contained the information required by subsection (b)(1).

(3) Application priority is determined by the Official Receipt Time of each Complete Application. Each Complete Application shall be reviewed under subsection (d) in priority order and in its entirety until either the Applicant is approved or a final Notice of Denial is transmitted to the Applicant.

(4) No later than ten (10) Business Days after Part A is acknowledged or deemed complete under this subsection (c), the Applicant shall submit Part B. Within one (1) Business Day after Part B is submitted or corrected, the Commission shall acknowledge in writing that each category required by subsection (b)(2) is present and facially responsive or give one written notice listing each facial omission. The Applicant may correct a listed omission within five (5) Business Days. Within one (1) Business Day after correction, the Commission shall acknowledge facial completeness or identify a previously stated omission that remains; no new ground may be added. If the Commission does not timely act, Part B is deemed facially complete. Facial completeness is ministerial, does not determine the merits, and does not limit substantive review or denial under subsections (d) and (e). Part B is required for final approval but is not part of the Complete Application and does not establish or alter priority. Failure to submit Part B within five (5) Business Days after the submission deadline, or to correct a listed facial omission within the applicable five (5) Business Days, causes the Application to be deemed withdrawn by operation of law. A material deficiency in a facially complete Part B may support final denial but may not retroactively affect completeness or priority.

(d) Investigation, Substantive Review, Decision, Selection, and Successor Review.

(1)_A forty-five (45) calendar day Investigation Period begins at the Official Receipt Time of the first Complete Application, or, for a successor Applicant, upon the notice required by subsection (d)(5). Within that period the Commission shall review Parts A and B and complete the criminal and regulatory background investigation of the Applicant and its Covered Persons solely under the requirements of subsection (e). It may rely on official records, professional reports, and records or findings of another competent regulator.

(2) During the Investigation Period, the Commission may request in writing a clarification, fingerprint or accepted foreign equivalent, or supporting record reasonably needed to verify information provided in the Application. The request shall identify the specific information required and its relevance to the review, and may not add a requirement or require privileged communications, unrestricted personal history, or information not described in subsection (b). The Applicant has ten (10) Business Days to respond unless more time is allowed, and the Investigation Period is tolled until the response is provided. If a material official criminal, regulatory, ownership, or financial record promptly requested by the Commission has not been received, the Commission may toll the Investigation Period only by written notice to the Applicant identifying the record and explaining its materiality. Tolling for all such outstanding official records may not exceed thirty (30) additional calendar days. A request, response, or tolling notice does not alter priority. These inquiries are the full extent of the required financial- and operational-capacity investigation.

(3) Before the Investigation Period expires, the Commission shall either:

(i) approve the Application by delivering an affirmative written statement of the Applicant's selection and approval as the Licensee and execute the License pursuant to § 9334; or

(ii) deliver a Notice of Proposed Denial stating every factual and legal ground and the applicable subsection (e) criterion. The Applicant has fifteen (15) calendar days after receipt to respond by correcting information, removing or divesting a disqualifying Person, supplying requested material, providing additional assurance, or otherwise addressing a stated ground. Within fifteen (15) calendar days after a timely response, the Commission shall either approve the Application and execute the License, or issue a final written Notice of Denial limited to a stated ground and the insufficiency of the response, except for a material intentional misrepresentation first made or revealed in the response. Without a timely response, the Notice of Proposed Denial becomes final when the response period expires.

(4) If Part B has been acknowledged or deemed facially complete and the Commission does not timely act within the time periods set forth in paragraph (3), the Applicant is automatically selected and approved by operation of law, becomes the

Licensee, and the License is deemed issued and effective. Any later acknowledgment, signature, or execution of the License is ministerial only.

(5) No later than one (1) Business Day after a withdrawal or final denial, the Commission shall notify the Applicant having the next highest-priority Complete Application that substantive review has begun. That notice starts the successor Applicant's Investigation Period.

(e) Objective Qualification Standard. The Application shall be accepted under this subsection if the requirements in paragraphs (1) and (2) are met.

(1) (A) Part A is complete and Part B was timely submitted or corrected; (B) the Applicant established Commonwealth domicile, qualifying ownership or control of a Qualified Patent, and the required Reasoned Legal Opinion; (C) there is no material intentional misrepresentation or knowing concealment of an owner or controller, and properly requested verification material was supplied; and (D) Part A and Part B together provide a reasonable basis to conclude that the Applicant can satisfy its obligations and commitments to the Commonwealth in accordance with the requirements of this Article.

(2) Neither the Applicant nor a Covered Person has, during the preceding ten (10) years, a final felony conviction for fraud, money laundering, terrorist financing, bribery, public corruption, or illegal gambling, or a gambling, lottery, wagering, or financial-services license finally revoked for fraud, dishonesty, financial crime, or unlawful gambling.

(3) A reversed, annulled, set-aside, or pardoned matter shall not be used. A new or pre-revenue Applicant is not disqualified solely for lacking operating history, current revenue, or full launch capitalization, or for expecting financing after issuance. The Commission may not apply a public-interest, reputation, general-character, local-residency, prior-lottery-experience, comparative-merit, or other unstated test.

(f) Pre-Launch Activities Pending Review. While its Application is pending, the Applicant may undertake Pre-Launch Activities at its own risk, but may not accept a Wager, commence Commercial Operations, or exercise a right reserved to the Licensee until the License is issued under subsection (d).

(g) Confidentiality of Applicant Information and Use of Information.

(1) Dates of birth, residence histories, personal contact and taxpayer-identification information, government-identification information and copies, fingerprints, criminal- or regulatory-history disclosures and official records, background authorizations, descriptions and supporting records concerning current financial or legal impediments, nonpublic patent or license agreements, and Part B materials are confidential, are not public records, and may be used only to administer and enforce this Act.

(2) The Applicant's legal name, Official Receipt Time, facial-completeness status, priority status, and final disposition are not confidential under this subsection.

§ 9333. Mandatory Licensee Requirements.

To qualify for, obtain, and maintain the License, the Licensee shall comply with the following requirements:

(a) Domicile in the Commonwealth. The Licensee shall maintain domicile in the Commonwealth during the entire License Term.

(b) Exclusion Technology.

(1) Qualified Patent Right, Use of Exclusion Technology. At the time the License is issued, the Licensee shall own, exclusively license, or otherwise control at least one Qualified Patent covering the Exclusion Technology. The Licensee shall at all times use Exclusion Technology to determine whether a person is an Excluded Person at or before Wager acceptance.

(2) Alternative Compliance Method. In a foreign jurisdiction where the use of one or more methods described in § 9330(u)(1)-(4) is prohibited, unavailable, or inconsistent with a binding requirement or approved control architecture of a competent foreign regulator, the Licensee may use an Alternative Compliance Method that: (i) is required or approved by the competent foreign regulator; or (ii) is certified by a Qualified Independent Auditor or other qualified independent professional as providing materially equivalent or greater protection than the Exclusion Technology. An Alternative Compliance Method may include reliance on a locally regulated operator, a verified or cryptographically protected identity or eligibility attestation, documentary or biometric verification, device or network signals, or a combination of controls. No prior Commission approval is required, but the Licensee shall retain the supporting regulatory approval or certification, identify the material method through periodic reporting, and make it available for a targeted review under § 9358.

(3) Integration with Other Systems. Nothing in this Act requires the Licensee to use a particular vendor, codebase, system architecture, or standalone compliance platform, or to modify systems or workflows not used to conduct the Global Digital Lottery. Exclusion Technology may consist of, operate through, or be integrated with systems owned, licensed, or operated by the Licensee, a Related Entity, or a service provider, provided that the combined implementation used to conduct the Global Digital Lottery determines whether a person is an Excluded Person and the Licensee continuously possesses the rights necessary to implement and operate it.

(c) Reasoned Legal Opinion; Legal-Change Procedure. Except during a Legal-Change Suspension under § 9345(h), the Licensee shall provide to the Commission a current Reasoned Legal Opinion addressing the facts of its business and the legality under UIGEA, the Wire Act, and other material U. S. Federal or state law of those actual or proposed activities that qualified counsel reasonably determines present a material United States nexus or material United States-law issue. The RLO is not required to address foreign law or separately analyze each foreign market, license, customer, Foreign Principal Operator, or business-to-business model unless qualified counsel reasonably determines that the activity presents a distinct material United States-law issue. Mere receipt of arm's-length software, data, hosting, supply, Official Results, outcome-rights, or other business-to-business fees or royalties from a non-United States operator does not by itself require a separate market-specific RLO analysis.

(1) Trigger Events to Update the RLO. The Licensee shall update the RLO within ninety (90) days after: (i) a decision by the U. S. Supreme Court, the U. S. Court of Appeals

for the Ninth Circuit, or the U. S. District Court for the Northern Mariana Islands materially addressing the scope of 18 U. S. C. § 1084 or 31 U. S. C. § 5362(10); (ii) a new or revised formal opinion of the United States Department of Justice materially addressing either statute; (iii) another final judicial or authoritative U. S. Federal determination materially affecting the legal analysis; (iv) a material change to the Licensee's implementation of the Exclusion Technology; or (v) a material change to an actual or proposed operating model that qualified counsel reasonably determines creates a distinct material United States-law issue not addressed by the current RLO. The Licensee shall provide an updated RLO to the Commission within fifteen (15) days after receiving the updated RLO.

(2) Confidentiality and Effect. Each RLO is a confidential regulatory compliance document evidencing the Licensee's good-faith legal analysis and compliance procedures. It shall not be publicly disclosed except as required by law or voluntarily disclosed by the Licensee for due diligence. It does not authorize prohibited conduct or create a U. S. Federal immunity, exemption, safe harbor, or binding determination. The Legislature intends that RLOs maintained under this paragraph retain the maximum available protection from compelled disclosure in all legal proceedings consistent with applicable privilege doctrines. The Commission is authorized to seek a protective order in any proceeding seeking compelled disclosure of an RLO maintained pursuant to this paragraph.

§ 9334. Statutory Approval and Issuance of Global Digital Lottery License.

(a) Appendix A to this Article, entitled "Global Digital Lottery License," is hereby approved, adopted, incorporated into, and made a part of this Article as though fully set forth

herein. Appendix A establishes the exclusive form and terms of the Global Digital Lottery License authorized by this Article.

(b) The Global Digital Lottery License set forth in Appendix A, when issued to the Licensee pursuant to this Section, is the complete, exclusive, binding contractual agreement between the Commonwealth and the Licensee concerning the Global Digital Lottery License. It shall have the force and effect of law and shall be construed together with this Article as a single integrated statutory and contractual instrument.

(c) Upon the approval, or deemed approval, of an Applicant as Licensee under § 9332, and in no event later than two (2) Business Days thereafter, the Commission shall complete, execute and deliver to the Licensee the Global Digital Lottery License in the exact form set forth in Appendix A. The Commission's execution of the License shall be ministerial only. If the Commission fails to execute and deliver the License within two (2) Business Days, the Licensee may execute its counterpart of Appendix A, and such counterpart, together with evidence of approval or deemed approval, shall constitute prima facie evidence of the fully executed License.

(d) The Commission may complete only the following blank factual matters in Appendix A:

(1) the legal name, entity type, Commonwealth registration information, and notice address of the Licensee;

(2) the License Effective Date;

(3) payment-routing information for amounts payable to the Commonwealth;

(4) the names, titles, and signatures of authorized representatives of the Commission and the Licensee; and

(5) other non-substantive information necessary solely to identify the parties or administer the License in accordance with its express terms.

(c) Neither the Commission nor any other Commonwealth agency, officer, employee, or instrumentality may alter, supplement, condition, delay, deny, reinterpret, or require execution of any document that modifies the Global Digital Lottery License set forth in Appendix A. No side letter, memorandum of understanding, regulatory condition, approval condition, operating directive, policy statement, rule, regulation, or other instrument shall be effective to the extent that it adds to, subtracts from, conflicts with, conditions, or otherwise modifies the terms of Appendix A.

(d) The License shall become effective by operation of law upon the earlier of:

(1) the date on which the Applicant becomes the Licensee under § 9332(d); or

(2) the date on which the Licensee executes the License in the form set forth in Appendix "A" in accordance with § 9334(c).

(e) The failure or refusal of the Commission to execute the License after the occurrence of the events stated in subsection (f) shall not delay, impair, condition, or invalidate the License. In that event, the License shall be deemed issued, effective, and executed by the Commission as of the date stated in subsection (f).

(f) The Rules and Regulations may establish technical procedures necessary to implement this Article and the License, including reporting formats, Monitoring Interface data fields, access-

control procedures, record-retention procedures, and compliance-certification forms. The Rules and Regulations shall not amend, supplement, impair, restrict, or otherwise modify the Global Digital Lottery License or any right, protection, obligation, remedy, or economic term established by this Article or Appendix A.

(g) No amendment to the Global Digital Lottery License shall be effective unless:

(1) the amendment expressly identifies the provision of Appendix A to be amended;

(2) the amendment is authorized by an Act of the Legislature specifically referring to this Section and Appendix A; and

(3) the Licensee consents in writing to the amendment.

(h) Nothing in this Section limits the authority of the Legislature to enact laws of general application, subject to the Non-Impairment Covenant, the contractual rights of the Licensee, and applicable law.

§ 9335. Authorized Jurisdictions and Foreign Market Operations.

(a) Maximization of Licensee's Foreign-Sourced Revenue for the Benefit of the CNMI. The authorizations and rights set forth in this Section are necessary to ensure that the Licensee is able to maximize all foreign-sourced revenue, and thereby maximize Net Lottery Revenue. The Licensee shall undertake to direct and repatriate to the Licensee all revenue attributable to the Licensee under this Article or payable to the Licensee under the applicable arrangement with a Related Entity, Foreign Market Entity, or Foreign Principal Operator, while maintaining and

complying with all necessary, required, or prudent fiscal practices in its operations and the operations of any Related Entity, Foreign Market Entity, or Foreign Principal Operator.

(b) Commonwealth Authorization. The Licensee is affirmatively authorized, and has the right under Commonwealth law to market and make the Global Digital Lottery and its Games available to non-Excluded Persons in all Authorized Jurisdictions. This authorization does not constitute a representation, warranty, or legal opinion by the Commonwealth or the Commission concerning the law of any foreign jurisdiction.

(c) Excluded Jurisdictions and Prohibited Jurisdictions. The Licensee shall not knowingly make the affected Global Digital Lottery function available in any Excluded Jurisdiction or Prohibited Jurisdiction.

(d) Foreign Market Discretion. The Licensee shall have exclusive operational authority to determine the Authorized Jurisdictions in which a Game, brand, Player category, product, payment method, marketing activity, distribution channel, Player Wallet feature, or other Global Digital Lottery function will be offered, limited, suspended, or discontinued. The Licensee may make that determination based on legal advice, regulatory risk, commercial conditions, responsible-participation requirements, tax consequences, banking or payment access, cybersecurity, fraud risk, or another reasonable ground.

(e) Foreign Market-Access Structures.

(1) Foreign Authorizations and Structures. No foreign authorization is required by Commonwealth law as a condition to exercise the License or any right granted by this Article. The Licensee may, directly or through one or more Related Entities, branches, joint ventures,

distributors, agents, representatives, white-label arrangements, corporate-group licensing arrangements, locally regulated partners, or other Persons acting under a written agreement with the Licensee or a Related Entity in any Authorized Jurisdiction, apply for, obtain, hold, maintain, renew, vary, extend, surrender, replace, or, with any required foreign regulatory approval, transfer, novate, or re-domicile any foreign license, registration, recognition, certification, approval, permit, tax status, or other authorization relating to the Global Digital Lottery.

(2) Foreign Market Entities. The Licensee may designate a Related Entity, branch, joint venture, locally regulated partner, or other Person used under paragraph (1) as a Foreign Market Entity for one or more Authorized Jurisdictions where that Person performs functions on behalf of, or attributable under this Article to, the Licensee. A Foreign Market Entity may be the named foreign licensee, regulated operator, contracting party, merchant of record, advertiser, distributor, tax registrant, data controller, payment recipient, or holder of Player accounts, Player Funds, or Prize Reserves and may register and contract with Players; accept, process, record, settle, or pay Wagers, refunds, withdrawals, and Prizes; maintain Player accounts and records; localize and market Games; and perform anti-money-laundering, responsible-participation, data-protection, complaints-handling, tax, reporting, and other regulated functions. A Foreign Principal Operator acting for its own account is governed by paragraph (7), not by attribution under this paragraph.

(3) Local Corporate and Regulatory Requirements. The Licensee and each Foreign Market Entity may establish and maintain the ownership, governance, capitalization, local-

director, key-person, office, employment, operational-substance, banking, custody, segregation, audit, technology, and other arrangements required or reasonably necessary for operation. The establishment, modification, or termination of such arrangements does not constitute a Change of Control unless the transaction independently satisfies the definition of Change of Control with respect to the Licensee.

(4) Games, Technology, Brands, and Operational Rights. The Licensee may license, sublicense, assign for use, delegate, provide, franchise, or otherwise authorize a Foreign Market Entity to use or exercise, within one or more specified jurisdictions, Games, Game Rules, brands, trademarks, trade names, domains, software, systems, Licensee Intellectual Property, data, Player-management systems, payment infrastructure, compliance services, marketing rights, distribution rights, and other commercial, technological, or operational rights relating to the Global Digital Lottery. Such authorization may be granted under an agency, distribution, white-label, platform, software-as-a-service, business-to-business, business-to-consumer, joint-venture, corporate-group, franchise, sublicense, or other lawful market-access arrangements.

(5) Effect Under Commonwealth Law. Solely for purposes of Commonwealth law, this Article, and the License, any arrangement authorized by this subsection, including any sublicense or delegation of commercial, intellectual-property, technological, distribution, marketing, or operational rights, does not divide, assign, transfer, encumber, sublicense, or impair the License itself and does not vest any Person other than the Licensee with ownership of the License or independent authority to exercise the License. A foreign authorization held

by a Foreign Market Entity is an independent authorization issued under foreign law and is not a portion or sublicense of the License. Nothing in this subsection determines the characterization, licensing requirements, validity, or regulatory treatment of an arrangement under foreign law or relieves any Person from compliance with applicable foreign law.

(6) Continuing Responsibility and Regulatory Access. Use of a Foreign Market Entity to perform a function on behalf of, or attributable to, the Licensee does not relieve the Licensee of an obligation imposed upon the Licensee by this Article or the License. The Licensee shall maintain contractual, governance, information-access, audit, termination, or other rights reasonably sufficient to obtain records and information required under this Article, monitor attributed functions, and address a material failure affecting compliance with this Article; provided that the Licensee need not retain a right prohibited by applicable foreign law or by a binding condition imposed by a competent foreign governmental authority. This paragraph does not make the Licensee responsible for the independent customer-facing obligations of a Foreign Principal Operator under paragraph (7).

(7) Independent Foreign Principal Operators. The Licensee or a Related Entity may provide Games, software, hosting, platform, data, Official Results, outcome-reference rights, compliance services, or other business-to-business rights or services to a Foreign Principal Operator. The Foreign Principal Operator's customers are not Players; their customer transactions are not Wagers; amounts held for them are not Player Funds; and payments to them are not Prizes under this Article. The Licensee is not responsible under this Article for the Foreign Principal Operator's independent customer contracting, funds, payouts, anti-

money-laundering, responsible-participation, complaints, tax, or regulatory obligations, except to the extent the Licensee or a Related Entity expressly assumes a function or the function is otherwise attributable to it under this Article. The Licensee remains responsible for the integrity and performance of the products and functions it supplies and shall maintain records and access rights reasonably necessary to calculate Gross Lottery Revenue and Net Lottery Revenue, support required reporting, and address a material failure in a supplied function.

(8) Commission Approval and Reporting. No arrangement authorized by this subsection requires prior approval of the Commission unless it independently constitutes a Change of Control of the Licensee or prior approval is expressly required elsewhere in this Article. The Licensee shall identify its material foreign licenses, Foreign Market Entities, and Foreign Principal Operators through the periodic reporting required under this Article or the License.

(9) Foreign Authorization Continuity; Foreign Controller Approvals. A transfer, novation, re-domiciliation, or variation of a foreign authorization, and a change in the ownership, control, governance, or structure of a Foreign Market Entity, including a change required, requested, or approved by a competent foreign governmental authority in connection with a foreign licensing, controller, or change-of-control process, does not constitute a Change of Control of the Licensee, does not require Commission approval, and does not impair the License, unless the transaction independently satisfies the definition of Change of Control with respect to the Licensee. Upon request of the Licensee, the Commission shall furnish the factual confirmations described in § 9354 in support of a foreign licensing, controller, suitability, or

change-of-control process, and the Commission and the Licensee shall reasonably coordinate the timing of any concurrent Commission review under § 9357 with the corresponding foreign process.

(10) Construction and Attribution. For purposes of this Article, an act performed, amount received or paid, account or record maintained, or obligation discharged by a Related Entity acting as a Foreign Market Entity in connection with the Global Digital Lottery shall be treated as performed, received, paid, maintained, or discharged by the Licensee, except where this Article expressly provides otherwise. References to the Licensee in the definitions of Commercial Operations Date, Player, Player Funds, Player Wallet, Ticket, Wager, Prize, Gross Lottery Revenue, and Net Lottery Revenue, and in related operating provisions, include such a Related Entity. An unaffiliated Foreign Market Entity is attributed to the Licensee only to the extent it acts on behalf of the Licensee and the written arrangement and applicable foreign law allocate the relevant function or economic interest to the Licensee. A Foreign Principal Operator does not become the Licensee or holder of the License, and its customer-facing activity is not attributed to the Licensee except as expressly provided in § 9352.

(f) Foreign Reference Bets and Outcome-Based Products.

(1) Authorization. The Licensee may, directly or through a Related Entity, a Foreign Market Entity, a Foreign Principal Operator, or another unaffiliated Person acting under a written agreement with the Licensee or a Related Entity, offer, accept, facilitate, host, supply, or support Foreign Reference Bets and other products authorized under the law of a foreign jurisdiction

that reference an outcome, result, or statistic of the Global Digital Lottery or a Game, and may supply results, data, software, or services for those products, where and to the extent authorized or permitted by applicable foreign law.

(2) Character Under Commonwealth Law. A Foreign Reference Bet is a product of the foreign jurisdiction in which it is offered. It is not a Wager, does not create an Entry or a Ticket, does not entitle any Person to a Prize, and does not constitute operation of the Public Lottery or Casino gaming under Commonwealth law. Foreign Betting Winnings are not Prizes and are not subject to the Global Digital Lottery Prize Tax or the withholding duties of § 9340 unless such treatment is independently required by applicable law.

(3) Scope Limitation. This subsection authorizes only products whose subject is a draw, number, outcome, result, prize tier, jackpot level, or other objectively determinable event or statistic of the Global Digital Lottery or a Game. It does not authorize wagering on a sporting event or contest, general sportsbook operations, or Casino gaming as defined in 4 CMC § 2312.

(4) Liability Management. The Licensee and any Related Entity may establish limits, reserves, insurance, reinsurance, guarantees, collateralized contracts, catastrophe bonds, insurance-linked securities, special purpose vehicle notes, letters of credit, hedging, market-suspension procedures, and other

Qualified Financial Assurance or risk-management arrangements for Foreign Reference Bet exposure. Such arrangements shall be maintained and accounted for separately from, and shall not diminish, the Prize Reserves and other protections required for Prize obligations under this Article.

(g) Official Results; Data and Outcome-Rights Licensing.

(1) Ownership. As between the Licensee and the Commonwealth, Official Results and the associated data feeds, interfaces, certifications, and compilations are Licensee Intellectual Property.

(2) Commercialization. The Licensee may, directly or through a Related Entity or a Foreign Market Entity, sell, license, sublicense, syndicate, distribute, export, or otherwise commercialize Official Results, data feeds, and rights to reference or use outcomes of the Global Digital Lottery or a Game, on royalty-bearing, consent, subscription, fee, revenue-share, or other lawful terms, to any Person, including an unaffiliated operator licensed under the law of a foreign jurisdiction, for use in Foreign Reference Bets or another lawful product. The Licensee may condition, withhold, suspend, or terminate its consent to any such use on commercially reasonable royalty, branding, integrity, responsible-participation, data-protection, and reporting terms.

(3) Contribution to Gross Lottery Revenue. All revenue received or accrued by the Licensee or a Related Entity under this subsection is included in Gross Lottery Revenue as provided in § 9330.

(4) Effect. A recipient of Official Results, data feeds, or outcome-reference rights does not, by reason of that receipt, license, or consent, become a Foreign Market Entity, a holder of any portion of the License, or a Person authorized to conduct the Global Digital Lottery, and this subsection does not determine the characterization or lawfulness of the recipient's product under foreign law.

(h) Foreign Classification Savings Clause. The classification, characterization, licensing category, or nomenclature applied under the law of a foreign jurisdiction to the Global Digital Lottery, a Game, a Foreign Reference Bet, Official Results, or a related software, hosting, supply, distribution, or other product or function, including classification as betting, real-event or virtual-event betting, bingo, casino, gaming, lottery brokerage or courier activity, gambling software, or a host or manufacturer activity: (1) does not alter the character, classification, or lawful authorization of the Global Digital Lottery or any Game under this Article; (2) does not cause the Global Digital Lottery or any Game to constitute Casino gaming as defined in 4 CMC § 2312 or a Public Lottery under Article 2 of this Chapter; and (3) does not expand the authorization granted by this Article to any product unrelated to the Global Digital Lottery.

