

**PROPOSED REGULATION OF
THE SECRETARY OF STATE**

LCB File No. R040-03

August 12, 2003

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

AUTHORITY: §§1-5, NRS 720.150.

Section 1. NAC 720.200 is hereby amended to read as follows:

720.200 The Secretary of State hereby adopts by reference:

1. The technical standards designated as X.509, *version 3*, as adopted by the International Telecommunication Union. A copy of those standards may be obtained from the Office of the Secretary of State, 101 North Carson Street, Suite 3, Carson City, Nevada 89701-4786, for the price of \$22.50.

2. The provisions of the ~~{Protection Profile for Commercial Security 2, Augmented Controlled Access Protection, version 0.1,}~~ CSPP - Guidance for COTS Security Protection Profiles, version 1.0, as developed by the National Institute of Standards and Technology ~~{}~~ *of the Technology Administration of the United States Department of Commerce*. A copy of those provisions may be obtained from the Office of the Secretary of State, 101 North Carson Street, Suite 3, Carson City, Nevada 89701-4786, for the price of \$9.50.

3. *The provisions of the WebTrust Program for Certification Authorities, version 1.0, as developed by the American Institute of Certified Public Accountants and the Canadian Institute of Chartered Accountants. A copy of those provisions may be obtained from the*

Office of the Secretary of State, 101 North Carson Street, Suite 3, Carson City, Nevada 89701-4786, for the price of \$9.50.

Sec. 2. NAC 720.270 is hereby amended to read as follows:

720.270 Except as otherwise provided in NAC 720.260, the Secretary of State may issue a license to or renew the license of a certification authority who meets the qualifications for a license set forth in NAC 720.250 and submits to the Secretary of State:

1. A completed application that complies with the requirements of NAC 720.280 . ~~{ }~~
2. The amounts required pursuant to NAC 720.430 and 720.810 . ~~{ }~~
3. Proof of his identity ~~{ }~~ *or if the certification authority is a business entity, proof of*

existence and good standing of the certification authority in the following form:

(a) If the certification authority is formed, incorporated, organized, registered, qualified to transact business or otherwise created in the State of Nevada pursuant to the provisions of title 7 of NRS, a certificate of existence and good standing from the Secretary of State. To comply with the provisions of this paragraph, the certification authority must submit a separate application to the Secretary of State to receive a certificate of existence and good standing.

(b) If the certification authority is formed, incorporated, organized, registered, qualified to transact business or otherwise created in a state or territory other than the State of Nevada, in the District of Columbia, in a possession of the United States or in a foreign country, a certificate of existence and good standing if the jurisdiction has such a certificate, or an equivalent form signifying that the certification authority has been formed, incorporated, organized, registered, qualified to transact business or otherwise created in that jurisdiction from the appropriate governmental agency of each jurisdiction in which the certification

authority is formed, incorporated, organized, registered, qualified to transact business or otherwise created.

4. Proof that he has suitable insurance . ~~{;}~~

5. A report of an audit of the policies, practices, procedures, facilities and computer hardware and software of the applicant which:

(a) Establishes that the applicant operates a trustworthy system; and

(b) Was obtained pursuant to an audit performed in compliance with the requirements of NAC 720.320 and 720.330, except that the audit and report required for the initial issuance of a license is not required to include any matters other than compliance with the requirements of paragraph (a) . ~~{;}~~

6. The documentation required pursuant to NAC 720.340 . ~~{; and}~~

7. A certification practice statement that complies with the requirements of NAC 720.360.

Sec. 3. NAC 720.300 is hereby amended to read as follows:

720.300 A licensee shall maintain such policies, practices, procedures and facilities as are necessary to ensure that his system of computer hardware and software:

1. Is reasonably secure from intrusion and misuse;

2. Provides a reasonable level of availability, reliability and correct operation;

3. Is reasonably suited to performing its intended functions; and

4. Is in material compliance with the provisions of the ~~{Protection Profile for Commercial Security 2, Augmented Controlled Access Protection, version 0.1,}~~ CSPP - Guidance for COTS Security Protection Profiles, version 1.0 and the WebTrust Program for Certification

Authorities, version 1.0, as adopted by reference pursuant to NAC 720.200. The Secretary of State will determine whether compliance is material:

- (a) In accordance with the provisions of this chapter; and
- (b) In a manner that is consistent with state and federal law and reasonable for the context in which the system is used.

Sec. 4. NAC 720.340 is hereby amended to read as follows:

720.340 **1.** An applicant for the issuance or renewal of a license must submit to the Secretary of State such documentation as the Secretary of State requires to ensure that all operative personnel of the applicant are qualified to act in that capacity. The documentation must include, for each person who acts in that capacity:

~~[(a)]~~ **(a)** A declaration, executed by the person under penalty of perjury, that:

~~[(a)]~~ **(1)** Specifies his name, including all names by which he has been known in the past, his date of birth and his business address; and

~~[(b)]~~ **(2)** Specifies each country, other than the United States, in which the person resided during the past 5 years and states the period of that residency~~[-~~

~~—2. A written review of the criminal history of the person which indicates that the person has]~~

;

(b) Two sets of fingerprint cards that have been completed by a recognized law enforcement agency;

(c) An executed Law Enforcement Record Form No. 3321-SA or equivalent authorization for the release of information contained in records of law enforcement;

(d) Written authorization for the Secretary of State to submit the fingerprint cards to the Central Repository for Nevada Records of Criminal History for further submission to the Federal Bureau of Investigation and to receive reports regarding the criminal histories of the subjects of the fingerprint cards; and

(e) The amount of the fees charged by any local agencies of law enforcement, the Central Repository for Nevada Records of Criminal History, and the Federal Bureau of Investigation for the handling of the fingerprint cards and issuance of the reports of criminal histories.

2. For the issuance or renewal of a license, the reports received pursuant to subsection 1 must indicate that the applicant and all operative personnel of the applicant:

(a) Have not been convicted in any jurisdiction during the ~~[past]~~ 7 years immediately preceding the date the application for the issuance or renewal of