(i) Authorized Agents, Couriers, Syndicates, and Group Play. To the extent permitted by applicable law and disclosed in the applicable Game Rules or terms of service, the Licensee may

accept a Wager submitted through a courier, messenger, agent, custodian, trustee, or other intermediary acting for one or more identified beneficial participants, and may permit syndicate, pooled, subscription, or group participation in a Game. In each case: (1) each beneficial participant shall be identified and shall be a natural person, and each such participant is the Player for eligibility, exclusion screening, Prize entitlement, Prize Validation, and Prize-Tax withholding; (2) the Licensee shall obtain the information necessary to apply the identity, age, citizenship, residence, and location controls to each beneficial participant, or may rely on a verified eligibility attestation or other Alternative Compliance Method permitted by § 9333(b); (3) no Wager or Attempted Wager for the benefit of a person who is an Excluded Person at the time of submission may be accepted; and (4) the Licensee shall maintain contractual audit, information-access, suspension, and termination rights reasonably sufficient to verify compliance. The Licensee may refuse, restrict, suspend, or terminate any intermediary arrangement. An intermediary is not the Player unless the intermediary is also an identified beneficial participant for whose own account a Wager is accepted. An intermediary acting as an independent principal for its own customers is governed by the Foreign Principal Operator provisions rather than this subsection.

(j) Sovereign and Regulatory Notices. Upon its receipt of a Foreign Governmental Objection from a competent foreign governmental authority, the Commission shall transmit the notice to the Licensee within five (5) Business Days. Similarly, upon its receipt of such a notice, the Licensee shall directly transmit it to the Commission within five (5) Business Days. Upon direct receipt or transmission by the Commission, the Licensee shall evaluate the notice in good faith and shall take the action reasonably required by applicable law, including restriction or

cessation where appropriate. A Foreign Governmental Objection is not the exclusive means by which the Licensee may designate or restrict a jurisdiction.

(k) Exclusion of Minors; Separate Record. No person under the age of eighteen (18), or a higher minimum age required by applicable law in the Player's jurisdiction, may make a Wager in the Global Digital Lottery. Before accepting a first Wager, the Licensee shall verify age as required by § 9350. An Attempted Wager by an underage person shall be rejected and separately recorded. It is not an Excluded Wager unless the person is also an Excluded Person. No person under eighteen (18) may be directly involved in Global Digital Lottery operations.

(l) No Breach or Economic Adjustment. A decision to limit, suspend, or discontinue a jurisdiction, Game, payment method, marketing activity, or distribution channel under this Section shall not constitute abandonment, failure to operate, breach of the License, or grounds to reduce the License Term, exclusivity, renewal rights, or any other right of the Licensee.

§ 9336. Licensee Operational, Commercial, Payment, and Treasury Discretion.

Except where this article expressly provides otherwise, the Licensee may, in its sole discretion, determine all operational, commercial, payment, financial-infrastructure, and treasury matters relating to the Global Digital Lottery, including without limitation:

(a) the types of Games, prizes, odds, Entry prices, currencies of display, and modes and manners of play;

(b) the payment methods, currencies, regional payment products, banking channels, card networks, electronic wallets, bank-transfer methods, prepaid instruments, Digital Payment Assets, and other lawful instruments accepted from or used to pay Players;

(c) the use, selection, replacement, combination, and routing of Payment Service Providers, Related Entities, banks, custodians, gateways, processors, payment facilitators, payment orchestrators, foreign-exchange providers, fraud-prevention vendors, and settlement providers;

(d) the denomination, conversion, display, accounting, settlement, custody, and withdrawal of Player balances, Wagers, refunds, and Prizes, including the use of one or more Player Wallets and Settlement Currencies;

(e) Foreign Exchange Conversion methodologies, commercially reasonable conversion spreads and fees, transaction timestamps, liquidity arrangements, netting, hedging, and other currency-risk management practices;

(f) Treasury Assets, custody arrangements, concentration limits, liquidity management, reserve arrangements, settlement timing, and treasury counterparties;

(g) Digital Payment Assets accepted, custody arrangements, conversion mechanisms, distributed-ledger networks, and Digital Payment Asset product offerings;

(h) programs for the management of transaction disputes, failed settlements, reversals, refunds, chargebacks, payment-related fraud, sanctions holds, and account restrictions;

(i) subject to the minimum requirements of § 9345 and § 9350, the design and delegation of the Licensee's AML, KYC, sanctions, fraud-prevention, source-of-funds, and transaction-monitoring programs, including the selection of third-party providers and screening vendors;

(j) operational structure, including the use of Related Entities and third-party contractors, and the reorganization or replacement of such arrangements;

(k) brands, trade names, distribution channels, marketing partners, and commercial intermediaries;

(l) financing methods of any lawful type;

(m) foreign-market entry, localization, foreign licensing, local representatives, Related Entities, Foreign Market Entities, joint ventures, white-label arrangements, distributors, and other market-access structures;

(n) Player-fund protection methods, Prize Reserves, jackpot insurance, reinsurance, annuity funding, risk pools, guarantees, surety, and other financial-assurance arrangements;

(o) business-continuity, disaster-recovery, cybersecurity, data-replication, Critical Service Provider, and operational-resilience architecture;

(p) subject to the minimum requirements of § 9350, the design of Responsible Participation Program controls, Player limits, self-exclusion, cooling-off, enhanced review, account restrictions, and jurisdiction-specific market-conduct measures;

(q) Player complaint, alternative-dispute-resolution, governing-law, forum, arbitration, claim-period, and electronic-record procedures to the maximum extent permitted by applicable law;

(r) insurance, captive insurance, self-insurance, guarantees, letters of credit, and other lawful risk-transfer or financial-assurance arrangements; and

(s) any lawful payment, settlement, custody, tokenization, distributed-ledger, identity-verification, or financial technology developed or commercialized after the effective date of this Act, provided that its use complies with this Article and applicable law.

§ 9337. License Term and Renewal Terms.

The License Term shall comprise a Pre-Launch Period, an Initial Term and two Renewal Terms, as follows.

(a) Pre-Launch Period. The Pre-Launch Period shall commence on the License Effective Date and end on the Commercial Operations Date. During the Pre-Launch Period the Licensee shall have the exclusive right to plan, design, develop, finance, test, conduct non-revenue test-marketing, undertake any other market-entry activity, and to commission, contract, partner, and license others to perform any such activities, in any Authorized Jurisdiction. During the Pre-Launch Period, the License remains issued, effective, exclusive, financeable, and transferable through a permitted Change of Control or Permitted Whole-Business Transfer. The absence of Commercial Operations before the applicable Commercial Operations Deadline is not abandonment, failure to operate, breach, or Cause.

(b) Initial Term. The Initial Term of the Global Digital Lottery License shall be ten (10) years commencing on the Commercial Operations Date, which shall not occur before the License Effective Date.

(c) Renewal Terms. The Global Digital Lottery License shall be renewed for two (2) successive Renewal Terms of ten (10) years each ("Renewal Term 1" and "Renewal Term 2," respectively), such that the Initial Term and Renewal Terms have a maximum aggregate duration of thirty (30) years, exclusive of the Pre-Launch Period and any tolling under this Article. Each Renewal Term shall commence immediately upon the expiration of the immediately preceding

term, with no gap, lapse, or interruption in the License or in any right, exclusivity, or operation of the Licensee.

(d) Commercial Operations Deadline. Unless extended or tolled under this Section, the Licensee shall commence Commercial Operations no later than two (2) years after the License Effective Date (the "Commercial Operations Deadline").

(e) Tolling. The Commercial Operations Deadline, the Initial Term, each Qualifying Period, and each renewal-related period shall be tolled to the extent and for the period that launch or substantially all operations are prevented by a Force Majeure Event, a Legal-Change Suspension under § 9345(h), an unauthorized Commonwealth action, or Commission delay in adopting Rules and Regulations beyond the statutory period where the delay materially prevents launch.

(f) Failure to Launch. Failure to commence Commercial Operations by the applicable Commercial Operations Deadline after all elected extensions and tolling is an alleged breach subject exclusively to the notice, Cure, contested-case, and judicial-review provisions in § 9359 and § 9360; it does not cause automatic expiration, forfeiture, or termination of the License.

§ 9338. License Fees.

(a) Initial Term License Fee. The Licensee shall pay to the Commonwealth a one-time Initial Term License Fee of one million five hundred thousand dollars ($1,500,000), due one hundred eighty (180) days after the later of (i) the License Effective Date or (ii) the actual effective date of the Rules and Regulations governing the Global Digital Lottery as published in the Commonwealth Register pursuant to 1 CMC § 9105.

(b) Annual Renewal-Term License Fee. During Renewal Term 1, the Licensee shall pay an annual License Fee of two hundred fifty thousand dollars ($250,000.00), due ninety (90) days after the commencement of each License Year in Renewal Term 1. During Renewal Term 2, the Licensee shall pay an annual License Fee of four hundred thousand dollars ($400,000.00), due ninety (90) days after the commencement of each License Year in Renewal Term 2.

§ 9339. Renewal Condition and Continuing License Rights.

(a) Exclusive Condition for Renewal. The sole and exclusive condition ("Renewal Condition") to the vesting of each Renewal Term is that the Aggregate Commonwealth Payments for the applicable Qualifying Period equal or exceed the Minimum Aggregate Payment for that Qualifying Period.

(b) Qualifying Period for each Renewal Term shall be as follows:

(1) Qualifying Period 1 for Renewal Term 1 begins on the date the Initial Term commences and ends on the day immediately preceding the tenth anniversary of that date.

(2) Qualifying Period 2 for Renewal Term 2 begins on the tenth anniversary of the date the Initial Term commences and ends on the day immediately preceding the twentieth anniversary of that date.

(c) The Minimum Aggregate Payment Amounts for each Renewal Term shall be:

Renewal Term	Qualifying Period	Minimum Aggregate Payment Amounts
Renewal Term 1	Qualifying Period 1	$15,000,000
Renewal Term 2	Qualifying Period 2	$40,000,000

(d) Shortfall Cure; Renewal True-Up Payment. Notwithstanding subsection (a), if, as of the last day of a Qualifying Period, the Aggregate Commonwealth Payments for that Qualifying Period are less than the Minimum Aggregate Payment for that Qualifying Period, the Licensee may, at its sole election, pay a Renewal True-Up Payment equal to the difference between the Minimum Aggregate Payment and the Aggregate Commonwealth Payments, within ninety (90) days after the last day of the Qualifying Period, in which event the Renewal True-Up Payment shall be credited to the Aggregate Commonwealth Payments for that Qualifying Period, the Minimum Aggregate Payment for that Qualifying Period shall be conclusively deemed satisfied, and the corresponding Renewal Term shall vest automatically under subsection (a). A Renewal True-Up Payment is voluntary and is not an additional amount required unless elected by the Licensee; nothing in this Article conditions or prohibits the Licensee's right to make a Renewal True-Up Payment. The License and all rights thereunder continue without interruption during that ninety-day payment period; if the Renewal True-Up Payment is timely made, the corresponding Renewal Term is effective from its scheduled commencement.

(e) Carry-Forward of Excess. Aggregate Commonwealth Payments for a Qualifying Period in excess of the Minimum Aggregate Payment for that Qualifying Period shall carry forward and be credited toward the Minimum Aggregate Payment for the next succeeding Qualifying Period.

(f) Renewal Procedure. To demonstrate satisfaction of the Renewal Condition, within ninety (90) days after the last day of the Qualifying Period, the Licensee shall deliver to the Commission a written certification that the Minimum Aggregate Payment for a Qualifying Period has been paid (including by Renewal True-Up Payment). Such certification shall constitute

conclusive evidence of the vesting of the corresponding Renewal Term, absent manifest mathematical error. Failure to deliver the certification does not impair, delay, or condition the vesting of a Renewal Term where the Renewal Condition is in fact satisfied.

(g) Renewal on Identical Terms; No Modification Whatsoever. Each Renewal Term shall be on terms absolutely and entirely identical to the terms of the License in effect immediately prior to the commencement of that Renewal Term, in every respect and without exception. Any act of the Commonwealth or the Commission that conditions, reduces, delays, denies, or impairs the right of renewal, and any purported modification, condition, requirement, or change to the Renewal Condition or the terms of the Global Digital Lottery License, shall be void to the maximum extent permitted by law, constitutes a violation of § 9331(f), and is enforceable only as provided in § 9360.

(h) Ministerial Renewal. No act, approval, or instrument of the Commission is necessary to effect any renewal. To the extent any law nominally requires the issuance of an instrument evidencing a Renewal Term, such issuance is purely ministerial and non-discretionary and shall be made within thirty (30) days after the commencement of the Renewal Term, such that the failure of the Commission to take such action shall not affect, delay, condition, or impair the renewal in any respect.

(i) Renewal Right Runs with the License; Change of Control and Permitted Whole-Business Transfer. The right of renewal under this Section is an appurtenant, indivisible, and vested element of the License and shall inure to the benefit of, and be fully exercisable by, any successor Licensee following a Change of Control or Permitted Whole-Business Transfer

consummated in accordance with this Act. No such transaction shall reset, restart, condition, diminish, or otherwise affect the right of renewal, the terms on which renewal occurs, or the calculation of Aggregate Commonwealth Payments, which shall continue without interruption.

(j) No Lapse Pending Determination. If any dispute arises concerning whether the Minimum Aggregate Payment for a Qualifying Period has been satisfied, the License shall continue in full force and effect on its existing terms, and the Licensee's operations, exclusivity, and rights shall not be suspended, interrupted, conditioned, or impaired, pending final resolution of the dispute; and if it is determined that a shortfall existed, the Licensee shall retain the right to cure that shortfall by a Renewal True-Up Payment under subsection (d) within thirty (30) days after the determination becomes final.

(k) Patent-Independent Duration and Renewal Rights. The Initial Term and renewal rights established by this Section are independent of the term, validity, scope, or enforceability of any patent held by the Licensee and shall not be construed as coextensive with, dependent upon, or limited by the term of any patent. The expiration, narrowing, or invalidation of any patent held by the Licensee during the License Term shall not reduce, shorten, condition, or otherwise affect the Initial Term, any Renewal Term, or the Licensee's right of renewal under this Section.

(l) Effect of Competing License. Upon issuance of the competing license described in § 9331(h), the Minimum Aggregate Payment requirements for both Qualifying Periods are permanently extinguished and conclusively deemed satisfied. No Renewal True-Up Payment or certification of payment is required. Each Renewal Term vests automatically at its scheduled

commencement or, if already commenced, remains vested, without further act, approval, payment, or instrument.

§ 9340. Global Digital Lottery License Tax and Taxation of Lottery Prizes.

(a) Global Digital Lottery License Tax. The Licensee shall pay to the Commonwealth a Global Digital Lottery License Tax equal to seven and one-half percent (7.5%) of its Net Lottery Revenue.

(b) In Lieu of All Other Gross Receipts Taxes. The Global Digital Lottery License Tax is imposed in lieu of, and in full substitution for, the Gross Revenue Tax set forth in 4 CMC § 1301 and all other gross receipts, sales, use, excise, or similar taxes that might otherwise be imposed by the Commonwealth on the operations, revenues, or transactions of the Licensee.

(c) "Global Digital Lottery License Tax Commencement; Payment Schedule. The Global Digital Lottery License Tax shall commence one hundred eighty (180) days after the later of (i) the License Effective Date or (ii) the actual effective date of the Rules and Regulations. Payments shall be made quarterly and are due no later than sixty (60) days after the close of the respective quarter.

(d) Global Digital Lottery Prize Tax and Withholding Regime. There is imposed within the NMTIT a Global Digital Lottery Prize Tax on qualifying Commonwealth-source Prizes paid by the Licensee. This statutory liability is imposed on the Player as Prize Winner and collected at the source by the Licensee as withholding agent. The Prize Tax is separate from the Global Digital Lottery License Tax under subsection (a), and it is not an economic obligation of the Licensee.

(e) Global Digital Lottery Prize Tax Rate. The NMTIT imposes a flat thirty percent (30%) tax on qualifying Commonwealth-source Global Digital Lottery prizes under NMTIT § 871(a)(1)(A). The fifty percent (50%) rebate under 4 CMC § 1708(b)(1)(v) shall be applied at source, producing a net tax, withholding, and remittance rate of fifteen percent (15%). This treatment operates solely within the NMTIT and does not modify any U. S. Federal tax rate.

(f) Commonwealth Source of Prizes. Global Digital Lottery Prizes paid by the Licensee to a Player are income to the Player from sources within the Commonwealth.

(g) Licensee as Withholding Agent. The Licensee shall apply the statutory rebate at source, withhold and remit the resulting net fifteen percent (15%) Prize Tax, and file the monthly reconciliation required by 4 CMC § 1315. No separate withholding under 4 CMC § 1822 applies to Global Digital Lottery Prizes.

(h) Exemption from Requirement to File Tax Return. Global Digital Lottery Prize Winners who have no other CNMI sourced income shall not be required to obtain a CNMI Taxpayer Identification Number, and shall not be required to file a nonresident income tax return or separate rebate claim with the CNMI Division of Revenue and Taxation (DRT) solely for that Prize income.

(i) Regulatory Support. The DRT shall specify by regulation: (i) the manner in which the public-record requirement of 48 U. S. C. § 1843 is satisfied, with due regard for the commercial and privacy interests of Global Digital Lottery winners; and (ii) reconciliation, refund, reporting, and administrative timing.

(j) Gross-Up, Advertising, and Market-Specific Pricing. Subject to applicable law and advance disclosure in the Game Rules or applicable promotional terms, the Licensee may: (1)

increase or gross up a Prize to offset all or part of the Global Digital Lottery Prize Tax; (2) advertise or present a Prize on a gross or estimated net-of-tax basis with clear disclosure of the applicable basis; and (3) vary Entry pricing, Prize presentation, promotions, or gross-up treatment by jurisdiction, market, product, or distribution channel. A gross-up amount paid for the benefit of a Prize Winner shall be treated consistently as part of the Prize for tax, withholding, accounting, and Net Lottery Revenue purposes and shall not be deducted more than once.

§ 9341. Reserved.

§ 9342. Regulatory Support Reimbursement.

(a) Purpose. The Global Digital Lottery imposes specialized regulatory responsibilities upon the Commission and the Department of Finance. To prevent those responsibilities from diverting resources appropriated for other Commonwealth functions, the Licensee shall reimburse the actual, reasonable, and necessary incremental Qualifying Costs of administering and enforcing this Article, subject to the limitations of this Section.

(b) Accrual and Deferred Payment. Qualifying Costs incurred on or after the effective date of this Act shall accrue for reimbursement by the Licensee. The reimbursement obligation shall attach upon execution of the License, but no amount shall become payable before the Commercial Operations Date. Accrued pre-Commercial Operations Date Qualifying Costs may be invoiced before or after the Commercial Operations Date and shall be paid within 30 days after the later of the Commercial Operations Date or receipt of the invoice. Aggregate reimbursement of all Qualifying Costs incurred before the Commercial Operations Date shall not exceed one hundred fifty thousand dollars ($150,000). Beginning on the Commercial Operations Date, aggregate

reimbursement of Qualifying Costs shall not exceed one hundred fifty thousand dollars ($150,000) in any Commonwealth fiscal year.

(c) Advance on Regulatory Support Reimbursement for Promulgation of Rules and Regulations. Within thirty (30) days of the effective date of this Act, the License shall pay to the Commission twenty-five thousand dollars ($25,000) as an advanced payment to be credited in full against Qualifying Costs, and no amount so credited may be invoiced again.

(d) Qualifying Costs. Qualifying Costs are actual, reasonable, necessary, documented, incremental third-party costs directly attributable to administration or enforcement of this Article, including:

(1) specialized legal, accounting, financial, cybersecurity, anti-money-laundering, sanctions, technical, or audit services;

(2) background investigations;

(3) review of independent laboratory certifications;

(4) regulatory monitoring and examinations;

(5) training, certifications, and credentialling; and

(6) comparable professional services procured exclusively for regulation of the Global Digital Lottery.

(e) Excluded Costs. Qualifying Costs do not include:

(1) salaries, employee benefits, routine internal legal or administrative work, or other personnel expenses of the Commonwealth;

(2) rent, utilities, general Commonwealth overhead, or ordinary agency overhead;

(3) costs attributable to the Public Lottery or otherwise unrelated to the Global Digital Lottery;

(4) penalties; or

(5) any amount paid or reimbursed from another source or otherwise recovered through a tax, License Fee, charge, or assessment.

f. Reimbursement under this Section shall not duplicate the Initial Term License Fee or a Renewal-Term License Fee.

g. Invoice and Payment. Reimbursement shall be payable only upon receipt of an itemized and documented invoice certified by the Executive Secretary of the Commission. The Licensee shall pay each undisputed amount within 30 days after receipt. A good-faith dispute concerning an invoiced amount does not authorize an Emergency Protective Measure or operational restriction, and the Licensee shall timely pay any undisputed portion.

h. Deposit and Use. Notwithstanding 1 CMC § 9318, amounts received under this Section shall be deposited in the Commonwealth Lottery Fund–Administration Account and may be obligated or expended only pursuant to an appropriation enacted by the Legislature.

i. Regulatory Independence. Payment under this Section does not confer upon the Licensee any authority over Commission personnel, contractors, investigations, findings, or decisions. The Commission may not require reimbursement exceeding the annual limitation or condition an approval upon payment of a non-qualifying cost.

j. Additional Appropriations. The annual reimbursement limitation does not restrict the Commission's statutory authority or the Legislature's authority to appropriate additional public funds.

k. No Additional Fees or Assessments. The economic obligations of the Licensee under this Article are exclusively set forth in § 9338 through § 9342. No other monetary obligation, fee, surcharge, assessment, reimbursement, or payment requirement shall be imposed by the Commonwealth or the Commission with respect to the Global Digital Lottery except as expressly authorized by this Article.

§ 9343. Licensee Intellectual Property.

(a) Except as otherwise expressly provided in this Article, all right, title, and interest in and to the Licensee Intellectual Property shall remain vested exclusively in the Licensee or its Related Entities, successors, or permitted assigns.

(b) Neither the issuance of the License, the regulation or oversight of the Licensee, the receipt of information or access through the Monitoring Interface, the approval of Game Rules or marketing materials, nor the collection of taxes, fees, or other payments by the Commonwealth shall create or imply any ownership interest of the Commonwealth in Licensee Intellectual Property.

(c) Nothing in this Article:

(1) grants the Licensee any right in the name, seal, flag, insignia, or other official symbols of the Commonwealth or any Commonwealth agency;

(2) grants the Commonwealth any ownership interest in Licensee Intellectual Property;

(3) limits the Commonwealth's rights in its own records, official publications, names, seals, insignia, data, or other property; or

(4) relieves either party of obligations arising under applicable law concerning confidentiality, public records, data protection, or disclosure.

(d) Upon expiration, termination, transfer, or renewal of the License, Licensee Intellectual Property shall not revert to the Commonwealth. Any use of Licensee Intellectual Property by the Commonwealth shall be governed solely by the License and any express written intellectual-property license entered into under this Article.

(e) The Licensee may register, maintain, enforce, license, finance, assign, or otherwise transfer Licensee Intellectual Property, including in connection with a permitted Change of Control or transfer of the License, subject to the requirements of this Article applicable to the License and the Licensee.

§ 9344. Game Integrity, Game Rules, Prize Validation, and Confidentiality.

(a) Scope; Effect on Operational Discretion. This Section establishes the standards governing the fairness, integrity, public disclosure, outcome determination, Prize Validation, and confidentiality of the Global Digital Lottery. Except as expressly provided in this Section, the Licensee retains the operational discretion granted under § 9336. Neither the Commission nor any other Commonwealth agency shall be required to approve an individual Game, Game Rule, prize

structure, or outcome-determination method before its implementation, provided that the Licensee complies with this Section, the License, and the Rules and Regulations.

b. General Integrity Standard.

(1) The Licensee shall conduct each Game fairly, honestly, consistently, and in accordance with the applicable Game Rules. The Licensee shall implement and maintain written internal controls reasonably designed to protect the integrity of each Game, its outcome-determination process, its Prize Validation process, and its records, and shall document those controls in auditable form.

(2) Required Operational Records; Data Integrity; Retention. The Licensee shall create, maintain, preserve, and make available in auditable form complete, accurate, contemporaneous, and linked operational records sufficient to establish compliance with this Article, the License, applicable Game Rules, and applicable law. This paragraph establishes recordkeeping outcomes and evidentiary requirements only and does not require any particular database architecture, software, distributed-ledger protocol, hosting arrangement, technical implementation, or internal data structure. The Licensee may maintain the required records through separate or integrated systems, including systems employing distributed or automated technologies, provided that the records collectively satisfy the requirements of this Article.

(3) Player, Account, and Eligibility Records. The Licensee shall maintain records sufficient to establish each actual or prospective Player, account holder, and person submitting an Attempted Wager; the creation, status, suspension, closure, and material

activity of each account; identity and age verification; citizenship, residency, physical location, and other eligibility determinations; and each rejection, restriction, Excluded Wager, override, exception review, and material compliance disposition.

(4) Game, Wager, Entry, Ticket, and Prize Records. The Licensee shall maintain records sufficient to establish the applicable Game and Game Rules, including the version and effective period of the applicable Game Rules; each Attempted Wager, Wager, Excluded Wager, Entry, and Ticket; the time, value, and disposition of each transaction; the applicable outcome-determination process; Prize Validation; Prize liability; withholding; Prize payment; and any cancellation, void, refund, adjustment, dispute, forfeiture, fraud-prevention, anti-money-laundering, sanctions, and tax obligations or material exception.

(5) Financial, Custody, and Payment Records. The Licensee shall maintain records sufficient to establish deposits, withdrawals, account balances, Player-fund liabilities, Prize liabilities, reserves, payment instructions, payment confirmations, custody arrangements, Digital Payment Asset movements, reconciliations, and the calculation, accrual, payment, and reconciliation of all taxes and License Fees.

(6) Compliance, System-Integrity, and Regulatory Records. The Licensee shall maintain records sufficient to establish exclusion screening, sanctions, anti-money-laundering, fraud-prevention, cybersecurity, and other compliance controls; material system-access events, material system changes, corrections, reversals, and administrative

actions; audit reports, certifications, material findings, incident reports, and remediation records; and reports, notices, and responses provided to the Commission under this Article.

(7) Linkage, Versioning, and Historical Integrity. The required records shall be maintained so that each material transaction can be reconstructed from account creation and eligibility determination through attempted participation, Wager acceptance or rejection, Entry or Ticket generation, outcome determination, Prize validation, payment, reconciliation, and final disposition. Each material record shall be associated with an appropriate unique identifier and date-and-time record and shall be linked to the related records necessary to establish its legal and operational context. The linkage requirements of this paragraph do not require Player-identifying information, location information, financial information, Game records, compliance records, or custody records to be maintained in a single database, repository, jurisdiction, or service-provider environment. The Licensee may use logical segregation, tokenization, pseudonymization, encryption, role-based access controls, and other reasonable safeguards, provided that the Licensee can produce the linked records required for a lawful regulatory, audit, or enforcement purpose. A correction, reversal, adjustment, void, or other modification shall not obscure the original record, the reason for the change, the date and time of the change, or the responsible person, process, or system. Records maintained in accordance with this paragraph shall constitute presumptive, but not conclusive, evidence of the matter to which they relate for regulatory, accounting, audit, and Prize Validation purposes. An electronic Ticket, receipt, or confirmation generated by the Licensee and bearing a transaction, Entry, Ticket, or

equivalent identifier shall be admissible evidence of the corresponding activity. The Licensee shall not deny a Prize or other material claim solely because of an absence, deficiency, or discrepancy in its own records where credible evidence indicates that the condition resulted from a system error, data-integrity failure, or other failure of the Licensee to comply with this Article, the License, or the applicable Game Rules.

(8) Retention and Responsibility for Records. The Licensee shall retain the records required by this subsection for not less than seven (7) years after the later of creation or final disposition of the matter to which the record relates and shall preserve any record relevant to a pending or reasonably anticipated audit, examination, investigation, claim, dispute, or proceeding until final resolution. The use of a Related Entity, custodian, payment provider, cloud provider, identity-verification provider, or other service provider shall not relieve the Licensee of responsibility to maintain, preserve, and make available the records required by this Article.

(9) No officer, director, employee, agent, contractor, vendor, or other Person acting for or on behalf of the Licensee may knowingly:

(i) influence, alter, suppress, delay, or interfere with a Game outcome, draw, random-number-generation process, Prize Validation process, or Prize payment, except through authorized and auditable procedures consistent with the applicable Game Rules;

(ii) obtain, use, or disclose advance nonpublic information concerning a future Game outcome, draw result, or winning determination, except as reasonably

necessary to perform authorized and auditable duties consistent with the applicable Game Rules and internal controls;

(iii) cause or permit a Prize to be paid contrary to the applicable Game Rules or the validation procedures required by this Section.

(10) The Licensee shall promptly investigate any credible indication of a material integrity failure, manipulation attempt, unauthorized system access, or material defect affecting a Game, and shall report the matter through the Monitoring Interface in accordance with § 9358 and the Rules and Regulations.

(c) Public Disclosure of Game Rules. For each Game that the Licensee offers, the Licensee shall make the applicable Game Rules publicly available in a readily accessible electronic form.

(1) The Game Rules for each Game shall state, as applicable:

(i) the name and general nature of the Game;

(ii) the price of Entry and the permitted method of payment;

(iii) participant eligibility requirements and material participation restrictions;

(iv) the prize structure, including the number, value, or method of determining prizes;

(v) the approximate odds of winning each prize category, or, where fixed odds cannot reasonably be stated, a clear explanation of the method by which prizes and winning outcomes are determined;

(vi) the theoretical payout percentage or expected player return, when the Game has a fixed or reasonably determinable theoretical payout percentage;

(vii) the method for determining winning Entries, Tickets, numbers, or other outcomes, including whether the Game uses an electronic random-number-generation process, a physical drawing, a predetermined prize allocation, or another disclosed method;

(viii) the applicable sales period, draw date, result-determination schedule, or other time by which the Game outcome will be determined;

(ix) the method, timing, and conditions of Prize Validation, claim, payment, forfeiture, expiration, cancellation, refund, and adjustment; and

(x) any material limitation on prize liability, prize availability, or the Licensee's authority to void, cancel, postpone, or modify a Game.

(2) The Licensee shall maintain an accessible archive of the Game Rules applicable to completed and active Games. A Game Rule may not be materially amended after the Licensee has accepted a Wager in the affected Game, except: (1) to correct a manifest clerical or technical error; (2) to address a material security or integrity threat; or (3) where the amendment is favorable to affected Players.

(3) Where a material Game Rule amendment adversely affects a Wager already accepted, the Licensee shall provide the affected Player a refund, an equivalent substitute opportunity, or another remedy expressly authorized by the Game Rules and reasonably designed to preserve fair treatment of the affected Player.

(d) Outcome Determination; Randomness; Draw Integrity.

(1) Each Game shall employ an outcome-determination process that is consistent with its disclosed Game Rules and reasonably designed to produce outcomes fairly and without unauthorized influence.

(2) A Game using electronic random-number generation or another electronic randomization process shall use a process that is statistically random, unpredictable, resistant to manipulation, and protected against unauthorized access or modification.

(3) An electronic outcome-determination process shall not consider a Player's identity, account balance, geographic location, prior winnings, Wager amount, or other Player-specific characteristic in determining the outcome of a Game, except to the extent that the characteristic is expressly disclosed in the applicable Game Rules and is integral to the Game's disclosed prize structure or eligibility requirements.

(4) A physical drawing or other non-electronic selection process shall use documented procedures reasonably designed to preserve chain of custody, prevent unauthorized access or interference, verify the integrity of drawing equipment or materials, and permit independent confirmation of the outcome.

(5) The Licensee shall maintain authenticated, tamper-evident audit records sufficient to reconstruct the material sequence of outcome generation, result validation, prize determination, and prize settlement for each Game.

(e) Prize Validation; Payment; and Record Finality.

(1) A Prize shall be payable only upon validation through the Licensee's approved Prize Validation procedures and the records maintained under this Article.

(2) The Licensee may deny or void a claimed Prize only where the applicable Entry, Ticket, account, Wager, or transaction:

(i) was made by or on behalf of a person who was an Excluded Person when the Wager was accepted, or is payable to another Person ineligible under the applicable Game Rules;

(ii) is duplicate, altered, counterfeit, unauthorized, fraudulent, manipulated, or otherwise invalid;

(iii) was generated, issued, recorded, or transmitted in error;

(iv) fails the validation and security procedures established under this Article, the License, the Rules and Regulations, or the applicable Game Rules;

(v) is subject to a timely claim or payment condition that the Player failed to satisfy; or

(vi) is otherwise invalid under a provision of the applicable Game Rules that was publicly disclosed before the Entry or Wager was accepted.

(3) No Prize shall be paid more than once. Where two or more Players assert competing claims to the same valid Prize, the Licensee may withhold payment until the dispute is resolved in accordance with the Game Rules, applicable law, or a final order of a court of competent jurisdiction.

(4) The Licensee shall pay each valid Prize in the manner and within the period disclosed in the applicable Game Rules, subject to reasonable requirements for identity verification, sanctions screening, anti-money-laundering compliance, tax withholding, fraud prevention, and other legal-compliance controls required by this Article.

(5) The Licensee shall maintain Prize Reserves or other Qualified Financial Assurance reasonably sufficient to satisfy accrued and reasonably foreseeable Prize-payment obligations. The form and amount of protection may vary by Game, Prize structure, duration, currency, jurisdiction, and counterparty risk and may be maintained by the Licensee, a Related Entity, an insurer, an annuity provider, a risk pool, a custodian, or another financially capable third party.

(f) Prize-Liability Management. Subject to advance disclosure in the applicable Game Rules, the Licensee may establish aggregate Prize-liability limits; fund a Prize through cash, an annuity, insurance, reinsurance, a guarantee, a letter of credit, a risk pool, or another Qualified Financial Assurance; designate a Prize as lump-sum, installment, annuity, currency-denominated, or asset-denominated; pause or close sales when a liability threshold is reached; and use hedging or other risk-management arrangements. The Licensee may engage third-party jackpot or Prize-indemnity providers without Commission approval.

(g) Manifest Error and System Malfunction. A manifest display, configuration, transmission, pricing, jackpot, or system error does not create a Prize obligation exceeding the valid Prize determined from the authoritative records and the Game Rules, provided that the Licensee acts fairly, preserves relevant records, refunds affected Wagers or provides another

reasonable remedy, and does not rely on an error caused by willful misconduct to deny a valid Prize. The Game Rules may establish commercially reasonable procedures for resolving such errors.

(h) Insurance and Equivalent Assurance. The Licensee may satisfy an insurance or financial-assurance requirement through commercial insurance, captive insurance, self-insurance supported by reserves, a guarantee, a surety bond, a letter of credit, or another Qualified Financial Assurance. No insurance requirement may exceed coverage reasonably available in the market on commercially reasonable terms.

(i) Regulatory Character; No Criminal Penalty Created.

(1) A violation of this Section by the Licensee, or by a Person acting for or on behalf of the Licensee within the scope of that Person's authority, shall constitute a regulatory compliance matter and an alleged breach subject exclusively to the notice, Cure, enforcement, review, and emergency-protective-measure procedures established in § 9359.

(2) This Section does not create a criminal offense, prescribe a criminal penalty, or expand the criminal jurisdiction of the Commonwealth.

(3) Nothing in this Section limits the Commission's authority under § 9359 to impose a targeted Emergency Protective Measure where the Commission makes the findings required by that Section concerning an immediate and material threat to outcome integrity, Prize determination, Player Funds, Exclusion Technology, cybersecurity, or other financial-integrity controls.

j. Public Information; Confidential Information.

(1) The following information shall be public and shall not be withheld as confidential under this Section:

(i) the identity and current status of the Licensee;

(ii) the Game Rules required by subsection (c), including all material amendments;

(iii) aggregate annual Gross Lottery Revenue, aggregate Prizes paid, aggregate Net Lottery Revenue, and aggregate Global Digital Lottery License Tax payments;

(iv) the date, scope, and unqualified or qualified conclusion of each independent certification or operational audit required by this Article, provided that no technical details whose disclosure could compromise security or game integrity need be disclosed; and

(v) a final Commission order imposing, modifying, or terminating a regulatory restriction, suspension, or other enforcement measure under this Article, subject to lawful redaction of Player information, confidential security information, privileged material, and information whose disclosure is prohibited by U. S. Federal law.

(2) The following information is confidential and shall not be publicly disclosed except as expressly authorized by this Article or required by a final order of a court of competent jurisdiction:

(i) source code, object code, system architecture, technical configurations, random-number-generation implementation details, random seeds, entropy sources, cryptographic keys, access credentials, vulnerability reports, penetration-test results, incident-response materials, and other information whose disclosure could reasonably compromise the security, integrity, or availability of the Global Digital Lottery;

(ii) Player-identifying information, account information, payment information, identity-verification information, geolocation information, and other personal data;

(iii) anti-money-laundering, sanctions-screening, fraud-prevention, and suspicious-activity information, including any information the disclosure of which is prohibited by U. S. Federal law;

(iv) individual transaction records, audit work papers, nonpublic technical test results, remediation plans, and commercially sensitive information that is not otherwise required to be disclosed under paragraph (1); and

(v) the Reasoned Legal Opinion and materials protected by attorney-client privilege, the attorney work-product doctrine, or another applicable privilege.

(3) The Commission may disclose confidential information to its officers, employees, consultants, auditors, legal counsel, and other representatives who require access to perform authorized regulatory functions, provided that each recipient is subject

to duties of confidentiality and uses the information solely for authorized governmental purposes.

(4) A subpoena, discovery request, or other compulsory process seeking confidential information under this Section shall be handled in a manner reasonably designed to preserve confidentiality. To the extent permitted by law, the Licensee shall receive prompt notice and a reasonable opportunity to seek a protective order. A court directing disclosure of confidential information shall, where reasonably practicable, limit disclosure to the information necessary for the proceeding and require filing under seal, protective-order treatment, redaction, or another appropriate safeguard.

(5) This subsection does not prevent the Commission or the Licensee from publishing de-identified, aggregated, or summarized information that does not disclose protected Player information or information whose disclosure could reasonably compromise system security, game integrity, or lawful anti-money-laundering controls.

k. Rules and Regulations. The Rules and Regulations may establish reasonable technical and procedural standards for Game Rules, independent testing, certification, record retention, material-change reporting, Prize Validation, public reporting, confidentiality safeguards, and the reporting of material integrity exceptions through the Monitoring Interface. Such Rules and Regulations shall remain consistent with this Section and shall not require disclosure of source code, cryptographic materials, security vulnerabilities, or other protected information except to the extent reasonably necessary for a targeted regulatory review under § 9358.

§ 9345. Federal Financial, AML, Sanctions, and Licensing Compliance.

(a) Applicable-Law Standard. The Licensee shall comply with the Bank Secrecy Act, regulations administered by the Financial Crimes Enforcement Network, economic-sanctions requirements administered by the United States Department of the Treasury, and other U. S. Federal financial-crime laws to the extent applicable to the activities actually conducted by the Licensee.

(b) Regulatory Status. The Licensee shall obtain and maintain each U. S. Federal registration, license, or regulatory status required for its actual activities. The Licensee may structure payment, custody, conversion, and transmission functions through one or more appropriately regulated Payment Service Providers or Related Entities. Nothing in this Article requires the Licensee to register or operate as a money services business, money transmitter, casino, financial institution, or virtual-asset service provider unless applicable law requires that status.

(c) AML Program. The Licensee shall maintain a written, risk-based anti-money-laundering and counter-terrorist-financing program appropriate to its business. At a minimum, the program shall include internal controls, a compliance officer, staff training, independent testing, customer identification and due diligence, enhanced due diligence where risk warrants, source-of-funds review where risk warrants, transaction monitoring, recordkeeping, and escalation procedures. The Licensee shall also comply with any stricter requirement of applicable U. S. Federal law.

(d) Reports and Confidentiality. The Licensee shall file suspicious-activity, currency-transaction, sanctions, and other reports required by applicable law and shall preserve the

confidentiality of reports and related information to the extent required by U. S. Federal law. Nothing in this Article authorizes the Commission to demand disclosure of a suspicious activity report or information whose disclosure is prohibited by U. S. Federal law.

(e) Sanctions Compliance. The AML program required by subsection (c) shall include a risk-based sanctions-compliance component that addresses management commitment, risk assessment, internal controls, testing, training, screening, blocking or rejection procedures, and reporting to the extent appropriate to the Licensee's activities and required by applicable law.

(f) State and Foreign Licensing. Whether a United States state, foreign, or other financial-services license is required shall be determined under the law applicable to the activities actually conducted. The Licensee may use licensed providers, restrict transactions, segregate functions, or otherwise structure operations to avoid unnecessary licensure. The Commission shall not purport to determine the Licensee's U. S. Federal, state, or foreign financial-regulatory classification.

(g) Annual Certification. The Licensee shall annually certify to the Commission that it maintains the programs and regulatory status required by this Section. The certification may rely on counsel, compliance officers, auditors, or regulated service providers and need not disclose privileged advice, suspicious activity reports, or protected investigative material.

(h) Legal-Change Suspension Due to Intervening Change in Law.

(1) If qualified U. S. counsel, acting reasonably and in good faith, cannot deliver an updated favorable RLO pursuant to § 9333(c) because an intervening change in controlling law or authoritative U. S. Federal interpretation materially undermines the prior analysis, the Licensee shall promptly notify the Commission and identify the affected

activity, jurisdiction, channel, or legal issue without waiving privilege. The Licensee shall stop accepting new Wagers only for the affected activity, jurisdiction, channel, or legal issue covered by the intervening change and shall conduct an orderly wind-down reasonably designed to protect Player Funds, honor valid Prizes, complete required tax and regulatory reporting, preserve records, and return funds where required. The Licensee may continue unaffected operations supported by the RLO. The inability to refresh the RLO because of a legal change, and a resulting wind-down, is not breach, abandonment, failure to operate, or Cause and does not terminate, shorten, or impair the License, exclusivity, or renewal rights. The Licensee may resume an affected operation upon obtaining a favorable RLO and providing the updated RLO required by § 9333(c).

(2) Tolling and Resumption. The Commercial Operations Deadline, Initial Term, applicable Qualifying Periods, and renewal-related periods shall be tolled day-for-day to the extent substantially all commercial operations are prevented by the Legal-Change Suspension. The Licensee may resume the affected activity after certifying under § 9333(c) that it maintains a new or supplemental RLO reasonably supporting resumption.

§ 9346. Payment Systems, Currency Conversion, Treasury Management, and Player-Fund Protection.

(a) Broad Payment Authority. The Licensee may accept, process, hold, convert, settle, refund, reverse, and pay amounts through any lawful currency, payment method, payment instrument, payment network, Treasury Asset, Digital Payment Asset, or payment technology,

directly or through Payment Service Providers or Related Entities. No particular currency, provider, asset, network, or settlement technology is required.

(b) United States Dollar Reporting. The United States dollar shall be the base currency for Commonwealth tax calculation, regulatory reporting, and amounts payable to the Commonwealth. Player-facing prices, account balances, Wagers, settlements, refunds, and Prizes may be displayed, denominated, converted, or paid in another lawful currency or Digital Payment Asset.

(c) Multicurrency and Wallet Operations. The Licensee may maintain single-currency or multicurrency Player Wallets; perform conversion at deposit, Wager, settlement, withdrawal, or Prize payment; and determine whether a balance remains in its original denomination or is converted into a Settlement Currency.

(d) Foreign Exchange and Fees. The Licensee may perform or arrange Foreign Exchange Conversion using a recognized market source, a Payment Service Provider's rate, an internally established methodology, or another commercially reasonable and consistently applied method. A disclosed conversion fee, spread, network fee, or processing fee may be charged or incorporated subject to applicable law.

(e) Treasury and Hedging. The Licensee and Related Entities may maintain Treasury Assets in one or more jurisdictions; net payment obligations; establish liquidity facilities; and enter spot, forward, option, swap, or other lawful hedging or risk-management arrangements. Such activity is not a separate lottery, assignment, Change of Control, or amendment of the License.

(f) Payment Service Providers and Continuity. The Licensee may engage, replace, suspend, or use multiple Payment Service Providers and backup payment or payout rails without prior

Commission approval. The Licensee may reroute transactions, suspend an affected channel, and maintain reserves or liquidity in multiple jurisdictions. A provider termination, reserve hold, service interruption, or banking decision beyond the Licensee's reasonable control is not a breach if the Licensee promptly implements commercially reasonable continuity and remediation measures.

(g) Transaction Finality and Payment Risk. The Licensee may establish reasonable rules concerning authorization, confirmation, settlement finality, network confirmations, reversals, refunds, chargebacks, returned payments, duplicate transactions, erroneous transfers, unsupported assets or networks, depegging, issuer or custodian interruption, and provider insolvency. A Wager need not be accepted and an Entry need not become valid until applicable payment, eligibility, fraud, sanctions, and settlement checks are complete.

(h) Protective Measures and Offsets. The Licensee may reject, delay, reverse, cancel, suspend, restrict, or investigate a transaction or account; delay a withdrawal or Prize payment; require additional verification; return funds through the original or another lawful method; and offset an unpaid, reversed, fraudulent, or charged-back amount against a Player balance or Prize where reasonably necessary for payment integrity, fraud prevention, sanctions, AML, tax withholding, or enforcement of the Game Rules.

(i) Prize and Withdrawal Methods. The Licensee may pay a valid Prize or withdrawal in United States dollars, the Player's transaction currency, another lawful fiat currency, a Digital Payment Asset, an annuity, or another lawful instrument or method identified in the Game Rules or terms of service. The Licensee may require an alternative payout method where the original

method does not support payouts, is unavailable, presents a compliance or security risk, or cannot lawfully be used.

(j) Player-Fund Protection Models. The Licensee shall protect Player Funds from ordinary operating use through one or more of the following: a statutory or express trust; segregated or restricted accounts; custodial arrangements; a bankruptcy-remote Related Entity; insurance; a guarantee; a surety bond; a letter of credit; a reserve facility; or another Qualified Financial Assurance providing materially equivalent protection. The selected method may protect aggregate net Player liabilities and need not require each currency or asset to be held separately.

(k) Insolvency Treatment and Disclosure. Player Funds held in an express trust, custodial account, bankruptcy-remote entity, or other legally protected arrangement shall not be pledged as collateral for general operating debt or knowingly used to satisfy general creditors. The Licensee shall disclose in its terms of service the material method and level of insolvency protection applicable to Player Funds. This subsection does not alter the rights of a Payment Service Provider under its governing agreement or applicable insolvency law.

(l) Provider Reserves and Setoff. An amount held by a Payment Service Provider as a rolling, contingency, settlement, liquidity, fraud, or chargeback reserve shall be treated in accordance with the provider agreement and applicable law. The Licensee shall maintain records of its contractual or beneficial interest in the reserve and shall account for reasonably foreseeable provider setoff, holdback, and insolvency risk in its liquidity controls.

(m) Payment and Treasury Control Plan. The Licensee shall maintain a confidential Payment and Treasury Control Plan addressing its material controls for payment acceptance,

currency conversion, settlement, custody, liquidity, Player-fund protection, reserves, chargebacks, reversals, provider continuity, and treasury risk. The Licensee may amend the plan in the ordinary course and shall notify the Commission of a material change as provided by regulation. Individual methods, currencies, providers, counterparties, assets, networks, and treasury transactions do not require prior approval.

(n) Jurisdiction-Specific Availability. The Licensee may offer, limit, suspend, or discontinue a payment method, currency, Digital Payment Asset, deposit or withdrawal limit, Player Wallet feature, or payout method by jurisdiction, Player category, amount, risk profile, provider availability, or channel as reasonably necessary for compliance, fraud prevention, responsible participation, security, or commercial operation.

(o) No Commonwealth Guarantee. The Commonwealth does not guarantee any currency, exchange rate, Digital Payment Asset, Payment Service Provider, custodian, blockchain, payment network, Player Wallet, reserve arrangement, or settlement obligation and is not liable for exchange-rate loss, depegging, network interruption, asset freeze, payment reversal, provider insolvency, cyber incident, or other payment or treasury loss.

§ 9347. Digital Payment Assets and Virtual-Asset Service Providers.

(a) Optional Authority. The Licensee and any Related Entity may, but is not required to, accept, hold, transfer, convert, redeem, custody, or pay Digital Payment Assets, tokenized deposits, or other lawful digital representations of value, directly or through one or more Payment Service Providers.

(b) No Commonwealth Issuance, Sponsorship, or Guarantee. Nothing in this Act authorizes the Commonwealth, the Commission, a municipality, a senatorial district, another Commonwealth public entity, or the Licensee to create, issue, mint, sponsor, administer, back, guarantee, or endorse a Digital Payment Asset. A digital payment instrument redeemable for a fixed amount of United States dollars or another national currency and accepted or used as a Digital Payment Asset shall be issued or administered by a nongovernmental third party. This subsection does not prohibit use of a central-bank digital currency issued or administered by an authorized central bank, a tokenized deposit issued by a regulated depository institution, or a closed-loop promotional credit or nontransferable account unit issued by the Licensee or a Related Entity, usable only within the Global Digital Lottery, and not represented as legal tender, a deposit, or a government-backed instrument.

(c) Activity-Based Regulatory Status. The acceptance or use of a Digital Payment Asset does not by itself determine that the Licensee is a virtual-asset service provider, money transmitter, or other financial institution. The Licensee or a Related Entity shall obtain such status only where required by applicable law for the activities actually conducted and may instead conduct those activities through regulated custodians, exchanges, issuers, redemption providers, or other Payment Service Providers.

(d) Compliance. Digital Payment Asset activity shall be conducted in accordance with applicable U. S. Federal law and any mandatory travel-rule, recordkeeping, sanctions, AML, consumer-disclosure, tax, and reporting requirements applicable to the activity. No separate

Commonwealth virtual-asset license is required solely by reason of activity authorized by this Section.

(e) Asset and Provider Selection. The Licensee shall determine which Digital Payment Assets, issuers, custodians, networks, bridges, exchanges, or redemption providers may be used and may impose concentration, liquidity, redemption, reserve-backing, confirmation, or jurisdictional requirements. The Licensee may suspend an asset or provider immediately upon a material legal, sanctions, cybersecurity, liquidity, de-pegging, or operational concern.

(f) Custody and Key Management. Digital Payment Assets held for Players shall be protected from ordinary operating use through the methods permitted by § 9346. The Licensee shall maintain commercially reasonable controls for private keys, access authorization, transaction approval, recovery, segregation of duties, and incident response, whether custody is direct or provided by a third party.

(g) Network Events and Mistaken Transfers. The Game Rules or terms of service may establish reasonable procedures for unsupported networks, mistaken addresses, forks, airdrops, chain reorganizations, frozen assets, delayed confirmations, smart-contract defects, or irreversible transfers, including procedures for determining whether recovery is technically and commercially practicable.

(h) Future Technologies. Authority under this Section extends to tokenized bank deposits, central-bank digital currencies, regulated Digital Payment Assets, and successor payment, custody, and settlement technologies developed after enactment, subject to applicable law.

§ 9348. Operational Resilience, Business Continuity, and Force Majeure.

(a) Operational Resilience Plan. The Licensee shall implement and maintain an Operational Resilience Plan reasonably designed to identify, protect against, detect, respond to, and recover from material operational and cybersecurity risks. The plan shall address business continuity, disaster recovery, incident response, data backup and restoration, key and credential recovery, payment continuity, Critical Service Provider failure, telecommunications interruption, physical disaster, and orderly restoration of material functions.

(b) Outcome-Based Standard. The Licensee shall maintain capabilities reasonably designed to preserve or reconstruct authoritative records of Player eligibility, Wagers, Entries, Game outcomes, Player Funds, Prize liabilities, payments, and regulatory obligations following a material disruption. This Section does not require a particular cloud provider, data center, recovery location, architecture, recovery-time objective, or technology.

(c) Geographic and Provider Resilience. The Licensee may use geographically distributed systems, redundant providers, replicated data, offline or immutable backups, alternate payment rails, manual controls, or other commercially reasonable continuity measures. Production, backup, recovery, and archival systems need not be located in the Commonwealth.

(d) Testing and Improvement. The Licensee shall periodically test material elements of the Operational Resilience Plan and shall remediate material deficiencies within a commercially reasonable period. Independent certifications or tests performed for a recognized foreign regulator, financial institution, insurer, or industry standard may be used to satisfy equivalent Commission requirements.

(e) Temporary Suspension and Degraded Operation. The Licensee may suspend or limit an affected Game, feature, jurisdiction, payment method, vendor connection, or other function where reasonably necessary to protect Players, preserve data, prevent loss, comply with law, or restore secure operations. A temporary suspension or degraded mode under this subsection is not abandonment or breach if the Licensee acts in good faith and uses commercially reasonable restoration efforts.

(f) Force Majeure Relief. A party is not in breach and is not liable for delay to the extent performance is prevented or materially delayed by a Force Majeure Event. The affected party shall provide reasonably prompt notice where practicable, mitigate the effects, and resume performance when reasonably possible. A monetary obligation is not forgiven, but if the Force Majeure Event materially prevents calculation, transmission, banking, or settlement, the due date is extended until thirty (30) days after the impediment has materially ceased.

(g) License-Term Protection. If a Force Majeure Event prevents substantially all commercial Global Digital Lottery operations for more than thirty (30) consecutive days, the Initial Term or applicable Renewal Term shall be extended day-for-day for the period beginning on the thirty-first day and ending when substantially all commercial operations can reasonably resume, unless the Licensee elects not to claim the extension.

(h) Critical Service Provider Failure. Failure, insolvency, termination, or material degradation of a Critical Service Provider is not Cause by itself. The Licensee shall implement continuity measures and, where substitution is reasonably required, shall have a commercially reasonable period to migrate to an alternative provider.

§ 9349. Cloud Infrastructure and Critical-Service-Provider Continuity.

(a) Cloud and Distributed Digital Infrastructure. The Licensee may use cloud computing, software-as-a-service, distributed-ledger and blockchain infrastructure, content-delivery networks, and other distributed digital services. Such use does not affect the Licensee's Commonwealth domicile under § 9333(a). Domicile requires legal control, governance, and the continuing capability to access and produce official records from the Commonwealth; it does not require physically storing production, backup, recovery, or archival data in the Commonwealth.

(b) Vendor Selection and Substitution. The Licensee may select, replace, combine, or reorganize Critical Service Providers and other vendors without prior Commission approval. A vendor does not acquire any interest in the License, and vendor failure or termination does not impair the License. The Licensee remains responsible for compliance and shall provide notice of a material vendor change as required by the Rules and Regulations.

(c) Continuity Arrangements. For each Critical Service Provider, the Licensee shall maintain commercially reasonable arrangements appropriate to the risk, which may include data portability, access to records, transition assistance, alternate providers, escrow, replicated services, contractual audit rights, continuity licenses, or other measures enabling orderly migration or restoration.

(d) Records and Transition. The Licensee shall ensure that termination or insolvency of a service provider does not eliminate its legal right and practical ability to obtain records required by this Article. A service-provider contract need not use any particular form, governing law, location, or remedy if the Licensee can otherwise satisfy this outcome.

(e) Limited-Purpose Trust Company Election. The Licensee or a Related Entity may elect, where lawful and commercially useful, to seek a limited-purpose Commonwealth trust-company charter for custody of Player Funds, Prize Reserves, or Digital Payment Assets. Nothing in this subsection requires such a charter or prevents use of an independently regulated bank, custodian, trust company, or other Payment Service Provider.

§ 9350. Responsible Participation and Market Conduct.

(a) Program Requirement. Before accepting its first Wager, the Licensee shall file with the Commission and implement and maintain a Responsible Participation Program reasonably designed for the nature of its Games, Players, jurisdictions, and distribution channels. The program shall support informed participation and compliance with applicable foreign responsible-gaming and market-conduct requirements. The filed Program shall document its material policies, controls, tools, and procedures. The program is confidential and does not require prior Commission approval.

(b) Identity and Age. Before accepting a person's first Wager, the Licensee shall identify the person, verify the person's identity and date of birth, confirm that the person meets the applicable minimum age, and perform customer due diligence appropriate to the risk. Verification may use reliable and independent data, documents, or electronic methods. The Licensee shall repeat or strengthen its checks when material doubt or higher risk arises. Anonymous Wagers are prohibited. These requirements apply to each beneficial participant in group play.

(c) Player-Control and Intervention Tools. The Licensee may provide the Player with tools to set deposit, Wager, loss, time, or transaction limits; cooling-off periods; account closure;

marketing suppression; and other jurisdiction-appropriate tools. The Licensee may establish different tools and thresholds by jurisdiction, Game, age group, payment method, Player risk, or another reasonable category.

(d) Self-Exclusion. The Licensee shall provide a simple, free, and immediate means of self-exclusion for twenty-four (24) hours, a longer stated period, or indefinitely. While a Player-selected self-exclusion is in force, the Licensee shall reject and record attempted Wagers by the Player, refuse new deposits by the Player, and stop direct marketing across the brands and accounts it controls to the Player. The Licensee shall honor an applicable national or jurisdiction-wide exclusion register where legally available and required. Remaining Player Funds shall remain available for withdrawal or be returned, subject to lawful identity, AML, sanctions, tax, fraud, and dispute controls. The Licensee may process and, where lawful, share information reasonably necessary to implement self-exclusion, cross-brand exclusion, fraud prevention, or player-protection arrangements, subject to § 9362 and applicable law.

(e) Credit and Payment. The Licensee shall not lend money for a Wager or allow a Player account to have a negative balance. Third-party credit and payment products are governed by applicable law and the Responsible Participation Program.

(f) Marketing. Player-facing marketing shall state the applicable minimum age and provide a practical route to limits, self-exclusion, and help for gambling-related harm. Promotions shall state their material terms clearly.

(g) Licensee Authority. The Licensee may refuse, limit, suspend, or close an account; decline a deposit or Wager; require source-of-funds or affordability information; restrict

promotions; or take another reasonable action where participation presents a material legal, financial-crime, fraud, vulnerability, or responsible-participation concern.

(h) Jurisdiction-Specific Compliance. A stricter compliance requirement imposed by a foreign jurisdiction may be implemented for affected Players without amendment of the License, Commission approval of the individual control or compliance, or application of that requirement to Players in other jurisdictions.

(i) Monitoring, Response, and Training. The Licensee shall use account and transaction information to identify material signs of harmful or unlawful play. When such signs arise, the Licensee shall respond reasonably. Its response may include a warning, direct contact, a limit, a pause, enhanced review, marketing suppression, suspension, or account closure. Staff with Player-protection duties shall receive appropriate training. The Licensee is not required to make a medical diagnosis.

(j) No Guaranteed Prevention; Regulatory Character. The Responsible Participation Program shall be evaluated by the reasonableness of its design, implementation, monitoring, and response to material indicators; it does not guarantee prevention of all harmful conduct. This Section creates no private cause of action and is enforceable only through the procedures of § 9359.

(k) Separate Requirements. The requirements of this Section are separate from, and do not replace or modify, the Exclusion Technology minimum requirement. They do not alter the meaning or operation of Excluded Person, Excluded Wager, or Exclusion Technology. A Wager rejected under this Section is an Excluded Wager only if made by or on behalf of an Excluded Person.

§ 9351. Player Claims, Complaints, and Dispute Resolution.

(a) Terms of Service and Game Rules. The Licensee shall maintain electronic terms of service and Game Rules that clearly address material Player rights and obligations, including account administration, payment, Prize claims, errors, suspension, self-exclusion, closure, governing law, forum, complaint procedures, and dispute resolution.

(b) Internal Complaint Process. The Licensee shall provide a reasonably accessible process for receiving, investigating, and resolving Player complaints. The process may be conducted electronically and may require identity verification, transaction information, and submission within a disclosed reasonable period.

(c) Alternative Dispute Resolution. The Licensee may provide mediation, independent adjudication, arbitration, or another alternative-dispute-resolution process and may designate qualified providers located inside or outside the Commonwealth. The Rules and Regulations may require access to an independent process for unresolved material Player claims but may not mandate a particular provider.

(d) Governing Law and Forum. To the maximum extent permitted by applicable law, the terms of service may select Commonwealth law, the Commonwealth Superior Court, the District Court for the Northern Mariana Islands, individual arbitration, remote hearings, or another reasonable forum. Mandatory law applicable to a Player may be honored without impairing the License or establishing that such law applies to other Players.

(e) Individual Proceedings and Claim Periods. To the maximum extent permitted by applicable law, the terms of service may require individual rather than class, collective,

representative, or mass proceedings and may establish reasonable limitation and claim periods. No contractual period may extinguish a claim before the Player had a reasonable opportunity to discover and present it.

(f) Electronic Records. Authenticated Licensee records maintained under § 9344 are presumptive, but not conclusive, evidence of account activity, Wagers, Entries, outcomes, payments, notices, and acceptance of electronic terms. A Player may present credible contrary evidence, and a material deficiency caused by the Licensee's own recordkeeping failure shall be considered in resolving the claim.

(g) No Statutory Private Cause of Action. This Section does not create a private cause of action, class action, statutory damages claim, or entitlement to attorney fees. Contractual and other rights otherwise available under applicable law are not expanded by this Article.

§ 9352. Foreign Taxes, Regulatory Charges, and Local Compliance Costs.

(a) Authority to Comply. The Licensee may register for, collect, withhold, report, and remit taxes, duties, levies, fees, and other charges imposed by a foreign jurisdiction and may obtain local tax representatives, registrations, rulings, or clearances.

(b) Pricing and Deduction. The Licensee may adjust Entry prices, fees, Prize amounts, payout methods, promotional terms, or market availability to reflect a Foreign Regulatory Charge and may deduct or withhold an amount from a Wager, Player Wallet, withdrawal, or Prize where required by applicable law and disclosed where reasonably practicable.

(c) Corporate, Market-Access, and Transfer-Pricing Structure. The Licensee may conduct foreign-market activity through Foreign Market Entities and may allocate revenue, expenses,

intellectual property, services, functions, and risk among the Licensee, Related Entities, and unaffiliated partners on commercially reasonable arm's-length terms. Nothing in this Article determines the existence of a permanent establishment, taxable presence, or foreign tax liability.

(d) Related-Entity Consolidation. For purposes of Gross Lottery Revenue, Net Lottery Revenue, the Global Digital Lottery License Tax, and related reporting, the Licensee and each Related Entity acting as a Foreign Market Entity shall be treated on a consolidated basis with respect to Global Digital Lottery operations. Player-level Wagers, sales, fees, Prizes, refunds, permitted deductions, and Foreign Regulatory Charges shall be included once, and intercompany payments, allocations, and transfers shall be eliminated.

(e) Unaffiliated Foreign Market Entities and Foreign Principal Operators. If an unaffiliated Foreign Market Entity acts on behalf of the Licensee, contracts with Players, accepts Wagers, or receives Player Funds in connection with Games offered under an arrangement with the Licensee or a Related Entity, the Player-level amounts and associated deductions attributable to those Games shall be included in Gross Lottery Revenue and Net Lottery Revenue to the extent the Licensee or a Related Entity is contractually entitled to access the records reasonably necessary to calculate those amounts; amounts retained by that Foreign Market Entity may be deducted as a market-access, regulated-operator, distribution, or revenue-share expense. If applicable foreign law and the written arrangement establish a Foreign Principal Operator as the principal regulated operator bearing material customer-contracting, winnings or prize, customer-fund, payment, regulatory, and operating responsibility, and the Licensee and its Related Entities act solely as a business-to-business supplier or licensor without entitlement to or control of customer bets or

wagers, Gross Lottery Revenue from the arrangement consists of the amounts received or receivable by the Licensee and its Related Entities under the arrangement.

(f) Records and Consistency. The Licensee shall apply the classifications and attribution methods in this Section consistently, retain records reasonably sufficient to support the treatment used, and prevent double inclusion or double deduction of the same amount.

(g) Net Lottery Revenue; Matching and True-Up. Foreign Regulatory Charges and the other costs specified in the definition of Net Lottery Revenue are deductible in computing the Global Digital Lottery License Tax only to the extent that they: (1) are directly attributable to revenue included in Gross Lottery Revenue; (2) are actually paid or properly accrued under a consistently applied accounting method; (3) are allocated on a commercially reasonable and consistently applied basis where they relate to mixed activities; (4) are net of refunds, rebates, credits, recoveries, and reimbursements when realized; and (5) are not otherwise reflected in an amount retained by a foreign operator, revenue-share deduction, transfer-pricing allocation, or other deduction. A charge relating to unrelated income, shareholder-level taxation, an acquisition or disposition gain, or another non-Global-Digital-Lottery activity is not deductible. A later assessment, refund, credit, or other adjustment shall be reflected as a true-up in the period in which it becomes reasonably determinable, without penalty where the original treatment was reasonable and consistently applied.

(h) Market Withdrawal. The Licensee may restrict or discontinue a jurisdiction where tax, withholding, regulatory, localization, or compliance costs are commercially unreasonable. Such action is not a breach or failure to operate.

(i) No Commonwealth Liability. The Commonwealth does not assume or indemnify any foreign tax, duty, penalty, interest, registration cost, or other foreign obligation of the Licensee or a Player.

§ 9353. Unclaimed Prizes, Dormant Accounts, and Player Property.

(a) Claim and Dormancy Periods. The Game Rules or terms of service may establish reasonable periods and procedures for claiming Prizes, completing verification, maintaining account activity, responding to notices, and withdrawing balances, subject to applicable mandatory law.

(b) Notice and Location Efforts. Before treating a material amount as Unclaimed Player Property, the Licensee shall use commercially reasonable electronic notice and location efforts appropriate to the amount, available contact information, security risk, and applicable law.

(c) Administrative Measures. The Licensee may suspend a dormant account, require renewed verification, restrict transactions, and charge a reasonable disclosed dormancy or administration fee where lawful. A fee shall not reduce a balance below zero or defeat a valid Prize claim made within the applicable period.

(d) Disposition. Unclaimed Player Property shall be handled under the applicable Game Rules, terms of service, and mandatory unclaimed-property law. Where no mandatory law controls, the Game Rules may provide for transfer to a future Prize pool, a Player-protection reserve, a charitable purpose, or retention by the Licensee after the applicable claim period.

(e) No Automatic Commonwealth Ownership. Unclaimed Player Property does not become public money or property of the Commonwealth, the Commission, or the Treasury unless

an express provision of Commonwealth law specifically applicable to the Global Digital Lottery requires that result.

(f) Late Claims and Records. The Licensee may honor a late claim in its discretion where lawful and shall retain records sufficient to explain the disposition of material Unclaimed Player Property for the period required by § 9344.

§ 9354. Public Register, Regulatory Confirmations, and Cooperation.

(a) Public Register. The Commission shall maintain a public register confirming the existence and continuing validity of the License, including the issuance date, Licensee identity, term, and current compliance status.

(b) Confirmations Upon Request. Upon written request by the Licensee, the Commission shall furnish a factual confirmation suitable for delivery to a financial institution, Payment Service Provider, custodian, auditor, insurer, lender, investor, securities regulator, or foreign gaming or lottery authority. For a particular transactional model described by the Licensee, the confirmation shall state the existing Commonwealth authorization and License status applicable to that model, including, as applicable, authority to contract directly with eligible foreign Players, accept Wagers, maintain Player accounts and Player Funds, act as merchant of record, pay Prizes, or provide authorized business-to-business products and services. It shall also state that the License is the sole and sufficient Commonwealth and local gaming authorization for the described activities. The confirmation shall not opine on U. S. Federal or foreign law. The Commission shall respond within ten (10) Business Days where reasonably practicable.

(c) Regulatory Cooperation. The Commission may enter memoranda of understanding, confidentiality agreements, and information-sharing arrangements with foreign or domestic governmental authorities; respond to due-diligence inquiries; authenticate copies of the Act, License, Rules and Regulations, and final orders; and cooperate in lawful investigations and supervision, subject to confidentiality and privilege protections.

(d) Recognition of Equivalent Oversight. In determining compliance, the Commission shall give appropriate weight to licenses, audits, certifications, testing, financial reviews, cybersecurity assessments, and compliance examinations performed by a competent foreign regulator or independent professional where substantially equivalent to a Commonwealth requirement.

(e) Confidentiality. Nonpublic information may be exchanged only for a lawful regulatory purpose and subject to protections reasonably designed to preserve Player privacy, security information, privileged material, trade secrets, and information whose disclosure is prohibited by U. S. Federal law.

(f) Limitations on Commission Role. The Commission is not a U. S. Federal banking, AML, securities, tax, or foreign gaming regulator and is not required to issue a legal opinion concerning U. S. Federal or foreign law. Its confirmations shall be limited to Commonwealth authority, License status, factual compliance information, and other matters within its jurisdiction.

§ 9355. Financing, Creditor Rights, Lender Step-In, and Restructuring Continuity.

(a) Authorized Financing. The Licensee and Related Entities may incur secured or unsecured debt, issue equity or debt securities, grant liens, pledge equity interests, enter project or acquisition financing, monetize receivables, and use other lawful financing arrangements without

Commission approval, except that a transaction resulting in a Change of Control or Permitted Whole-Business Transfer is governed by § 9357.

(b) Protected Assets. Player Funds, Prize Reserves and assets expressly maintained in trust, custody, or a legally protected reserve shall not be pledged for general operating debt or knowingly applied to satisfy general creditors. A lender may take a lien on unrestricted operating assets, revenues, intellectual property, equity, receivables, and other property not protected under § 9346 or the applicable Prize arrangement.

(c) License Fees, Taxes. The Licensee remains obligated to pay amounts due under § 9338 through § 9340. Material financing documents shall acknowledge that protected assets under subsection (b) may not be diverted and that due License Fees and Taxes are payable from unrestricted funds in accordance with this Article. Nothing in this Section automatically invalidates an otherwise lawful lien or requires a lender to subordinate all claims to future or contingent obligations.

(d) Equity Pledges and Foreclosure. A pledge of equity interests or contingent foreclosure rights is not a Change of Control until control is actually transferred. A foreclosure, debt-for-equity exchange, asset transfer, or similar exercise that results in a Change of Control or Permitted Whole-Business Transfer shall be reviewed under § 9357 using the same exclusive qualification standard and deemed-approval period applicable to the applicable transaction.

(e) Lender and Receiver Step-In. A lender, administrative agent, security trustee, receiver, bankruptcy trustee, debtor-in-possession, or restructuring professional may take temporary actions reasonably necessary to preserve assets, protect Player Funds and Prize obligations, maintain

systems and records, fund continuity, or arrange a qualified Change of Control or Permitted Whole-Business Transfer. Temporary protective action does not by itself constitute operation of the Global Digital Lottery or an unauthorized transfer of the License.

(f) Insolvency and Restructuring. Insolvency, bankruptcy, receivership, or financial distress is not Cause by itself and does not automatically terminate or impair the License. The License shall remain in effect during a good-faith restructuring so long as the Player Funds and Prize obligations remain protected and the Licensee, trustee, receiver, or proposed acquirer is diligently pursuing continued compliant operation, a qualified Change of Control, or a Permitted Whole-Business Transfer.

(g) Rescue and Working-Capital Financing. The Licensee, a trustee, receiver, or debtor-in-possession may obtain rescue, debtor-in-possession, or working-capital financing reasonably necessary to preserve operations, Player Funds, Prize payments, records, and License value. Priority and collateral shall remain subject to applicable U. S. Federal law and the protected-asset limitations of this Section.

(h) No Reopening of License Terms. Financing, enforcement of creditor remedies, or restructuring shall not permit the Commission to renegotiate economic terms, shorten the License Term, alter exclusivity, or impose qualifications beyond those expressly established by this Article.

§ 9356. Independent Auditing, Certification, and Regulatory Reliance.

(a) Annual Financial Audit. The Licensee shall retain a Qualified Independent Auditor to conduct an annual audit of Gross Lottery Revenue, Net Lottery Revenue, Player Funds, Prize liabilities, taxes, License Fees, and Regulatory Support Reimbursements. The report shall be

submitted within one hundred twenty (120) days after the close of the Licensee's fiscal year and may be based on United States GAAS, International Standards on Auditing, or an equivalent internationally recognized standard.

(b) Annual Operational and Systems Assessment. The Licensee shall obtain an annual independent assessment of material Game-integrity, outcome-determination, cybersecurity, Exclusion Technology, identity, age, KYC, Responsible Participation Program, payment, Player-fund, Operational Resilience Plan, and record-integrity controls. Quarterly management certifications and material-exception reporting may be required, but a full independent operational audit shall not be required more frequently than annually absent a documented material incident or credible evidence of a material control failure.

(c) Targeted Audit. The Commission may require a targeted independent audit limited to a specific material exception, incident, calculation, or control where existing reports do not reasonably resolve a documented regulatory concern. The request shall identify its scope and basis and shall avoid unnecessary duplication.

(d) Equivalent Reports and Certifications. The Commission shall accept or give appropriate credit for an audit, certification, penetration test, reserve attestation, control report, or regulatory examination prepared for another competent regulator, financial institution, insurer, or recognized standard where it provides materially equivalent assurance.

(e) Auditor Qualifications and Independence. Auditors and testing laboratories need not be licensed or located in the Commonwealth and may be internationally recognized firms authorized

in their principal jurisdiction. The Licensee may use different qualified firms for different audit subjects, subject to professional independence standards.

(f) Fiscal Year and Remediation. The Licensee may adopt any fiscal year consistent with standard business practice. A material audit finding shall be addressed through a risk-based remediation plan and the notice-and-Cure procedures of § 9359; the existence of a finding is not by itself Cause.

(g) Pre-Launch Certification. Before accepting the first paid Wager, the Licensee shall obtain from a qualified independent laboratory or auditor a written certification of the material production controls for Game integrity, outcome determination, Exclusion Technology, identity and age verification, payment security, Player Funds, Prize payment, cybersecurity, and record integrity, and shall submit the certification and report to the Commission. Submission, not discretionary Commission approval, is the launch condition.

§ 9357. Corporate Continuity; Change of Control; Permitted Whole-Business Transfer.

(a) Authorized Change of Control. The Legislature recognizes that, in the ordinary course of business, the Licensee may experience a change in beneficial ownership, consolidation, merger, or investment by a Prospective Investor that results in a Change of Control. A Change of Control of the Licensee is permitted, provided that the Licensee submits a Change of Control Application, and subject to the approval procedure of subsection (c).

(b) Change of Control Application. To obtain approval of a Change of Control, the Licensee shall submit a Change of Control Application consisting of a written request and

documentation sufficient to address the criteria in subsection (d). The Commission shall provide written acknowledgment that the Application is submitted. Within fifteen (15) days of submission, the Commission shall notify the Licensee that either (1) the Change of Control Application is complete, or (2) the Change of Control Application is incomplete and identify all deficiencies, missing documents, missing information, or other defects ("Notification"). The Licensee shall have the right to supplement the Change of Control Application accordingly; the Commission shall accept the supplemented Application as complete for purposes of review under subsection (c). A supplemented Application addressing the identified deficiencies shall be deemed complete upon its submission, and the Commission shall not issue a second or successive Notification. If the Commission does not provide the Notification within fifteen (15) days, the Change of Control Application shall be deemed complete.

(c) Approval Procedure; Review Standard; Determination Period; Deemed Approval. The Commission shall approve a Change of Control Application upon satisfaction of the criteria in subsection (d) and shall not otherwise withhold, condition, or delay approval. No reapplication, recertification, or Commission reapproval of the Licensee is permitted solely because the Licensee submitted a Change of Control Application. The Commission shall issue its written determination within sixty (60) days after the Application is complete. If a material official criminal, regulatory, or ownership record promptly requested by the Commission has not been received, the Commission may toll that period only by written notice identifying the record and explaining its materiality. Tolling for all such outstanding official records may not exceed thirty (30) additional calendar days. If the Commission does not issue a written determination within the resulting

period, the Application is deemed approved by operation of law. The Commission's review is strictly limited to the Qualified Controller Standard and shall not extend to renegotiation of economic terms, exclusivity, or other rights granted under this Article. The Commission may define by regulation a specific set of documents, records, or other evidence to be provided as part of a Change of Control Application, limited specifically to the requirements of the Qualified Controller Standard in subsection (d), but shall not impose or apply any other qualification, background, fitness, experience, or character standard under another Commonwealth law or regulation to the Licensee, the Prospective Investor, any Reportable Beneficial Owner, or any Person acquiring beneficial ownership or control of the Licensee.

(d) Qualified Controller Standard. The Commission shall approve a Change of Control Application when the Prospective Investor and each person who will become a principal officer, director, or Reportable Beneficial Owner satisfy the following exclusive criteria, as evidenced by the Change of Control Application:

(1) Financial Capability. The Change of Control Application provides a reasonable basis to conclude that, after the transaction, the Licensee has resources sufficient to protect Player Funds, pay Prizes and taxes, pay Regulatory Support Reimbursements, and continue compliant operations. Resources may include available capital, financing, guarantees, Qualified Financial Assurance, or public-market resources and need not be fully funded or unconditional at approval if the Application identifies credible arrangements for timely availability; and

(2) Objective Suitability. The Prospective Investor and each new principal officer, director, and Reportable Beneficial Owner satisfy the same personal suitability and disqualification standards stated in § 9332(e)(2). Good standing records, public-company disclosures, or reports from another competent regulator may be used to establish compliance.

(e) Regulatory Certainty and Automatic Continuation. Upon the Commission's determination that the Prospective Investor satisfies the Qualified Controller Standard: (1) the Commission shall issue a written certification confirming that the Licensee remains the lawful and continuous holder of the License; (2) the Change of Control shall not constitute grounds for revocation, suspension, modification, or reissuance of the License or trigger discretionary reopening of the licensing framework; and (3) all exclusive rights from the License Effective Date through expiration of the License Term, together with all rights and protections conferred upon the Licensee under this Article, shall continue without interruption, reset, or impairment. Upon a deemed approval under subsection (c), the Commission shall, upon written request of the Licensee, issue the certification described in this subsection within ten (10) Business Days after the request; failure to issue the certification does not impair, delay, or condition the deemed approval or the continuation of the License.

(f) Continuity of Global Digital Lottery License Through Change of Control. The License remains vested in the Licensee at all times, including following any Change of Control approved or deemed approved under this Section. All rights, authorities, certifications, confirmations, and

protections conferred upon the Licensee by the Act continue in favor of the Licensee without interruption following a Change of Control.

(g) Distressed or Lender-Sponsored Transactions. For a Change of Control arising from foreclosure, restructuring, receivership, bankruptcy, or lender enforcement, the Commission shall conduct an expedited review reasonably adapted to the circumstances. Temporary protective control by a lender, receiver, trustee, or debtor-in-possession pending a qualified transfer shall not require separate approval if the Person does not market Games or make discretionary operational decisions except as necessary to preserve compliant operations and Player assets.

(h) No Insolvency Disqualification. Financial distress or participation in a court-supervised restructuring does not disqualify a Prospective Investor if the Prospective Investor satisfies the Qualified Controller Standard and demonstrates adequate resources for continued operation and protection of Player Funds and Prize obligations.

(i) Permitted Whole-Business Transfer. The Licensee may effect a Change of Control through the transfer of the entire indivisible License, together with substantially all assets, operations, rights, and obligations comprising the Global Digital Lottery business, to a successor entity, provided that: (1) the successor is domiciled in the Commonwealth; (2) the successor expressly assumes all obligations of the Licensee under this Article and the License; (3) the proposed successor and any Person acquiring control of it satisfy the Qualified Controller Standard in subsection (d); and (4) the transaction preserves Player Funds, Prize obligations, Regulatory Support Reimbursements, records, and continuity of compliant operations. The Commission shall review a Change of Control Application for a whole-business transfer under the same exclusive

standard, sixty-day determination period, and deemed-approval rule in subsection (c). Upon consummation, the successor becomes the Licensee by operation of law, and the License, License Term, Renewal Terms, exclusivity, tax-payment history, certifications, confirmations, and all other rights and obligations continue without reissuance, interruption, reset, or renegotiation. A partial transfer, division, or sublicense of the License remains prohibited. For purposes of this subsection, the transferred business shall include, to the extent owned or controlled by the Licensee or a Related Entity and legally transferable, the Qualified Patent rights required for the License, RLO reliance materials and opinion-reliance rights, regulatory records and correspondence, domains, brands, Licensee Intellectual Property, and other assets reasonably necessary to continue the Global Digital Lottery business. Following an approved or deemed-approved transfer, no Commonwealth agency may impose a new License-specific condition that did not apply immediately before the transfer, except application of the Qualified Controller Standard and generally applicable requirements otherwise permitted by this Article.

§ 9358. Regulatory Monitoring.

(a) Monitoring Interface. The Licensee shall establish, maintain, and make available to the Commission and, solely for financial and tax information within its statutory duties, to the Department of Finance a secure, continuous, read-only electronic monitoring interface (the "Monitoring Interface") providing the Commission with real-time or near-real-time access to aggregate compliance reports, material exception reports, and other information reasonably necessary to monitor the Licensee's compliance with the License, this Article, and the Rules and Regulations. The Monitoring Interface shall be designed for regulatory oversight through

aggregate reporting, exception reporting, certifications, audits, and targeted review of underlying records. The Monitoring Interface shall not require the Licensee to provide routine ticket-by-ticket, player-by-player, or transaction-by-transaction reporting to the Commission. The Licensee shall promptly notify the Commission of any material interruption or impairment of the Monitoring Interface and shall provide reasonably available substitute reports or records during the interruption.

(b) Scope of the Monitoring Interface. The Monitoring Interface shall provide access, as applicable, to the following aggregate reports, material exception reports, certifications, and other compliance information:

(1) Lottery Operational Reports. Reports pertaining to lottery draws, draw certification, random number generator integrity, the generation, validation, and settlement of winning results, and material anomalies affecting draw integrity or Prize determination;

(2) Player Transaction and Settlement Reports. Reports pertaining to Player transactions, Entries, Ticket issuance, cancellations, voids, refunds, Prizes, payouts, adjustments, and other transaction-settlement activity reasonably necessary to verify the operation of the Global Digital Lottery;

(3) Exclusion Compliance Reports. Reports and material exception reports reasonably necessary to monitor Excluded Persons and Excluded Jurisdiction and Prohibited Jurisdiction screening, an Alternative Compliance Method, blocked

transactions, Excluded Wagers, material control failures, and corrective action under § 9333 and § 9335.

(4) Player and Prize Fund Reports. Reports pertaining to Player Funds, Prize liabilities, Prize Reserves, reserve requirements, the segregation and protection of Player Funds, refunds, withdrawals, and Prize-settlement obligations;

(5) Audit, Security, Resilience, and Material-Change Reports. Reports concerning material system-access or cybersecurity events, Operational Resilience Plan testing, Critical Service Provider failures, material audit findings, and material changes to software, hardware, configurations, vendors, operating procedures, or compliance controls specific to the Global Digital Lottery.

(6) Financial and Revenue Commitment Reports. Reports reasonably necessary to verify the calculation, accrual, payment, reconciliation, and satisfaction of obligations under § 9338 through § 9342, including revenue calculations, Foreign Regulatory Charges, adjustments, voids, refunds, credits, offsets, reconciliations, payment confirmations, and certifications.

(7) Legal, Financial-Crime, and Player-Protection Reports. Reports reasonably necessary to monitor identity and age checks, KYC, AML, sanctions, fraud prevention, Player limits, self-exclusion, marketing suppression, responsible-participation interventions, foreign-market restrictions, payment integrity, operational resilience, and handling of Unclaimed Player Property. Nothing in this subsection requires disclosure of a

suspicious activity report or information whose disclosure is prohibited by U. S. Federal law.

(c) Targeted Access to Underlying Records. The Licensee shall retain underlying operational, transaction, audit, security, payment, and compliance records sufficient to support the reports and certifications required under subsection (b), for the period established by the Rules and Regulations, but not less than the minimum period required by § 9344.

(d) Upon a reasonable written request identifying the subject matter, period, and regulatory basis for the request, the Commission may obtain targeted access to underlying records reasonably necessary to:

(1) investigate a material exception reported through the Monitoring Interface; verify a compliance certification, audit report, financial calculation, or payment obligation;

(2) investigate a credible allegation of material noncompliance;

(3) conduct a targeted regulatory audit; or

(4) prepare for or conduct a proceeding under § 9359.

A request for underlying records shall be limited in scope to the information reasonably necessary for the identified purpose. Player-identifying information shall be masked, pseudonymized, or otherwise protected to the maximum extent reasonably practicable, consistent with the purpose of the request.

(e) Rules and Regulations. The Rules and Regulations shall define the technical and procedural requirements necessary to implement this Section, including:

(1) required data fields, report formats, reporting intervals, and dashboard metrics;

(2) categories of material exceptions and applicable notification periods;

(3) compliance-certification requirements;

(4) record-retention requirements;

(5) audit and independent-verification procedures;

(6) procedures governing requests for targeted access to underlying records;

(7) confidentiality, cybersecurity, authentication, access-control, and logging requirements; and

(8) reasonable standards for availability, latency, interruption notice, and restoration of the Monitoring Interface.

The Rules and Regulations shall be proportionate to the Commission's reasonable regulatory needs and shall not require routine transaction-level analysis by the Commission or continuous regulator access to the Licensee's production environment.

(f) Confidentiality; Access Logs. The Commission and the Licensee shall maintain access logs for the Monitoring Interface. The Commission shall maintain the confidentiality and security of all nonpublic information made available through the Monitoring Interface and shall use such information solely for regulatory, audit, enforcement, and compliance purposes authorized by this Article.

(g) Read-Only Monitoring, No Operational Control. The Monitoring Interface shall be logically segregated from the Licensee's production environment and shall not allow the Commission, the Department of Finance, or any other person acting on behalf of the Commonwealth to access, control, or operate the production environment of the Global Digital

Lottery. The establishment, maintenance, availability, use, nonuse, interruption, or delay of the Monitoring Interface shall not transfer operational responsibility from the Licensee to the Commonwealth, the Commission, or any other Commonwealth entity; shall not constitute Commonwealth custody, control, approval, certification, guaranty, or operation of the Global Digital Lottery; and shall not, by itself, create a private duty, private cause of action, fiduciary obligation, or obligation to continuously detect or prevent a violation by the Licensee. Nothing in this subsection limits the Commission's authority to take action under the enforcement provisions of this Article. No credential, protocol, connection, or other access provided under this Section shall permit any Commonwealth agency or officer to:

(1) determine, generate, alter, delay, cancel, suspend, invalidate, or influence a lottery draw outcome;

(2) accept, reject, alter, cancel, suspend, or influence an Entry, Ticket, account transaction, payout, refund, or Prize determination;

(3) alter Global Digital Lottery software, system configuration, Player data, financial records, exclusion controls, or operating parameters;

(4) operate, direct, command, or otherwise control any function of the Global Digital Lottery; or

(5) disable, interrupt, or suspend Global Digital Lottery operations through direct electronic, technical, or remote access.

(h) Regulatory Record. Records made available through the Monitoring Interface shall constitute a contemporaneous regulatory record and shall be admissible in a proceeding under this

Article, subject to authentication and proof of the completeness and integrity of the applicable data. Monitoring Interface records shall not constitute the exclusive or conclusive compliance record. The Licensee and the Commission may rely upon underlying operational records, audit records, payment records, security records, and other competent evidence to establish compliance or noncompliance. A temporary interruption, latency, or technical defect in the Monitoring Interface shall not, standing alone, constitute a breach of this Article or the License unless the Licensee knowingly caused the interruption, failed to provide required notice, failed to use commercially reasonable efforts to correct the interruption, or materially impaired the Commission's ability to perform its regulatory functions.

(i) Enforcement. An alleged failure by the Licensee to comply with this Section is subject exclusively to the notice, Cure, enforcement, and review procedures in § 9359 and § 9360.

§ 9359. Breach, Opportunity to Cure, and Limited Emergency Protective Measures.

(a) Exclusive Enforcement Procedure; Cause. This Section governs every alleged breach by the Licensee of this Article, the License, or the Rules and Regulations. Except as expressly provided for an Emergency Protective Measure, no Commonwealth agency or officer may suspend, revoke, restrict, penalize, or otherwise materially impair Global Digital Lottery operations except in accordance with this Section and § 9360. Suspension or revocation is available only upon a finding of Cause as defined in § 9330.

(b) Written Notice of Alleged Breach. Before initiating a proceeding to suspend, revoke, penalize, or materially restrict the Licensee, the Commission shall serve the Licensee with a written notice of alleged breach stating with reasonable particularity:

(1) the specific provision of this Article, the License, or the Rules and Regulations alleged to have been breached;

(2) the material facts supporting the allegation;

(3) the corrective action required, if any; and

(4) the basis for concluding that the alleged breach is material.

(c) Opportunity to Cure. The Licensee shall have not fewer than ninety (90) days after receipt of the written notice required by subsection (b) to Cure the alleged breach.

(d) If the alleged breach is technical, operational, or otherwise incapable of reasonable completion within ninety (90) days, the Cure Period shall be extended upon written request of the Licensee for such additional period as is reasonably necessary to complete the Cure, provided that the Licensee is diligently pursuing the Cure to completion.

(e) Non-Emergency Enforcement. Before the expiration of the Cure Period and any applicable extension, the Commission shall not suspend, revoke, penalize, or materially restrict the Licensee's Global Digital Lottery operations. After expiration of the Cure Period, the Commission may commence a contested-case proceeding under § 9360 only if the alleged breach remains uncured and the Commission reasonably concludes that Cause exists. In selecting any non-emergency remedy, the Commission shall employ the least restrictive measure reasonably necessary to address the uncured material breach. Where a targeted restriction, additional reporting requirement, audit requirement, financial-assurance requirement, or other narrower remedy would reasonably address the breach, the Commission shall employ that remedy in preference to suspension or revocation of the License or operation of the Global Digital Lottery.

(f) Status Quo During Judicial Review. Except for an Emergency Protective Measure issued under subsection (g), no non-emergency suspension, revocation, or material operational restriction shall take effect before completion of the contested-case hearing. A final agency action imposing such a measure shall be automatically stayed for ninety (90) days after service of the final agency decision. The Licensee is entitled to expedited judicial review under § 9360. Upon a showing of likely success on the merits and irreparable harm, and after consideration of the public interest, the reviewing court may extend the stay through final resolution. Unless extended by the court, the final agency action may take effect after the ninety-day period. The Licensee may consent in writing to an earlier effective date.

(g) Emergency Protective Measures. Notwithstanding subsections (b) through (f), the Commission may issue a temporary Emergency Protective Measure only upon written findings of specific facts establishing a reasonable basis to believe that an immediate and material threat exists to:

(1) random number generator integrity, draw integrity, draw certification, or Prize determination;

(2) Player Funds, Prize Reserves, Prize-settlement functions, payment-security controls, or another immediate and material consumer-protection threat involving loss, misappropriation, or inability to honor Player Funds or valid Prizes;

(3) the operation of the Exclusion Technology required by § 9333(b), where a material or systemic failure has resulted in, or creates a substantial and continuing risk of, participation by Excluded Persons; or

(4) the security or integrity of the Global Digital Lottery through a material cybersecurity, sanctions, anti-money-laundering, fraud-prevention, or other financial-integrity failure.

(h) Emergency Protective Measures shall not constitute a final determination of Cause.

(i) An Emergency Protective Measure shall be limited to the particular Game, draw, feature, payment function, geographic access route, account category, transaction class, or other operational function reasonably implicated by the emergency. A suspension of the operation of the Global Digital Lottery may be ordered only upon a further written finding that no targeted measure would reasonably protect against the immediate and material threat. An Emergency Protective Measure shall not authorize direct electronic, technical, or remote control of the Global Digital Lottery by the Commission or any other Commonwealth agency.

(j) Emergency Protective Measure shall automatically expire thirty (30) days after issuance unless extended by written consent of the Licensee or by an order of the Commonwealth Superior Court entered after notice and an opportunity for expedited hearing.

(k) Essential Functions; Fiscal Disputes. Unless the Commission or a court makes a written finding that a particular function itself presents the immediate and material threat described in subsection (g), an Emergency Protective Measure shall not prevent the Licensee from:

(1) protecting and preserving Player Funds and Prize Reserves;

(2) maintaining records, audit logs, cybersecurity controls, and the Monitoring Interface;

(3) preserving evidence and cooperating with a lawful investigation;

(4) providing legally required notices; or

(5) processing refunds, withdrawals, or Prize payments not implicated by the emergency.

(l) Disallowed Grounds for Emergency Protective Measure. The Commission shall not issue an Emergency Protective Measure for:

(1) An isolated, inadvertent, and promptly remediated control failure or Excluded Wager.

(2) A dispute concerning a tax, fee, payment obligation, reporting obligation, audit, or other fiscal matter, unless the same facts independently establish a ground specified in subsection (g).

(m) The Commission, Department of Finance and any other Commonwealth agency with fiscal, tax, revenue, collection, or payment-enforcement authority may pursue liens, penalties, interest, withholding, audits, reporting requirements, collection actions, and other fiscal remedies authorized by law, but shall not direct, cause, require, or effect a restriction, suspension, interruption, disablement, or halt of Global Digital Lottery operations except through the Commission and in accordance with this Section.

(n) Force Majeure, Vendor Failure, and Good-Faith Continuity Measures. Delay, interruption, degraded operation, or nonperformance caused by a Force Majeure Event, Critical Service Provider failure, payment-provider termination, or action reasonably taken under the Operational Resilience Plan is not a breach or Cause to the extent the Licensee complies with

§ 9348, protects Player Funds and Prize obligations, provides required notice, and diligently pursues restoration or substitution.

(o) Reinstatement and License-Term Protection. If an Emergency Protective Measure expires without lawful extension, or if a suspension or restriction is vacated, set aside, or finally determined not to have been authorized under this Section, the Licensee shall be restored to the status existing immediately before the measure or action, subject only to reasonable technical steps necessary to restore operations safely and securely.

(p) Tolling. For each day during which the Licensee is prevented from conducting all Global Digital Lottery operations substantially by a suspension, revocation, order or other action of the Commission, Department of Finance, or any other Commonwealth agency that is not sustained, the License Term and any exclusive operating period established by this Article or the License shall be extended on a day-for-day basis.

(q) The Licensee shall not be deemed in breach of this Article, the License, or the Rules and Regulations solely because it complied with an Emergency Protective Measure or other order later determined not to have been authorized under this Section.

(r) Undisputed Payment Defaults. Notwithstanding subsections (c) through (f), if the Licensee fails to pay an objectively undisputed tax, License Fee, or Regulatory Support Reimbursement when due, the Commission or responsible fiscal authority may give written notice identifying the amount and legal basis. The Licensee has thirty (30) days after receipt to pay; inability to pay does not require an extension. A final action based solely on continued nonpayment is not subject to the automatic ninety-day stay in subsection (f), but ordinary judicial stay relief

remains available. Suspension or revocation may be imposed only after notice and a contested-case hearing upon findings that the nonpayment is material and persistent and that narrower fiscal remedies will not reasonably protect the Commonwealth. A minor or isolated late payment does not support suspension or revocation, and a good-faith disputed amount remains subject to the ordinary protections of this Section. Interest accrues from the original due date at the rate generally applicable to delinquent Commonwealth taxes, with no additional penalty except as otherwise authorized by law. After a material and persistent default, the Commission may require commercially reasonable financial assurance limited in amount and duration to the demonstrated payment exposure; it may not require a blanket security interest or automatic parent guarantee.

(s) Wind-Down After Effective Termination. When a termination becomes effective under this Section, and no judicial stay is in effect, the former Licensee shall accept no new Wagers and may conduct only activities necessary to preserve records, segregated Player Funds and Prize Reserves, and to process withdrawals, refunds, and valid Prizes until transfer under subsection (u). The Commonwealth and the Commission have no authority to operate the Global Digital Lottery during the vacancy.

(t) Replacement License. After termination becomes effective, the Commission shall publish notice opening a replacement application period. Sections 9332(a) through (g), 9334, 9337 through 9339, and 9356 apply to the replacement Applicant and replacement Licensee, with references to Enactment, the Applicant, the Licensee, and the License Effective Date read respectively as the public-notice date, the replacement Applicant, the replacement Licensee, and the replacement License Effective Date. The two-year Commercial Operations Deadline is

measured from the replacement License Effective Date. If a window closes without a Complete Application, the Commission shall open successive public windows until one is received. The Commission may not select a replacement directly. A replacement License is a new License with a fresh Initial Term and Renewal Terms and a new Initial Term License Fee under the referenced Sections. No new Wager may be accepted during the vacancy or before the replacement Licensee satisfies the launch conditions of this Article.

(u) Transfer of Player Assets and Limited Records. After termination is effective and a replacement License has been issued, the former Licensee and any Person controlling its assets shall transfer to the replacement Licensee the Player Funds and Prize Reserves actually held for outstanding obligations and exported copies of financial and transaction records reasonably necessary to reconcile taxes, Player Funds, and unpaid Prizes and to administer the corresponding obligations. The replacement Licensee shall accept those assets and records, but its payment obligation is limited to the assets actually received; the former Licensee remains liable for any deficiency. The records may be used only for withdrawals, valid Prizes, required compliance, and reconciliation, and not for automatic account migration or marketing. Players must enroll separately for future play. Before its Commercial Operations Date, the replacement Licensee may receive and administer the transferred assets after submitting an independent certification of its custody and payment controls; that limited administration is not Commercial Operations and does not authorize a new Wager. No transfer or record-delivery duty requires or authorizes access to systems, source code, credentials, architecture, models, algorithms, interfaces, repositories,

technical documentation, trade secrets, domains, software, or other technology or intellectual property of the former Licensee or a Related Entity.

§ 9360. Judicial Review and Enforcement.

(a) Judicial Review of Agency Action. The Licensee has the right to judicial review under the Commonwealth Administrative Procedure Act, including 1 CMC §§ 9108-9112, of any agency action that suspends, revokes, or materially alters the License. Review is available as of right upon initiation of such action, without exhaustion of the administrative procedures in § 9359. This procedural right does not alter the contractual characterization of the License as a bilateral contract under § 9331(c).

(1) Standard of Review. The standards and limitations established by this Article and the License provide the criteria against which any such decision shall be measured, rather than the arbitrary-and-capricious standard applicable to discretionary agency action. In any judicial review of a decision to revoke or suspend the License, the court shall set aside the Commonwealth's action if it is found to be (i) in violation of United States or CNMI constitutional or statutory provisions; (ii) in excess of the statutory authority of the agency; (iii) made upon unlawful procedure; (iv) affected by other error of law; or (v) unsupported by substantial evidence on the whole record.

(2) Contested Case Designation. Notwithstanding any other provision of law, any proceeding initiated by the Commonwealth to suspend, revoke, or otherwise modify the terms of the License shall be governed by the contested-case procedures set forth in the Commonwealth Administrative Procedure Act, including 1 CMC §§ 9108-9112. The

Licensee shall be entitled to a full evidentiary hearing on the record before any such action may be taken.

(3) Because the License is a bilateral contract, the Licensee may independently seek enforcement of the Commonwealth covenants identified in § 9331(f). The availability of administrative review under this subsection does not displace, limit, or constitute an election of the relief expressly authorized by subsection

(b) Judicial Enforcement.

(1) Standing and Forum. As between the parties to the License, the Commonwealth and the Licensee each has standing to enforce this Article and the License. The Licensee may bring a claim in the Commonwealth Superior Court or, where an independent basis of U. S. Federal subject-matter jurisdiction exists, the District Court for the Northern Mariana Islands, at its election.

(2) Waiver of Sovereign Immunity; Consent to Suit. To permit the Licensee to enforce § 9331(f) or the License and obtain the relief authorized by paragraphs (3) and (4), the Commonwealth knowingly, expressly, and irrevocably waives sovereign immunity and consents to suit by the Licensee for that purpose. The waiver applies to the Commonwealth, the Commission, and other Commonwealth agencies or officers sued in an official capacity. Consistent with 7 CMC § 2251(b), the waiver includes a claim founded upon this Article or the License for liquidated or unliquidated damages not sounding in tort. It does not create personal-capacity liability or a right in any third party, or extend to a tort claim or other claim unrelated to enforcement of § 9331(f) or the License.

(3) Available Relief and Defined Statutory Consequences. In a suit brought by the Licensee within paragraph (2), a court may grant declaratory relief, temporary or permanent injunctive relief, specific performance, reinstatement, tolling, liquidated or unliquidated compensatory damages, and any other relief otherwise available under applicable law for breach of this Article or the License. The License remains in force to the maximum extent permitted by law. The competing-license consequences expressly stated in § 9331(h) arise automatically upon issuance of a competing license and do not preclude an award of damages for loss not fully remedied by those consequences; provided that the Licensee may not obtain duplicative recovery for the same loss.

(4) Money Judgments; Payment and Enforcement. A money judgment may be entered against the Commonwealth for a claim within the waiver in paragraph (2). A judgment shall be paid and satisfied in accordance with 7 CMC § 2254, 1 CMC § 7207, and other applicable law governing appropriation, settlement, and payment of judgments against the Commonwealth. Except as authorized by 1 CMC § 7207(b) or other applicable law, a judgment does not authorize execution, attachment, garnishment, a tax or fee credit, or an offset against a Commonwealth tax, fee, charge, or other obligation.

(5) Attorney Fees and Costs. In an action within the waiver of sovereign immunity provided by this Section, the court may award reasonable attorney fees and litigation costs to the prevailing Licensee. Such award constitutes part of the judgment and shall be paid in accordance with 7 CMC § 2254 and other applicable laws governing payment of judgments against the Commonwealth.

(6) Security for Interim Injunctive Relief. For any movant required to provide security under Rule 65(c) of the rules of civil procedure applicable in the court, when a court grants a temporary restraining order or preliminary injunction that suspends, restrains, or materially delays implementation of this Article or the issuance, effectiveness, or operation of the License, the court shall set the bond or other security in an amount sufficient to secure all Regulatory Support Reimbursements that the order may delay, suspend, or prevent during the entire period the order remains in effect, including reimbursements that would have accrued or become payable but for the order. The initial amount shall be based on the period the court reasonably anticipates the order will remain in effect, and the court shall require the movant to increase or replenish the security as necessary while the order continues. Entitlement to recover against the security shall be governed by applicable Rule 65(c) and other applicable laws.

§ 9361. Inapplicability of Existing Rules; Rulemaking Limits; Alternative Compliance.

(a) General Inapplicability of Article 70-50.1. The rules and regulations governing the Public Lottery, including NMIAC Title 70, Article 70-50.1, do not apply to the Global Digital Lottery or the Licensee.

(b) New Rules and Regulations. Within one hundred eighty (180) days after the effective date of this Article, the Commission shall promulgate a separate body of Rules and Regulations, to be codified at NMIAC Title 70, Article 70-50.3, governing the Global Digital Lottery. The Rules and Regulations shall be consistent with this Article and Appendix A in all respects and shall not

impose any additional qualification or impair the rights, protections, economics, or operational discretion granted to the Licensee.

(c) Interim Operation. The License may be executed, and the Licensee may undertake Pre-Launch Activities without awaiting the Rules and Regulations, but the Licensee, and any Related Entity, Foreign Market Entity, or Foreign Principal Operator, Operator or other Person acting under an arrangement authorized by § 9335 may not accept a Wager, a Foreign Reference Bet or Entry into a Game until the Rules and Regulations become effective pursuant to 1 CMC § 9105. The absence or delay of regulations does not delay execution, development, financing, or accrual of License rights.

(d) No Regulatory Override. A rule, condition, directive, guidance document, policy, approval, or other Commission action that conflicts with, adds to, subtracts from, or modifies this Article or Appendix A is void to the extent of the conflict.

(e) Outcome-Based and Proportionate Standards. The Rules and Regulations shall state the regulatory outcome or material risk to be addressed and shall avoid prescriptive requirements where more than one commercially reasonable method can achieve that outcome. Requirements shall be objective, risk-based, proportionate to demonstrated material risk, and reasonably capable of implementation by a global digital operator.

(f) Alternative Compliance Method. The Licensee may submit an Alternative Compliance Method. The Commission shall approve it if it provides materially equivalent or greater protection. If the Commission does not issue a written decision stating specific grounds within thirty (30) days, the Alternative Compliance Method is deemed approved. Approval may not be withdrawn

without notice, an opportunity to cure, and a finding that the method no longer provides materially equivalent protection.

(g) Regulatory Equivalence and No Duplication. The Commission shall recognize substantially equivalent audits, certifications, testing, licenses, examinations, and controls accepted by a competent foreign regulator, financial institution, insurer, or recognized standards body. Duplicative testing or reporting may be required only upon a written finding identifying a material gap not addressed by the equivalent evidence.

(h) Transition Period and Economic Impact. A new or materially amended requirement shall operate prospectively and provide a commercially reasonable transition period of not less than one hundred eighty (180) days unless controlling law or a documented immediate material threat requires earlier implementation. A rule imposing material new capital, reserve, local-infrastructure, staffing, data-localization, or recurring compliance cost shall include a written assessment of necessity, alternatives, expected benefit, and economic impact on the License and Commonwealth revenue.

(i) Emergency Rules. An emergency rule or generally applicable temporary directive may take effect only upon specific written findings of an immediate material threat and shall expire after ninety (90) days unless adopted through ordinary notice-and-comment rulemaking. Emergency rulemaking does not enlarge the Commission's authority to impose an Emergency Protective Measure under § 9359.

(j) Payment, Technology, and Vendor Neutrality. The Commission shall not designate, approve, sponsor, endorse, or require a particular currency, bank, Payment Service Provider,

custodian, Digital Payment Asset, blockchain, cloud provider, testing laboratory, wallet architecture, foreign-exchange source, data center, or settlement technology. It shall not require prior approval of an individual provider, method, asset, software release, treasury transaction, hedging arrangement, or Critical Service Provider substitution, except through an objective standard necessary to address a demonstrated material risk.

(k) No Localization or Conflicting Requirements. The Rules and Regulations shall not require Player Funds, production systems, payment processing, custody, settlement assets, backup systems, or data to be physically maintained in the Commonwealth. Where a Commission requirement conflicts with a mandatory foreign-market requirement, the Commission shall permit an Alternative Compliance Method that preserves materially equivalent Commonwealth protection.

(l) Insurance and Financial Assurance. A rule requiring insurance or financial assurance shall permit the alternatives authorized by §§ 9344 and 9346, reflect actual market availability, and not require coverage unavailable on commercially reasonable terms, except for the limited financial assurance expressly authorized after an undisputed payment default under § 9359(r).

(m) Specific Procedural Subjects. Subject to this Section, the Rules and Regulations may establish reporting formats, Monitoring Interface data fields, access controls, record retention, material-exception categories, confidentiality safeguards, audit procedures, payment and treasury controls, Responsible Participation Program standards, Operational Resilience Plan standards, Player complaint procedures, and other technical procedures necessary to implement this Article.

§ 9362. Privacy and Protection of Player Data.

(a) Permitted Collection and Use. The Licensee may collect, verify, retain, use, disclose, and otherwise process Player Data only to the extent reasonably necessary to:

(1) determine eligibility and identify Excluded Persons;

(2) establish, administer, secure, and protect Player accounts;

(3) accept, process, convert, custody, settle, refund, reverse, or otherwise administer Wagers, Attempted Wagers, Entries, deposits, Player Wallets, withdrawals, and Prize payments;

(4) comply with applicable anti-money-laundering, sanctions, tax, fraud-prevention, cybersecurity, responsible-participation, self-exclusion, audit, recordkeeping, and legal obligations;

(5) investigate suspected fraud, misconduct, security incidents, disputes, or violations of the Game Rules or terms of service; or

(6) operate, improve, test, and secure the Global Digital Lottery and its associated systems.

The Licensee shall not sell Player Data for the independent use of an unaffiliated third party or use Player Data for purposes materially inconsistent with this subsection, except with the affected person's affirmative consent where permitted by applicable law.

(b) Privacy Notice and Consent. Before collecting Player Data, the Licensee shall make available a clear electronic privacy notice describing the categories of Player Data collected, the principal purposes for which it is used, the categories of recipients to whom it may be disclosed, the circumstances under which it may be transferred outside the jurisdiction in which it was

collected, and the Licensee's retention practices. The Licensee shall obtain consent where consent is required by applicable law.

(c) Data Security. The Licensee shall maintain administrative, technical, and physical safeguards reasonably designed to protect Player Data against unauthorized access, acquisition, disclosure, alteration, loss, destruction, or misuse. Such safeguards shall include, as appropriate to the sensitivity of the information and the nature of the Licensee's operations, encryption, access controls, authentication procedures, access logging, vendor-security controls, vulnerability management, and incident-response procedures.

(d) Service Providers and Cross-Border Processing. The Licensee may use Related Entities, cloud-service providers, identity-verification providers, payment processors, cybersecurity providers, auditors, and other service providers to process Player Data, including in jurisdictions outside the Commonwealth, provided that the Licensee requires each such provider by written agreement to protect Player Data using safeguards reasonably appropriate to the nature of the information and the services provided. The Licensee remains responsible for compliance with this Section notwithstanding the use of any service provider.

(e) Retention and Disposal. The Licensee shall retain Player Data only for so long as reasonably necessary for the purposes stated in subsection (a), for compliance with applicable law, or for the establishment, exercise, or defense of legal claims. Upon expiration of the applicable retention period, the Licensee shall securely delete, anonymize, or otherwise render the Player Data inaccessible for ordinary operational use, except to the extent continued retention is required by law.

(f) Security Incidents. Upon discovery of a material unauthorized acquisition, disclosure, or loss of Player Data, the Licensee shall promptly investigate and take reasonable measures to contain, remediate, and mitigate the incident. The Licensee shall notify affected persons, the Commission, and governmental authorities to the extent and within the periods required by applicable law. Notice to the Commission shall not require disclosure of information that would compromise an ongoing investigation, cybersecurity response, attorney-client privilege, or information protected from disclosure by U. S. Federal law.

(g) Regulatory Access and Confidentiality. Player Data provided to, reviewed by, or made available to the Commission under this Article remains confidential and shall be handled in accordance with § 9344 and § 9358. The Commission shall not require routine disclosure of Player-identifying information except where reasonably necessary for a targeted regulatory purpose authorized by this Article.

(h) No Private Cause of Action. This Section establishes regulatory obligations enforceable exclusively by the Commonwealth through § 9359 and § 9360. Nothing in this Section creates a private right of action or expands a right or remedy otherwise available under applicable law.

§ 9363. Unlicensed Operations; Enforcement.

(a) No person shall:

(1) falsely represent that a person is the Licensee, holds the License, or is otherwise authorized under this Act to operate the Global Digital Lottery or any Games thereunder; or

(2) conduct, manage, market, advertise, or control, in or from the Commonwealth, any Game without the License required by this Act.

(b) The Attorney General may bring an action in the Commonwealth Superior Court to restrain a violation of subsection (a) and obtain restitution, disgorgement of proceeds derived from the violation, and a civil penalty not exceeding $25,000 for each day on which the violation occurs or continues. In determining the penalty, the court shall consider the seriousness and duration of the violation, the financial benefit obtained, and efforts to prevent or correct the violation.

(c) A person who willfully violates subsection (a) shall, upon conviction, be subject to a fine not exceeding $100,000 or, in the case of a natural person, imprisonment not exceeding one year, or both. A director, officer, employee, or agent is subject to liability under this section only if that individual personally commits, knowingly directs, or knowingly authorizes the violation.

(d) This section does not prohibit Pre-Launch Activities or activities undertaken by the Licensee as permitted under this Act.

(e) An alleged breach of a condition of the License by the Licensee does not, by itself, constitute unlicensed operation under this section, and is subject exclusively to the notice, Cure, enforcement, and review procedures in § 9359 and § 9360.

(f) Nothing in this section limits the application of other Commonwealth or federal law.

Section 3. Amendment.

Title 6, Division 3, Chapter 1, Article 2, Section 3156 of the Commonwealth Code is amended to read as follows:

"§ 3156. Exemptions: General Exemptions.

(a) This article does not apply to:

(1) Music machines, weighing machines, and machines which vend cigarettes, candy, ice cream, food, confections, gum, or other merchandise, in which there is deposited an exact consideration and from which in every case the customer obtains that which he or she purchases.

(2) The operation of poker amusement machines.

(3) The Commonwealth ~~lottery~~ Public Lottery.

(4) Bingo, bato, raffles, and cockfighting activities.

(5) The operation of pachinko slot machines.

(6) Electronic gaming machine, or electronic table games as defined in 6 CMC § 3154(a)(4).

(7) Any casino licensed pursuant to Commonwealth law or licensed pursuant to the laws of a Senatorial District, and the employees and patrons of such casino.

(b) In order to be exempt from this article, the gaming activities described under subsection (a)(6) must be operated only within the Third Senatorial District in an enclosed area or resort premises having 100 or more rooms or with fewer than 100 rooms so long as the hotel is attached to a golf course.

(c) The provisions of this Chapter (Gambling) shall not apply to operations of the Licensee of the Global Digital Lottery as licensed under Title 1, Division 9, Chapter 3, Article 3 of the Commonwealth Code. No act performed by the Licensee in compliance with the Global Digital Lottery License, including the transmission of data or funds, shall constitute "gambling," "promoting gambling," or "possession of gambling devices" under Commonwealth law."

Section 4. Amendment. Title 6, Division 3, Chapter 6, of the Commonwealth Code is amended by adding a new Section 3607 to read as follows:

"§ 3607. Exemption for Global Digital Lottery. The Commonwealth Banking Code of 1984 does not apply solely by reason of the Licensee's exercise of a right or performance of a function expressly authorized by Title 1, Division 9, Chapter 3, Article 3, including processing Wagers, maintaining Player accounts, or holding or processing Digital Payment Assets in connection with the Global Digital Lottery. This section does not exempt the Licensee or another Person from a license or requirement otherwise applicable to a separate business of banking, deposit-taking, money transmission, or Digital Payment Asset custody that is not undertaken solely as part of the authorized Global Digital Lottery."

Section 5. Amendment. Title 4, Division 1, Chapter 3 is amended by adding new Sections 1314 and 1315 to read as follows:

"§ 1314. Global Digital Lottery License Tax.

In lieu of the tax rates of 4 CMC § 1301(a), there is imposed on the Licensee a Global Digital Lottery License Tax as set forth in 1 CMC § 9340(a).

§ 1315. Global Digital Lottery Prize Tax.

(a) Global Digital Lottery Prize Tax Rate. Commonwealth-source prize winnings paid by the Global Digital Lottery to a nonresident alien are subject to the flat thirty percent (30%) tax imposed under NMTIT § 871(a)(1)(A). The fifty percent (50%) rebate under 4 CMC § 1708(b)(1)(v) shall be applied at source, producing a net tax, withholding, and remittance rate of fifteen percent (15%).

(b) The Licensee of the Global Digital Lottery shall serve as withholding agent, apply the rebate at source, withhold and remit the resulting net fifteen percent (15%) tax no later than fifteen (15) days after the end of the month in which the Prize is paid, maintain records of the tax assessed, withheld, and remitted, and submit to the Secretary a monthly reconciliation report listing taxable winning transactions and the total tax withheld and remitted."

Section 6. Amendment. Title 4, Division 1, Chapter 7, Article 1, Section 1708(b)(1), of the Commonwealth Code, is amended by adding a new subparagraph (v) to read as follows:

"(v) In the case of a taxpayer who receives Commonwealth-source prize winnings from the Global Digital Lottery, the rebate offset amount is fifty percent (50%) of the tax imposed under NMTIT § 871(a)(1)(A). Notwithstanding 4 CMC § 1711, the Licensee shall apply the rebate at source, withhold and remit the resulting net tax at a rate of fifteen percent (15%), and the taxpayer need not file a separate rebate claim solely for that Prize income."

Section 7. Amendment. Saipan Local Law 24-18, Section 102(k) is amended to read as follows:

"(k) "Qualified Trading Income" means gross income derived from bona fide international or regional trading of goods or services conducted from within an LEID, excluding passive investment income and related-party transfer pricing adjustments, as further defined by regulation. Gross Lottery Revenue, as defined in 1 CMC § 9330, derived from Global Digital Lottery activities conducted from within a Local Economic Incentive District constitutes Qualified Trading Income, being gross income from bona fide international or regional trading of services conducted from

within the district for purposes of this subsection, subject to the exclusions stated in this subsection."

Section 8. Severability. If any provisions of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 9. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

Section 10. Effective Date. This Act shall take effect upon its approval by the Governor, or it becoming law without such approval.

Prefiled: 10/28/2026

Introduced by: _____
Rep. John Paul Sablan

Reviewed for Legal Sufficiency by:

_____
House Legal Counsel

Date: 10/28/26

APPENDIX A - GLOBAL DIGITAL LOTTERY LICENSE

GLOBAL DIGITAL LOTTERY LICENSE
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Issued under Title 1, Division 9, Chapter 3, Article 3, of the Commonwealth Code

Licensor:	Commonwealth of the Northern Mariana Islands, acting through the Commonwealth Lottery Commission
Licensee:	[FULL LEGAL NAME OF LICENSEE], a Commonwealth-domiciled [ENTITY TYPE]
License Number:	GDL-2026-001
License Effective Date:	[DATE DETERMINED UNDER 1 CMC § 9334]

THIS GLOBAL DIGITAL LOTTERY LICENSE (this "License") is the statutory form of license approved by Appendix A to Article 3 of Chapter 3, Division 9, Title 1 of the Commonwealth Code, as enacted by the Lottery Modernization Act of 2026 (the "Act"). It is issued by, and upon the occurrence of the statutory events is deemed executed by, the Commonwealth of the Northern Mariana Islands, acting through the Commonwealth Lottery Commission (the "Commission"), in favor of the Licensee identified above.

RECITALS

A. The Act authorizes and directs the Commission to issue one exclusive Global Digital Lottery License in the exact form set forth in Appendix A.

B. The Commission has approved, or the Act has deemed approved, Licensee as the holder of the License after completion of the statutory application, objective-review, and Cure procedures.

C. The Act establishes the rights, protections, obligations, remedies, and statutory limitations governing the Global Digital Lottery. This License states the operative contractual terms approved by the Legislature and shall be construed with the Act as one integrated statutory and contractual instrument.

AGREEMENT. In consideration of the mutual covenants in this License and the consideration stated in the Act, the Commonwealth and Licensee agree as follows:

ARTICLE 1

DEFINITIONS, CONSTRUCTION, AND STATUTORY STATUS

1.1. Incorporated Definitions. Capitalized terms used but not defined in this License have the meanings assigned in the Act. "Act" means Article 3 of Chapter 3, Division 9, Title 1 of the Commonwealth Code, as enacted by the Lottery Modernization Act of 2026. "Business Day" means a day other than a Saturday, Sunday, or legal holiday observed by the Commonwealth. "Commercial Operations Date" has the meaning stated in the Act and includes the first bona fide revenue-generating commercial operation through a paid Wager, paid Foreign Reference Bet, or material production business-to-business or outcome-rights arrangement, subject to the Act's pre-launch exclusions and the Licensee's right to elect an earlier date. "Force Majeure Event" has the

meaning stated in the Act. "Government Indemnified Parties" has the meaning stated in Section 10.4. "License Effective Date" has the meaning stated in the Act, including 1 CMC § 9334.

1.2. Integrated Statutory and Contractual Instrument. The Act and this License shall be construed together as a single integrated statutory and contractual instrument. The Act controls if a provision of this License conflicts with the Act. This License controls over Rules and Regulations to the extent permitted by the Act. Rules and Regulations may implement the Act and this License, but shall not impose an additional qualification, monetary obligation, operating restriction, enforcement remedy, or other condition that conflicts with or impairs a right granted by the Act or this License.

1.3. Construction. References to an Article, Section, or Schedule are to this License unless the context expressly identifies the Act. Headings are for convenience and do not limit a provision. "Including" means including without limitation. The singular includes the plural and the plural includes the singular as the context requires. No presumption shall arise against a party by reason of that party's participation in drafting or preparing this License.

1.4. No Implied Waiver or Additional Condition. Nothing in this License waives, narrows, or conditions Licensee's statutory rights concerning exclusivity, term, renewal, non-impairment, operational discretion, Change of Control, Permitted Whole-Business Transfer, confidentiality, limited regulatory access, notice and Cure, or judicial remedies as set forth in the Act. No side letter, memorandum of understanding, operating directive, policy, course of dealing, public statement, audit finding, or informal communication may add to, subtract from, condition, or modify this License or the Act.

1.5. License Effective Date and Full Execution. The License Effective Date, issuance, effectiveness, enforceability, and Full Execution of this License shall occur as prescribed by the Act, including by operation of law or deemed execution under 1 CMC § 9334. No manual signature, countersignature, delivery, notarization, recording, certificate, or other ministerial act of the Commission is a condition precedent to the issuance, effectiveness, enforceability, or Full Execution of this License.

1.6. Replacement License. If this License is issued after an effective termination of a prior License, the replacement provisions of 1 CMC § 9359 apply. References to the License Effective Date and Commercial Operations Deadline use the replacement License Effective Date, and the new License carries the term, renewals, fees, and other conditions established in the originating Sections incorporated there.

ARTICLE 2
ISSUANCE, EXCLUSIVE GRANT, AND SCOPE OF AUTHORITY

2.1. Issuance and Confirmation. The Commission confirms that Licensee timely filed a Complete Application and was approved or deemed approved under 1 CMC § 9332. The application record includes the entity, domicile, Qualified Patent, RLO, identity, ownership, criminal-history, regulatory-history, financial-capacity, and implementation materials required by the Act. The Commission shall complete, execute and deliver this License to Licensee within two (2) Business Days after approval or deemed approval under 1 CMC § 9332, as required by 1 CMC § 9334(c). In the event that the Commission fails to execute and deliver this License as required, the Licensee's executed counterpart, together with evidence of approval or deemed approval, shall constitute prima facie evidence of the fully executed License.

2.2. Approval, Deemed Approval, and Finality. This License is final and effective upon Commission approval or statutory deemed approval under 1 CMC § 9332 and issuance or deemed issuance under 1 CMC § 9334. From the License Effective Date, Licensee may undertake the Pre-Launch Activities authorized by the Act. Prior to applicable Rules and Regulations being effective, Licensee, and any Related Entity, Foreign Market Entity, or Foreign Principal Operator, Operator or other Person acting under an arrangement authorized by § 9335 may not accept a Wager, a Foreign Reference Bet or Entry into a Game. Before accepting its first paid Wager, the applicable Rules and Regulations must be effective, Licensee must submit the independent pre-launch certification required by 1 CMC § 9356, and Licensee must file the Responsible Participation Program required by the Act. No discretionary Commission launch approval, manual signature, certificate, confirmation, or other ministerial act is required.

2.3. Exclusive Grant. The Commonwealth grants to Licensee, and Licensee accepts, the sole, exclusive, indivisible, and non-severable right from the License Effective Date through expiration of the License Term, including the Pre-Launch Period before the Commercial Operations Date, to establish, market, administer, conduct, and operate the Global Digital Lottery from the Commonwealth. The grant includes the right to develop and offer Games; accept lawful Wagers from Players; issue digital Entries, Tickets, and lottery products; collect and hold Player funds; pay Prizes; use payment processors, banks, custodians, virtual-asset service providers, Related Entities, contractors, and commercial intermediaries; market outside the United States subject to the Act; and use Licensee's brands, Licensee Intellectual Property, software, systems, and Exclusion Technology. The grant further includes, subject to the Act, the right to accept Wagers submitted through authorized couriers, agents, and syndicate or group-play arrangements; to offer, accept, facilitate, host, or supply Foreign Reference Bets and other outcome-based products through Related Entities, Foreign Market Entities, or authorized unaffiliated Persons under 1 CMC § 9335; and to sell, license, syndicate, distribute, and export Official Results, data feeds, and outcome-reference rights as authorized by the Act.

2.4. Exclusivity Covenant. From the License Effective Date through expiration of the License Term, the Commonwealth shall comply with the covenants in 1 CMC § 9331(f). Judicial relief is governed exclusively by 1 CMC § 9360. Only the Commonwealth's actual issuance of a license to another Person authorizing that Person to conduct a Global Digital Lottery from the Commonwealth produces the prospective economic consequences in 1 CMC § 9331(h).

2.5. Reserved Governmental Functions. The Commission retains only the functions expressly reserved by the Act, including regulatory monitoring, review of required reports and certifications, review of Change of Control and Permitted Whole-Business Transfer applications, targeted audit and record access, receipt of notices, public-register and confirmation functions, and enforcement under the Act. CHCC retains sole responsibility after receipt for administering Community Benefit Contributions through the Health Network Program and applying the island allocations required by the Act. Neither the Commission nor CHCC has operational control over the Global Digital Lottery, any Game, any account, any draw, any transaction, or Licensee's production systems.

2.6. Scope Limitations. This License does not authorize participation by an Excluded Person or a person under eighteen years of age; Casino gaming; operation of the Public Lottery; sports wagering; or an activity prohibited by the Act or applicable U. S. Federal law. Foreign Reference Bets, the licensing of Official Results and outcome-reference rights, and the other foreign-law products and arrangements authorized by 1 CMC § 9335 are not prohibited by this Section and are

not sports wagering or Casino gaming for purposes of this License. The Licensee's Reasoned Legal Opinion remains its operative legal-compliance instrument under the Act.

2.7. Bilateral Contract and Vested Rights. This License is a bilateral contract and vested property interest to the extent provided in the Act. The economic commitments undertaken by Licensee, including the License Fees, Global Digital Lottery License Tax, Prize-Tax withholding duties, and Community Benefit Contributions, are consideration for the exclusive grant, Initial Term, Renewal Terms, and statutory protections afforded to Licensee. Enforcement of Commonwealth covenants and remedies against the Commonwealth are governed by 1 CMC § 9360.

ARTICLE 3
TERM, RENEWAL, AND CONTINUITY

3.1. Initial Term. The Initial Term is ten (10) years commencing on the Commercial Operations Date, which shall not occur before the License Effective Date.

3.2. Automatic Renewal Terms. Licensee is entitled to two (2) successive Renewal Terms of ten (10) years each upon satisfaction of the Renewal Condition established by the Act. Each Renewal Term begins immediately after the preceding term without lapse or interruption and requires no new application, competitive procurement, relicensing, discretionary approval, policy reconsideration, or change in this License. Upon issuance of the competing license described in 1 CMC § 9331(h), the Renewal Condition for each remaining Renewal Term is extinguished and conclusively satisfied, and that Renewal Term vests at its scheduled commencement.

3.3. Renewal Condition. Except as provided in 1 CMC § 9339(l), the sole condition for each Renewal Term is that Aggregate Commonwealth Payments for the applicable Qualifying Period equal or exceed the Minimum Aggregate Payment specified in 1 CMC § 9339(c) for that Renewal Term. Aggregate Commonwealth Payments include amounts actually paid or remitted under 1 CMC § 9338 and §§ 9340 through § 9342 for License Fees, including the Initial Term License Fee and Annual Renewal-Term License Fees, the Global Digital Lottery License Tax, Global Digital Lottery Prize Tax, Community Benefit Contributions, and Regulatory Support Reimbursements during the applicable Qualifying Period, as provided in the Act. The Act's definitions, calculation rules, true-up rights, carry-forward rights, and lawful amendment requirements control.

3.4. Renewal True-Up and Carry-Forward. If Aggregate Commonwealth Payments are less than the applicable Minimum Aggregate Payment at the end of a Qualifying Period, Licensee may elect to make the Renewal True-Up Payment authorized by the Act within the statutory period. Upon payment, the Renewal Condition is conclusively satisfied and the corresponding Renewal Term vests automatically. The License and all rights thereunder continue without interruption during the statutory ninety-day payment period; if the Renewal True-Up Payment is timely made, the corresponding Renewal Term is effective from its scheduled commencement. Excess Aggregate Commonwealth Payments carry forward as provided in the Act. No Renewal True-Up Payment is required after issuance of the competing license described in 1 CMC § 9331(h).

3.5. Renewal Certification and No Lapse. Within the statutory period after the end of a Qualifying Period, Licensee shall submit the certification required by the Act. The certification is conclusive absent manifest mathematical error. A dispute concerning a calculation or claimed shortfall does not cause a lapse, suspension, interruption, loss of exclusivity, or impairment while pending, and Licensee retains the statutory right to cure an established shortfall. No certification of payment is required after issuance of the competing license described in 1 CMC § 9331(h).

3.6. Identical Terms; Patent-Independent Duration. The terms of this License remain unchanged during each Renewal Term. The expiration, narrowing, invalidation, or other change in the status of the Qualified Patent after issuance does not reduce, shorten, condition, or otherwise affect the Initial Term, a Renewal Term, or Licensee's renewal rights.

3.7. Extension for Unauthorized Impairment. If Licensee is prevented from conducting substantially all Global Digital Lottery operations by a Commonwealth action that is not sustained under the Act, the License Term and exclusive operating period shall be extended day for day as provided in the Act.

3.8. Commercial Operations Deadline. Unless extended or tolled under the Act, Licensee shall commence Commercial Operations no later than two (2) years after the License Effective Date (the "Commercial Operations Deadline").

3.9. Pre-Launch Period. Before the Commercial Operations Date, the License remains issued, effective, exclusive, financeable, and transferable through a permitted Change of Control or Permitted Whole-Business Transfer. Licensee may undertake development, financing, contracting, testing, licensing, and market-entry activity. The absence of Commercial Operations before the applicable Commercial Operations Deadline is not abandonment, failure to operate, breach, or Cause.

3.10. Tolling. The Commercial Operations Deadline, the Initial Term, each Qualifying Period, and each renewal-related period shall be tolled to the extent and for the period that launch or substantially all operations are prevented by a Force Majeure Event, a Legal-Change Suspension under Section 7.1, an unauthorized Commonwealth action, or Commission delay in adopting Rules and Regulations beyond the statutory period where the delay materially prevents launch.

3.11. Community Benefit Contribution Commencement. Community Benefit Contributions commence on the first day of the first calendar quarter beginning on or after the Commercial Operations Date (the "CBC Commencement Date"). For the calendar year in which the CBC Commencement Date occurs, the amount due equals one-fourth of the annual amount for each remaining calendar quarter, including the quarter beginning on the CBC Commencement Date. Thereafter, Licensee shall pay the annual amount in four (4) equal quarterly installments. Each installment is due no later than sixty (60) days after the close of the applicable calendar quarter. No daily proration applies. Community Benefit Contributions do not accrue or continue during the Pre-Launch Period before the Commercial Operations Date and cease prospectively upon issuance of the competing license described in 1 CMC § 9331(h), as provided in 1 CMC § 9341(h).

3.12. Failure to Launch. Failure to commence Commercial Operations by the applicable Commercial Operations Deadline after all elected extensions and tolling is an alleged breach subject exclusively to the notice, Cure, contested-case, and judicial-review provisions of the Act; it does not cause automatic expiration, forfeiture, or termination of the License.

ARTICLE 4
FINANCIAL OBLIGATIONS AND PAYMENT ADMINISTRATION

4.1. Exclusive Financial Obligations. Licensee shall make only the monetary payments and withholding remittances expressly required by the Act and Schedule A, including License Fees, the Global Digital Lottery License Tax, Prize-Tax withholding and remittance, Community Benefit Contributions, and Regulatory Support Reimbursement under 1 CMC § 9342. Except as authorized by the Act, the Commonwealth shall not impose another monetary obligation arising

from the Global Digital Lottery. The limited competing-license consequences are stated in 1 CMC § 9331(h).

4.2. Payment Administration. Licensee shall use the account and payment instructions designated by the Commonwealth in writing for payments payable to the Commonwealth. A change in payment instructions is effective only if signed by the Secretary of Finance or an authorized designee and delivered to Licensee in accordance with Article 12. CHCC shall maintain and deliver valid payment-routing information for Community Benefit Contributions in accordance with the Act.

4.3. License Fees. Licensee shall pay the Initial Term License Fee of $1,500,000 within one hundred eighty (180) days after the later of the License Effective Date and the actual effective date of the Rules and Regulations, as required by the Act. During Renewal Term 1, Licensee shall pay an annual License Fee of $250,000, and during Renewal Term 2, Licensee shall pay an annual License Fee of $400,000, in each case due ninety (90) days after commencement of each License Year in the applicable Renewal Term. License Fees are payable to the Commonwealth Treasury and are subject to the notice, Cure, enforcement, and review procedures in the Act. License Fee obligations continue notwithstanding 1 CMC § 9331(h).

4.4. Global Digital Lottery License Tax. Licensee shall pay the Global Digital Lottery License Tax at the statutory rate of seven and one-half percent (7.5%) of Net Lottery Revenue, on the statutory schedule. With each quarterly payment, Licensee shall provide a calculation identifying Gross Lottery Revenue, each category of permitted deduction, Net Lottery Revenue, tax due, adjustments from a prior period, and payment confirmation. The calculation shall reflect the foreign-market consolidation and attribution required by the Act, eliminate intercompany amounts, and prevent double counting or double deduction. The Global Digital Lottery License Tax is in lieu of the gross-receipts taxes identified in the Act and continues notwithstanding 1 CMC § 9331(h).

4.5. Prize-Tax Withholding; Gross-Up and Market Presentation. Licensee shall apply the statutory fifty percent (50%) rebate at source and withhold and remit the resulting net fifteen percent (15%) Global Digital Lottery Prize Tax. The statutory liability for the tax is imposed on the Prize Winner and is collected at the source by Licensee; the tax is not itself a License Fee or Community Benefit Contribution. Subject to applicable law and the Game Rules, Licensee may gross up a Prize to offset all or part of the tax, advertise a Prize on a gross or estimated net-of-tax basis with appropriate disclosure, and use jurisdiction-specific prize presentation, pricing, and promotional terms. Licensee shall keep records of tax assessed, rebated at source, withheld, grossed up, and remitted and shall submit the monthly reconciliation and remittance within the period required by the Act.

4.6. Community Benefit Contributions. As a condition of this License, Licensee shall make Community Benefit Contributions in the annual amount, on the commencement schedule, and subject to the escalator established by the Act until the obligation ceases under 1 CMC § 9341(h). CHCC is the sole statutory recipient. Licensee shall pay each installment directly to CHCC for exclusive use by the Health Network Program for medical referrals. CHCC shall allocate and apply sixty percent (60%) for eligible residents of Saipan, twenty percent (20%) for eligible residents of Tinian, and twenty percent (20%) for eligible residents of Rota, and shall administer the funds under the existing laws, rules, regulations, policies, eligibility standards, and procedures governing the Health Network Program. Upon CHCC's receipt, Licensee's corresponding obligation is fully, irrevocably, and dollar-for-dollar discharged. Licensee has no duty to select beneficiaries, direct

expenditures, administer the Health Network Program, monitor CHCC's use of funds, or make a second payment because of a later misallocation, misuse, audit finding, repayment, or invalidation of a CHCC expenditure. No amount accrued or paid before the cessation is refundable.

4.7. Payment Routing and Failed Delivery. CHCC shall maintain valid payment-routing instructions. If a payment cannot be completed because CHCC has failed to maintain valid instructions, is legally prohibited from receiving the payment, or a banking or payment interruption prevents receipt, Licensee shall retain the affected amount in a restricted account in its own name. The payment is not delinquent until thirty (30) days after CHCC provides valid instructions and the impediment has materially ceased. The retained amount remains Licensee property and a Licensee payment obligation until paid to CHCC.

4.8. Local Economic Incentive District Treatment. Consistent with the express conforming amendment in Section 5 of the Act, Licensee's Gross Lottery Revenue derived from Global Digital Lottery activities conducted from within a Local Economic Incentive District shall be treated as Qualified Trading Income under Section 102(k) of Chapter 15, Division 3, Title 10. This classification does not itself grant a particular incentive; eligibility for any incentive remains governed by that Act and applicable law. Nothing in this Section creates an additional condition to this License or a discretionary approval power in the Commission.

4.9. Payment Disputes and Defaults. A good-faith fiscal dispute shall be addressed under the statutory procedure applicable to the obligation and does not independently authorize an Emergency Protective Measure or operational restriction. Licensee shall timely pay undisputed amounts. An objectively undisputed payment default is subject to the special notice, thirty-day Cure, interest, limited financial-assurance, hearing, and review provisions in 1 CMC § 9359(r). Existing lawful collection remedies remain available, but the Act creates no special lien.

4.10. Regulatory Support Reimbursement. Qualifying Costs may accrue beginning on the effective date of the Act, and the reimbursement obligation attaches upon execution of this License, with payment governed by 1 CMC § 9342(b) and (c). Licensee shall pay the Regulatory Support Reimbursement authorized by 1 CMC § 9342, subject to the statutory pre-Commercial Operations aggregate cap and post-Commercial Operations annual cap of $150,000, documentation, scope, exclusion, nonduplication, and dispute requirements. The reimbursement is payable only for qualifying incremental third-party regulatory-support costs and is not an additional License Fee, tax, Community Benefit Contribution, or ordinary agency-overhead charge. Licensee shall pay the $25,000 advance within thirty (30) days of the effective date of the Act, to be credited in full against Qualifying Costs, and no amount so credited may be invoiced again.

ARTICLE 5
OPERATIONS, GAME INTEGRITY, RECORDS, AND PLAYER FUNDS

5.1. Operational Discretion. Except where the Act or this License expressly provides otherwise, Licensee has sole discretion over Games, odds, Prizes, modes of play, payment methods, payment processors, Digital Payment Assets, custody arrangements, brands, trade names, marketing partners, distribution channels, financing methods, AML and KYC vendors, contractors, Related Entities, Foreign Market Entities, foreign licenses and authorizations, local corporate and regulatory structures, and operating structure. Licensee may license, sublicense, assign for use, delegate, franchise, or otherwise authorize the commercial, intellectual-property, technological, distribution, marketing, and operational rights permitted by the Act. Licensee remains responsible for compliance with the Act and this License regardless of any delegation.

5.2. Game Rules and Public Disclosure. For every Game, Licensee shall make the applicable Game Rules publicly available in readily accessible electronic form. The Game Rules shall address the matters required by the Act, including material eligibility restrictions, price of Entry, method of payment, prize structure, odds or outcome-determination method, sales or result schedule, Prize Validation, claims, payments, forfeiture, cancellation, refund, adjustment, and any material limit on prize liability. Licensee shall maintain an accessible archive of Game Rules applicable to active and completed Games.

5.3. Game Integrity and Outcome Determination. Licensee shall conduct each Game fairly, honestly, consistently, and in accordance with the applicable Game Rules. Licensee shall maintain written internal controls, authenticated and tamper-evident audit records, and independently tested processes reasonably designed to protect outcome determination, random-number generation or draw integrity, Prize Validation, payment integrity, and record integrity. No Person acting for Licensee may knowingly influence, alter, suppress, delay, or interfere with a Game outcome, draw, random-number-generation process, Prize Validation process, or Prize payment except through authorized, auditable procedures consistent with the Game Rules and internal controls.

5.4. Required Operational Records. Licensee shall create, maintain, preserve, and make available in auditable form complete, accurate, contemporaneous, and linked operational records sufficient to establish compliance with the Act, this License, applicable Game Rules, and applicable law. This Section establishes recordkeeping outcomes and evidentiary requirements only and does not require a particular database architecture, software, distributed-ledger protocol, hosting arrangement, technical implementation, or internal data structure.

5.5. Player, Game, Financial, and Compliance Records. Licensee shall maintain records sufficient to establish: (a) each actual or prospective Player, account holder, and person submitting an Attempted Wager; account creation, status, suspension, closure, and material activity; identity, age, citizenship, residency, physical-location, and eligibility determinations; and rejection, restriction, Excluded Wager, override, exception review, and material compliance disposition; (b) each Game, Game Rule version and effective period, Attempted Wager, Wager, Entry, Ticket, transaction time, transaction value, outcome determination, Prize Validation, Prize liability, withholding, Prize payment, cancellation, void, refund, adjustment, dispute, forfeiture, and material exception; (c) deposits, withdrawals, account balances, Player-fund liabilities, Prize liabilities, reserves, payment instructions, payment confirmations, custody arrangements, Digital Payment Asset movements, reconciliations, and all taxes, License Fees, Community Benefit Contributions, and Regulatory Support Reimbursements; and (d) exclusion screening, sanctions, AML, fraud-prevention, cybersecurity, system-access events, system changes, corrections, reversals, administrative actions, audit reports, certifications, findings, incident reports, remediation records, and Commission reports, notices, and responses.

5.6. Linkage, Versioning, Historical Integrity, and Retention. Records shall be maintained in a manner that permits reconstruction of each material transaction from account creation and eligibility determination through attempted participation, Wager acceptance or rejection, Entry or Ticket generation, outcome determination, Prize Validation, payment, reconciliation, and final disposition. A correction, reversal, adjustment, void, or modification shall not obscure the original record, the reason for the change, the date and time of the change, or the responsible person, process, or system. Licensee shall retain required records for at least seven (7) years after the later of creation or final disposition, and longer for any pending or reasonably anticipated audit, examination, investigation, claim, dispute, or proceeding. The use of a Related Entity, custodian,

payment provider, cloud provider, identity-verification provider, or other service provider does not relieve Licensee of responsibility for required records.

5.7. Material Integrity Events. Licensee shall promptly investigate a credible indication of a material integrity failure, manipulation attempt, unauthorized system access, or material defect affecting a Game, and shall report the matter through the Monitoring Interface as required by the Act and Schedule B. This Section does not require disclosure of technical information whose disclosure would compromise security, game integrity, attorney-client privilege, or a U. S. Federal confidentiality obligation.

5.8. Prize Validation and Payment. A Prize is payable only upon validation through Licensee's approved Prize Validation procedures and authoritative records. Licensee may deny or void a claimed Prize only on a ground permitted by the Act, the applicable Game Rules, or applicable law. Licensee shall not pay a Prize more than once and shall pay each valid Prize in the manner and period stated in the applicable Game Rules, subject to reasonable identity verification, sanctions screening, AML compliance, tax withholding, fraud prevention, and other legal-compliance controls.

5.9. Player Funds, Prize Liabilities, and Financial Resources. Licensee shall protect Player Funds from ordinary operating use through one or more methods authorized by the Act, including a trust, segregated or restricted account, custodial arrangement, bankruptcy-remote Related Entity, insurance, guarantee, surety bond, letter of credit, reserve facility, or other Qualified Financial Assurance providing materially equivalent protection. The selected method may protect aggregate net Player liabilities and need not require each currency or asset to be held separately. Licensee shall maintain records sufficient to identify aggregate Player balances, Prize liabilities, and payment obligations and shall maintain Prize Reserves or other Qualified Financial Assurance reasonably sufficient to satisfy accrued and reasonably foreseeable Prize-payment obligations.

ARTICLE 6
EXCLUSION TECHNOLOGY, AUTHORIZED MARKETS, AND PARTICIPANT ELIGIBILITY

6.1. Exclusion Technology. Licensee shall continuously use Exclusion Technology as defined in the Act to determine whether a person is an Excluded Person at or before Wager acceptance. Licensee may use an Alternative Compliance Method only as permitted by the Act.

6.2. Excluded Wagers and Other Ineligible Attempts. Licensee shall treat an Attempted Wager by or on behalf of a person who is an Excluded Person at the time of submission as an Excluded Wager. An attempt by a minor or self-excluded person shall be rejected and separately recorded; it is not an Excluded Wager unless that person is also an Excluded Person. An Excluded Wager creates no right to an Entry, Prize, or Prize payout. A later change in status does not convert a validly accepted Wager into an Excluded Wager. Licensee shall retain the associated records and report material control failures through the Monitoring Interface. No person under eighteen years of age may be directly involved in operation of the Global Digital Lottery.

6.3. Authorized Markets. Licensee may market and make the Global Digital Lottery and individual Games, brands, payment methods, distribution channels, Player Wallet features, and other functions available in all Authorized Jurisdictions, subject to Licensee's good-faith market-eligibility determinations, the Act, and applicable law. Licensee may limit, suspend, or discontinue any jurisdiction, product, method, or channel as authorized by the Act.

6.4. Foreign Licenses and Market-Access Structures. Licensee may, directly or through Foreign Market Entities, obtain, hold, maintain, renew, vary, surrender, replace, or, with required foreign regulatory approval, transfer, novate, or re-domicile foreign licenses and other authorizations; establish and maintain local corporate, governance, capitalization, office, employment, banking, custody, and operational-substance arrangements; and designate a Foreign Market Entity as the named foreign licensee, regulated operator, contracting party, merchant of record, tax registrant, data controller, payment recipient, or holder of Player accounts, Player Funds, or Prize Reserves. A Foreign Market Entity may register and contract with Players, accept and process Wagers, maintain accounts and records, pay Prizes and withdrawals, and perform regulated and compliance functions to the extent permitted by the Act. Licensee may separately supply a Foreign Principal Operator acting for its own account as provided in Section 6.7.

6.5. Commercial and Operational Sublicenses. Licensee may license, sublicense, assign for use, delegate, provide, franchise, or otherwise authorize a Foreign Market Entity to use or exercise Games, Game Rules, brands, trademarks, domains, software, systems, Licensee Intellectual Property, data, Player-management systems, payment infrastructure, compliance services, marketing rights, distribution rights, and other commercial, technological, or operational rights relating to the Global Digital Lottery under any lawful agency, distribution, white-label, platform, software-as-a-service, business-to-business, business-to-consumer, joint-venture, corporate-group, franchise, sublicense, or other market-access arrangement.

6.6. No Sublicense of License; Continuing Responsibility. A market-access arrangement or sublicense of commercial, intellectual-property, technological, distribution, marketing, or operational rights does not divide, assign, transfer, encumber, sublicense, or impair this License itself and does not vest any Person other than Licensee with ownership of or independent authority to exercise this License. A foreign authorization held by a Foreign Market Entity is an independent authorization under foreign law. Licensee remains responsible for functions performed on its behalf or attributed to it under the Act and shall maintain rights reasonably sufficient to obtain required records, monitor attributed functions, and address a material compliance failure, subject to applicable foreign law. Licensee is not responsible under the Act for the independent customer-facing obligations of a Foreign Principal Operator except to the extent Licensee expressly assumes or performs a function. No such arrangement requires prior Commission approval unless it independently constitutes a Change of Control or approval is expressly required by the Act.

6.7. Foreign Principal Operators. Licensee or a Related Entity may provide Games, software, hosting, platform, data, Official Results, outcome-reference rights, compliance services, or other business-to-business rights or services to a Foreign Principal Operator. The operator's customers are not Players, their transactions are not Wagers, their funds are not Player Funds, and their payouts are not Prizes under the Act. Licensee remains responsible for the integrity and performance of the products and functions it supplies and shall maintain records and access rights reasonably necessary for tax calculation, reporting, and remediation of a material failure in a supplied function.

6.8. Sovereign and Regulatory Notices. The Commission and Licensee shall each transmit a Foreign Governmental Objection received directly to the other within five (5) Business Days after receipt. Upon direct receipt, or upon receipt from the Commission of a Foreign Governmental Objection, Licensee shall evaluate the notice in good faith and take the action reasonably required by applicable law, including restriction or cessation where appropriate. A Foreign Governmental Objection is not the exclusive means by which Licensee may designate or restrict a jurisdiction.

6.9. Foreign Reference Bets and Outcome-Based Products. Licensee may, directly or through a Related Entity, a Foreign Market Entity, or an unaffiliated Person acting under a written agreement, offer, accept, facilitate, host, supply, or support Foreign Reference Bets and other foreign-law products referencing an outcome, result, or statistic of the Global Digital Lottery or a Game, to the extent authorized by 1 CMC § 9335. A Foreign Reference Bet is not a Wager, does not create an Entry or Ticket, and does not entitle any Person to a Prize; Foreign Betting Winnings are not Prizes and are not subject to Prize-Tax withholding unless independently required by applicable law. Licensee and any Related Entity may maintain limits, reserves, insurance, hedging, and other risk-management arrangements for Foreign Reference Bet exposure, separately from the Prize Reserves required for Prize obligations. This Section does not authorize wagering on sporting events or contests, general sportsbook operations, or Casino gaming.

6.10. Official Results; Data and Outcome-Rights Licensing. Licensee may, directly or through a Related Entity or Foreign Market Entity, sell, license, sublicense, syndicate, distribute, export, or otherwise commercialize Official Results, data feeds, and outcome-reference rights on royalty-bearing, consent, subscription, fee, revenue-share, or other lawful terms to any Person, including an unaffiliated operator licensed under the law of a foreign jurisdiction, as authorized by 1 CMC § 9335. Licensee may condition, withhold, suspend, or terminate its consent on commercially reasonable terms. A recipient does not thereby become a Foreign Market Entity, a holder of any portion of this License, or a Person authorized to conduct the Global Digital Lottery. Consideration received under this Section is included in Gross Lottery Revenue as provided by the Act.

6.11. Foreign Classification. The classification, characterization, or nomenclature applied to the Global Digital Lottery, a Game, a Foreign Reference Bet, Official Results, or a related product or function under the law of a foreign jurisdiction, including classification as betting, real-event or virtual-event betting, bingo, casino, gaming, gambling software, or a host or manufacturer activity, does not alter the character or lawful authorization of the Global Digital Lottery or any Game under the Act or this License, does not cause the Global Digital Lottery or any Game to constitute Casino gaming or a Public Lottery, and does not expand the authorization granted by the Act.

6.12. Authorized Agents, Couriers, Syndicates, and Group Play. To the extent permitted by applicable law and disclosed in the applicable Game Rules or terms of service, Licensee may accept a Wager submitted through a courier, messenger, agent, custodian, trustee, or other intermediary acting for one or more identified beneficial participants, and may permit syndicate, pooled, subscription, or group participation. Each beneficial participant shall be identified and shall be a natural person, and each such participant is the Player for eligibility, exclusion-screening, Prize, and withholding purposes. Licensee shall obtain the information necessary to apply the required controls to each participant or may rely on a verified eligibility attestation or other Alternative Compliance Method permitted by the Act, and shall maintain audit, information-access, suspension, and termination rights reasonably sufficient to verify compliance. An intermediary is not the Player unless the intermediary is also an identified beneficial participant for whose own account a Wager is accepted. An intermediary acting as an independent principal for its own customers is governed by Section 6.7.

6.13. Responsible Participation and Player Protection. Before accepting its first Wager, Licensee shall adopt and file the written Responsible Participation Program required by 1 CMC § 9350. The Program is confidential and does not require prior Commission approval. Licensee shall verify identity and age, perform risk-based KYC, offer appropriate Player-control and self-exclusion tools, honor applicable foreign exclusion registers, monitor and respond reasonably to

material signs of harmful or unlawful play, train relevant staff, refrain from lending for Wagers, and apply the marketing safeguards required by the Act. These requirements are separate from Exclusion Technology. Licensee may use jurisdiction-specific or materially equivalent controls as permitted by the Act.

ARTICLE 7
LEGAL COMPLIANCE, PLAYER DATA, AND DIGITAL INFRASTRUCTURE

7.1. Reasoned Legal Opinion; Legal-Change Procedure. Licensee shall provide a current Reasoned Legal Opinion as required by the Act. The RLO shall address the facts of Licensee's business and the legality under UIGEA, the Wire Act, and other material U. S. Federal or state law of actual or proposed activities that qualified counsel reasonably determines present a material United States nexus or material United States-law issue. The RLO need not address foreign law or separately analyze each foreign market, license, customer, Foreign Principal Operator, or business-to-business model absent a distinct material United States-law issue. Licensee shall update the RLO as required by the Act after an Act-defined legal, technological, or material operating-model trigger. If qualified counsel, acting reasonably and in good faith, cannot deliver an updated favorable RLO because of an intervening change in controlling law or authoritative U. S. Federal interpretation, Licensee shall promptly notify the Commission, stop only the affected activity, jurisdiction, channel, or legal issue, and conduct an orderly wind-down that protects Player Funds and valid Prizes according to 1 CMC § 9345(h). A Legal-Change Suspension is not breach, abandonment, failure to operate, or Cause and does not impair the License, exclusivity, or renewal rights. Tolling and resumption are governed by the Act.

7.2. AML, KYC, Sanctions, and Financial Integrity. Licensee shall maintain the written, risk-based AML and counter-terrorist-financing program required by the Act. The program shall include customer identification and due diligence, risk-based source-of-funds and enhanced review, transaction monitoring, sanctions screening, training, independent testing, and a compliance officer, and shall comply with any stricter requirement of applicable U. S. Federal law. Licensee shall submit the annual certifications required by the Act. Nothing in this License requires disclosure of a suspicious activity report or information whose disclosure is prohibited by law.

7.3. Payment Infrastructure, Digital Payment Assets, and Trust Company Election. Licensee may use Payment Service Providers, banks, custodians, virtual-asset service providers, cloud computing, software-as-a-service platforms, distributed ledger infrastructure, content-delivery networks, and other distributed digital services as authorized by the Act. Licensee and any Related Entity may obtain or operate under virtual-asset service-provider status to the extent required or permitted by applicable law and may elect a limited-purpose Commonwealth trust-company structure as provided by the Act. Licensee shall preserve the Player-fund and Digital Payment Asset protections required by the Act and remains responsible for compliance notwithstanding the use of a provider or Related Entity.

7.4. Cloud Infrastructure and Official Records. Licensee shall maintain Commonwealth domicile as required by the Act. Domicile requires legal control, governance, and continuing ability to access and produce official records from the Commonwealth for regulatory purposes. It does not require production, replicated, archival, disaster-recovery, or backup data to be physically stored in the Commonwealth and does not prohibit lawful cloud, distributed, or cross-border data-processing infrastructure.

7.5. Player Data and Privacy. Licensee may collect, verify, retain, use, disclose, and otherwise process Player Data only as reasonably necessary for purposes authorized by the Act, including eligibility and exclusion determination; account administration and security; Wager, withdrawal, refund, and Prize processing; legal compliance; fraud, security, dispute, and incident investigation; and operation, improvement, testing, and security of the Global Digital Lottery. Licensee shall make the privacy notice required by the Act available before collection; obtain consent when required by applicable law; and shall not sell Player Data for the independent use of an unaffiliated third party or use it for a materially inconsistent purpose except with affirmative consent where permitted by law.

7.6. Data Security, Service Providers, and Incident Response. Licensee shall maintain administrative, technical, and physical safeguards reasonably designed to protect Player Data and other nonpublic information against unauthorized access, acquisition, disclosure, alteration, loss, destruction, or misuse. Licensee may use service providers and conduct cross-border processing as authorized by the Act, provided that it requires appropriate safeguards by written agreement. Licensee shall investigate and respond to material security events and provide notice to affected persons, the Commission, and authorities to the extent and within the period required by applicable law and the Act.

ARTICLE 8
MONITORING, REPORTS, AND AUDIT

8.1. Monitoring Interface. No later than the Commercial Operations Date, Licensee shall establish and maintain the secure, continuous, read-only Monitoring Interface required by the Act. The Monitoring Interface shall be logically segregated from Licensee's production environment and accessible only to authorized Commission personnel and, solely for financial and tax information within its statutory duties, authorized Department of Finance personnel. It shall maintain access logs and shall not permit a Commonwealth agency or officer to generate, alter, delay, cancel, suspend, invalidate, influence, or otherwise control a draw, Game, account, Wager, payout, refund, exclusion control, system configuration, or other production function.

8.2. No Operational Responsibility or Private Duty. The establishment, maintenance, availability, use, nonuse, interruption, or delay of the Monitoring Interface shall not transfer operational responsibility from Licensee to the Commonwealth, the Commission, or any other Commonwealth entity; shall not constitute Commonwealth custody, control, approval, certification, guaranty, or operation of the Global Digital Lottery; and shall not, by itself, create a private duty, private cause of action, fiduciary obligation, or obligation to continuously detect or prevent a violation by Licensee. Nothing in this Section limits the Commission's enforcement authority under the Act.

8.3. Monitoring Content. The Monitoring Interface shall provide the aggregate reports, certifications, material-exception notices, dashboard information, and targeted underlying records described in the Act and Schedule B. The scope is limited to aggregate compliance information, material exception reporting, certifications, audit deliverables, and targeted review of underlying records as permitted by the Act. The Interface does not require routine ticket-by-ticket, player-by-player, or transaction-by-transaction reporting.

8.4. Targeted Underlying Records. Upon a written request from the Commission stating the subject matter, period, and regulatory basis, Licensee shall provide targeted access to underlying records reasonably necessary for a purpose authorized by the Act. The request shall be limited to information reasonably necessary for the stated purpose. Licensee shall mask, pseudonymize, or

otherwise protect Player-identifying information to the maximum practicable extent consistent with that purpose.

8.5. Monitoring Interruptions. Licensee shall promptly notify the Commission of a material interruption or impairment of the Monitoring Interface and shall provide reasonably available substitute reports or records during the interruption. A temporary interruption, latency, or technical defect does not alone constitute a breach unless the conditions specified in the Act are present.

8.6. Independent Audits. Licensee shall retain a Qualified Independent Auditor to conduct the annual Gross Lottery Revenue and Net Lottery Revenue audit required by the Act and shall submit the report within the statutory deadline. Licensee shall obtain an annual independent operational and systems assessment of fairness, integrity, random-number-generation or draw controls, Exclusion Technology, and other material operational controls, and shall provide quarterly management certifications and material-exception reporting as required by the Act; a full independent operational audit shall not be required more frequently than annually absent a documented material incident or credible evidence of a material control failure. Audits may be conducted under GAAS, ISA, or another internationally recognized auditing standard permitted by the Act.

8.7. Pre-Launch Certification. Before accepting the first paid Wager, Licensee shall submit the independent production-control certification and report required by 1 CMC § 9356. Submission does not require discretionary Commission approval.

8.8. Regulatory Record. Information made available through the Monitoring Interface is a contemporaneous regulatory record and may be used in a proceeding under the Act subject to authentication and proof of completeness and integrity. The Monitoring Interface is not the exclusive or conclusive record. The parties may rely on underlying operational, audit, payment, security, and other competent records to establish compliance or noncompliance.

ARTICLE 9
CORPORATE CONTINUITY, FINANCING, AND INTELLECTUAL PROPERTY

9.1. Commonwealth Domicile. Licensee shall maintain Commonwealth domicile during the License Term. The location of Licensee's systems, data, service providers, personnel, and operational functions is governed by Section 7.4 and the cloud-infrastructure provisions of the Act.

9.2. Contractors and Related Entities. Licensee may use Related Entities, contractors, payment processors, custodians, marketing affiliates, technology vendors, and service providers without prior approval except as expressly required by the Act. Licensee shall remain responsible for compliance and shall require material providers with access to Player funds, Player Data, Exclusion Technology, draw systems, or compliance systems to protect nonpublic information and maintain controls consistent with their assigned functions.

9.3. Authorized Financing and Collateral. Licensee and its Related Entities may incur secured or unsecured debt, issue equity or debt securities, enter acquisition, project, working-capital, rescue, or debtor-in-possession financing, and grant liens on unrestricted assets and equity interests without prior Commission approval. Player Funds, Prize Reserves, and assets expressly held in trust, custody, or a legally protected reserve for Players or Prize obligations may not be pledged for general operating debt.

9.4. Equity Pledges and Foreclosure. A pledge of Licensee equity or a contingent foreclosure right is not a Change of Control until control is actually transferred. A foreclosure, debt-for-equity

exchange, or similar enforcement transaction that transfers control is reviewed under the same objective Qualified Controller Standard and deemed-approval timetable applicable to any other Change of Control.

9.5. Lender, Receiver, and Restructuring Step-In. A lender, administrative agent, security trustee, receiver, bankruptcy trustee, debtor-in-possession, or restructuring professional may take temporary protective or operational steps reasonably necessary to preserve Licensee, the License, Player Funds, Prize obligations, records, and continuity while continued compliant operation, a qualified Change of Control, or a Permitted Whole-Business Transfer is pursued. Insolvency, bankruptcy, receivership, or financial distress is not Cause by itself and does not automatically terminate or impair the License.

9.6. No Reopening of License Terms. Financing, enforcement of creditor remedies, foreclosure, receivership, or restructuring does not authorize the Commission to renegotiate economic terms, shorten the License Term, alter renewal rights, impose blanket subordination, or require discretionary lender approval not stated in the Act.

9.7. Change of Control and Permitted Whole-Business Transfer. A Change of Control, including a Permitted Whole-Business Transfer, is permitted only upon approval or deemed approval of a Change of Control Application as required by the Act. The Commission's review is limited to the Qualified Controller Standard. The sixty (60) day statutory review period begins when the Change of Control Application is complete under 1 CMC § 9357(b), subject to the tolling permitted by 1 CMC § 9357(c), and the application is deemed approved if the Commission does not issue a written determination within the resulting period. An approved or deemed-approved transaction shall not require relicensing or discretionary reissuance and shall not interrupt, reset, condition, diminish, or impair Licensee's rights, operations, term, renewal rights, exclusivity, tax-payment history, certifications, or economic protections. Upon a Permitted Whole-Business Transfer, the qualified successor becomes Licensee by operation of law and assumes all obligations under the Act and this License. A Permitted Whole-Business Transfer includes, to the extent owned or controlled by Licensee or a Related Entity and legally transferable, the Qualified Patent rights required for the License, RLO reliance materials and opinion-reliance rights, regulatory records and correspondence, domains, brands, Licensee Intellectual Property, and other assets reasonably necessary to continue the Global Digital Lottery business. No Commonwealth agency may impose a new License-specific condition after an approved or deemed-approved transfer that did not apply immediately before the transfer, except application of the Qualified Controller Standard and generally applicable requirements otherwise permitted by the Act.

9.8. No Partial Assignment of License. Licensee may not partially assign, divide, sublicense, or convey this License. The entire indivisible License may be transferred only through a Permitted Whole-Business Transfer approved or deemed approved under the Act. This restriction does not prohibit a Change of Control or a license, sublicense, delegation, franchise, agency, white-label, platform, distribution, corporate-group, Foreign Principal Operator, or other market-access arrangement authorized by the Act concerning Games, Game Rules, Licensee Intellectual Property, technology, commercial or operational rights, or a foreign authorization.

9.9. Licensee Intellectual Property. As between the parties, all right, title, and interest in and to Licensee Intellectual Property shall remain vested exclusively in Licensee or its Related Entities, successors, or permitted assigns. Neither the issuance of the License, regulation or oversight, receipt of information or access through the Monitoring Interface, approval of Game Rules or marketing materials, nor collection of taxes, fees, or other payments creates or implies any

Commonwealth ownership interest in Licensee Intellectual Property. Licensee Intellectual Property shall not revert to the Commonwealth upon expiration, termination, transfer, or renewal of the License.

9.10. Use of Names, Marks, and Official Symbols. Licensee may adopt, use, register, maintain, enforce, finance, license, sublicense, assign for use, delegate, or otherwise transfer or authorize Licensee Intellectual Property, including in connection with a Foreign Market Entity, Foreign Principal Operator, permitted market-access arrangement, Change of Control, or Permitted Whole-Business Transfer, subject to the Act. Licensee may not use the Commonwealth's name, seal, flag, insignia, or other official symbol in marketing or promotion without separate prior written approval from the authorized Commonwealth official. The Commonwealth may use Licensee's name and marks solely in the public register, factual regulatory confirmations, required notices, and enforcement documents authorized by the Act unless Licensee and the Commonwealth enter into a separate express written intellectual-property license.

9.11. No Step-In or Technology Transfer. Expiration, termination, revocation, or replacement of this License grants no Commonwealth, Commission, or replacement-licensee right to access, possess, acquire, operate, copy, license, or use Licensee's or a Related Entity's systems, technology, software, source code, credentials, architecture, models, algorithms, interfaces, repositories, domains, technical documentation, trade secrets, or other intellectual property. The limited delivery of exported financial and transaction records required by the Act does not create such a right.

ARTICLE 10
CONFIDENTIALITY, INDEMNIFICATION, INSURANCE, AND RISK ALLOCATION

10.1. Confidential Information. All nonpublic technical, source-code, Player, security, network, patent, compliance, audit, AML, financial, and business information provided by Licensee is confidential and shall be used by the Commission only for a regulatory, audit, enforcement, or compliance purpose authorized by the Act. The Commission shall restrict access to authorized persons subject to duties of confidentiality, maintain reasonable security controls and access logs, and protect confidential information from public disclosure, subpoena, or discovery to the maximum extent permitted by law.

10.2. Compelled Disclosure. To the extent permitted by law, the Commission shall promptly notify Licensee of a public-records request, subpoena, discovery demand, or other compulsory process seeking Licensee confidential information and shall cooperate reasonably with Licensee in seeking confidential treatment, a protective order, redaction, filing under seal, or another lawful limitation on disclosure. Nothing in this Section requires the Commission to violate a final court order or applicable law.

10.3. Public Register and Regulatory Confirmations. The Commission shall maintain the public register and issue factual regulatory confirmations in the form and within the scope required by the Act. The register and confirmations shall not include confidential information, Player information, the Reasoned Legal Opinion, source code, Monitoring Interface data, or proprietary compliance detail except as expressly required by law.

10.4. Licensee Indemnification. To the fullest extent permitted by applicable law, Licensee shall defend, indemnify, and hold harmless the Commonwealth, the Commission, the Department of Finance, the Division of Revenue and Taxation, CHCC, and their respective officers, employees,

members, agents, and authorized representatives (collectively, the "Government Indemnified Parties") from and against a third-party claim, demand, action, proceeding, judgment, settlement, loss, liability, penalty, fine, damage, cost, or expense, including reasonable attorney fees and defense costs (collectively, "Claims"), to the extent arising from: (a) the operation of the Global Digital Lottery by Licensee or a Person acting for Licensee; (b) Licensee's material breach of the Act, this License, or applicable law; (c) bodily injury, death, or damage to tangible property caused by Licensee or a Person acting for Licensee; (d) unauthorized access to, or unauthorized use, disclosure, alteration, loss, or destruction of Player Data or other nonpublic information caused by Licensee or a Person acting for Licensee; (e) an allegation that Licensee Intellectual Property, a Licensee Game, advertising, content, system, or service infringes, misappropriates, or violates a third party's intellectual-property or proprietary right; or (f) a claim by a Player, Prize claimant, payment counterparty, vendor, contractor, service provider, or other third party arising from Licensee's operations, except to the extent excluded under Section 10.5.

10.5. Indemnification Procedures and Exclusions. A Government Indemnified Party shall give Licensee prompt written notice of an indemnified Claim, except that delay relieves Licensee only to the extent materially prejudiced. Licensee may control the defense through counsel reasonably acceptable to the Attorney General or other authorized Commonwealth legal representative; provided that the Commonwealth may participate through counsel of its choice at its own expense where an actual conflict exists. Licensee may not settle a Claim in a manner that admits fault by, imposes a monetary obligation on, binds, restricts, or requires action by a Government Indemnified Party without that party's prior written consent. Licensee's obligation does not apply to the extent a final judgment establishes that a Claim was directly caused by the gross negligence, willful misconduct, or bad-faith violation of the Act by the applicable Government Indemnified Party. This Section covers third-party Claims only and does not limit the Commonwealth's own enforcement rights under the Act.

10.6. No Commonwealth Indemnity; Waiver. The Commonwealth does not indemnify Licensee, a Related Entity, a financing counterparty, or another Person. The Commonwealth's waiver of sovereign immunity and consent to suit apply to enforcement of the Commonwealth covenants and the relief authorized by 1 CMC § 9360 and Sections 11.6 and 12.10 of this License. The waiver creates no personal-capacity liability or third-party right. Money damages and other relief are available as stated in 1 CMC § 9360, and any money judgment shall be paid and enforced in accordance with the applicable appropriation and judgment-payment laws.

10.7. Insurance and Financial Risk Management. Licensee shall maintain, at its own cost, commercially reasonable insurance or equivalent self-insurance and risk-financing arrangements customarily appropriate for an internationally operating digital-lottery business of comparable risk profile, taking into account its operations and resources. Such arrangements should reasonably address, as applicable, commercial general liability, technology errors and omissions, cyber/privacy, crime or fidelity, and other material operational risks. Upon a reasonable written request related to a specific regulatory purpose, Licensee shall provide evidence of coverage or equivalent financial protection. This Section does not authorize the Commission to prescribe an insurer, premium, coverage limit, or additional financial assurance inconsistent with the Act, and insurance does not limit Licensee's obligations under this License.

ARTICLE 11
BREACH, CURE, EMERGENCY MEASURES, AND REMEDIES

11.1. Exclusive Enforcement Procedure. All alleged breaches of the Act, this License, or Rules and Regulations are governed exclusively by the notice, Cure, emergency, contested-case, and judicial-review procedures of the Act. Except for a lawful Emergency Protective Measure, no Commonwealth agency or officer may suspend, revoke, restrict, penalize, or otherwise materially impair Licensee's Global Digital Lottery operations except through those procedures. An alleged breach of a condition of this License by Licensee does not, by itself, constitute unlicensed operation under 1 CMC § 9363.

11.2. Written Notice and Cure. Before commencing non-emergency enforcement, the Commission shall deliver written notice identifying the specific provision allegedly breached, the material facts supporting the allegation, the required corrective action, and the basis for concluding that the alleged breach is material. Licensee shall have not fewer than ninety (90) days after receipt of notice to Cure. Where a Cure cannot reasonably be completed within that period, the Cure Period shall be extended for the additional period reasonably necessary if Licensee is diligently pursuing the Cure.

11.3. Non-Emergency Remedy. After expiration of the Cure Period, the Commission may commence a contested-case proceeding only if the alleged breach remains uncured and the Commission reasonably concludes that Cause exists. The Commission shall employ the least restrictive measure that addresses the uncured material breach. Except for a lawful Emergency Protective Measure, a final non-emergency suspension, revocation, or material operational restriction is automatically stayed for ninety (90) days after service of the final agency decision. Licensee is entitled to expedited judicial review, and the reviewing court may extend the stay through final resolution upon a showing of likely success on the merits and irreparable harm, after considering the public interest, as provided in the Act.

11.4. Emergency Protective Measures. The Commission may issue a temporary Emergency Protective Measure only upon the written findings and on the grounds authorized by the Act. A measure shall be limited to the particular Game, draw, feature, payment function, geographic access route, account category, transaction class, or other operational function implicated by the immediate and material threat. A suspension of substantially all operations may be ordered only upon the further statutory finding that no targeted measure reasonably protects against the threat. The measure does not authorize direct electronic, technical, or remote control by the Commission.

11.5. Duration, Essential Functions, and Disallowed Grounds. An Emergency Protective Measure expires as provided in the Act unless extended by Licensee's written consent or a court order entered after notice and an opportunity for expedited hearing. The statutory restrictions concerning essential functions, fiscal disputes, isolated and promptly remediated control failures, and Excluded Wagers apply in full. Licensee shall not be deemed in breach solely because it complied with an Emergency Protective Measure or other order later determined not to have been authorized.

11.6. Judicial Review and Defined Remedies. The parties retain the judicial-review rights stated in the Act. As provided in 1 CMC § 9360, Licensee may seek declaratory relief, temporary or permanent injunctive relief, specific performance, reinstatement, tolling, liquidated or unliquidated compensatory damages, attorney fees, and other relief available under applicable law to enforce 1 CMC § 9331(f) or this License. Issuance of a competing license described in 1 CMC § 9331(h) produces the renewal and Community Benefit Contribution consequences specified therein. Those consequences do not preclude damages for loss not fully remedied by them, but

Licensee may not obtain duplicative recovery for the same loss. Any money judgment shall be paid and enforced in accordance with 1 CMC § 9360(b)(4).

11.7. Undisputed Payment Defaults. The special payment-default process in 1 CMC § 9359(r), including its thirty-day Cure, interest, hearing, proportionality, financial-assurance, and judicial-stay rules, is incorporated into this License.

11.8. Effective Termination and Replacement. A termination becomes effective only under the Act and after expiration of any applicable stay. During a vacancy, no new Wager may be accepted. The former Licensee shall perform only the mandatory wind-down functions, and the Commission shall use the public replacement process, stated by cross-reference in 1 CMC § 9359.

11.9. Player-Asset and Record Transfer. Any transfer of Player Funds, Prize Reserves, obligations, and limited exported records is governed exclusively by 1 CMC § 9359(u). The replacement Licensee assumes obligations only to the extent of assets received; the former Licensee remains liable for a deficiency. Transferred records may not be used for automatic account migration or marketing and do not include system access, technology, or intellectual property.

ARTICLE 12
GENERAL PROVISIONS

12.1. Notices. A notice under this License must be in writing and delivered by personal delivery, nationally recognized courier, registered or certified mail, or email with confirmation of receipt, to the addresses below or to a replacement address designated by notice. A notice is effective on actual receipt, except that a notice sent by email outside normal business hours is effective on the next Business Day.

For the Commission:	[Commission address and email]
For Licensee:	[Licensee address and email]

12.2. Relationship of Parties. The parties are independent contracting parties. Nothing in this License creates a partnership, joint venture, agency, fiduciary relationship, employment relationship, or authority for either party to bind the other. The Commission's regulatory role does not make the Commonwealth responsible for Licensee's debts, operations, contracts, personnel, Player obligations, or third-party liabilities.

12.3. No Third-Party Beneficiaries. Except for Government Indemnified Parties solely with respect to Article 10, this License is for the sole benefit of the Commonwealth and Licensee. No Player, Prize claimant, Health Network Program applicant, participant, or beneficiary, creditor, financing counterparty, contractor, vendor, service provider, or other Person is a third-party beneficiary or has a right to enforce this License. Nothing in this Section limits a right expressly created by the Act.

12.4. Further Assurances. Each party shall execute and deliver reasonable ministerial documents and take reasonable ministerial actions necessary to carry out the Act and this License. A further-assurance request may not alter, supplement, condition, delay, or impair a statutory or contractual right, protection, obligation, remedy, or economic term.

12.5. No Waiver. A waiver is effective only if in writing and signed by the party granting it. A waiver of one breach does not waive another breach, whether of the same or a different provision. A delay or failure to enforce a right does not operate as a waiver.

12.6. Force Majeure; Payment Extension. A party is not in breach and is not liable for delay to the extent performance is prevented or materially delayed by a Force Majeure Event as defined in the Act. The affected party shall provide reasonably prompt notice where practicable, mitigate the effects, and resume performance when reasonably possible. A monetary obligation is not forgiven, but if the Force Majeure Event materially prevents calculation, transmission, banking, or settlement, the due date is extended until thirty (30) days after the impediment has materially ceased, without default, penalty, interest, suspension, revocation, or other enforcement consequence solely by reason of the delay. The extension does not reduce the amount due, alter the Renewal Condition, affect Aggregate Commonwealth Payments, or prevent earlier payment.

12.7. Amendment. An amendment to this License is valid only if it is in writing, expressly identifies the provision of Appendix A amended, is authorized by an Act of the Legislature specifically referring to the statutory amendment requirements, and is consented to in writing by Licensee, all as required by the Act. No Rule and Regulation, policy, instruction, confirmation, approval, audit finding, or course of dealing amends this License.

12.8. One-Directional Severability. If a provision of this License is held invalid or unenforceable, the remaining provisions remain effective to the maximum extent permitted by law. Invalidity of a tax, fee, contribution, reporting, procedural, regulatory, or administrative term does not invalidate or impair the exclusive grant, License Term, Renewal Terms, or renewal rights. Issuance of a competing license under 1 CMC § 9331(h) does not terminate or shorten this License and produces only the consequences stated in the Act. Accrued obligations remain enforceable.

12.9. Survival. Sections concerning confidentiality, Player Data, records, payment obligations accrued before expiration, indemnification, the limited sovereign-immunity waiver, dispute resolution, no-third-party-beneficiary status, and other provisions which by their nature are intended to survive shall survive expiration or termination to the extent stated in the Act.

12.10. Governing Law; Forum; Service; Waiver. This License is governed by the laws of the Commonwealth and applicable laws of the United States. To permit Licensee to enforce the Commonwealth covenants identified in 1 CMC § 9331(f) or this License and obtain the relief authorized by 1 CMC § 9360, the Commonwealth knowingly, expressly, and irrevocably waives sovereign immunity and consents to suit in the Commonwealth Superior Court or, where an independent basis of U. S. Federal subject-matter jurisdiction exists, the District Court for the Northern Mariana Islands, at Licensee's election. Service upon the Attorney General of the Commonwealth constitutes effective service upon the Commonwealth, the Commission, and any Commonwealth agency or officer sued in an official capacity. The waiver and relief may not be enlarged by implication.

12.11. Counterparts and Electronic Signatures. This License may be signed in counterparts and by electronic signature, each of which is deemed an original and all of which together form one instrument. This Section is supplemental to, and does not limit, the statutory rules governing deemed execution and Full Execution.

12.12. Entire Agreement. The Act, this License, Schedule A, and Schedule B constitute the complete and exclusive agreement between the parties concerning the Global Digital Lottery License. They supersede prior drafts, negotiations, correspondence, and understandings on that subject, except to the extent an item is expressly incorporated into the Act or this License.

IN WITNESS WHEREOF, the parties have executed, or the Commission has been deemed by operation of law to have executed, this License as of the License Effective Date.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS Acting through the Commonwealth Lottery Commission	**[LICENSEE]**
By: _____	By: _____
Name: [_____]	Name: [_____]
Title: [_____]	Title: [_____]
Date: [_____]	Date: [_____]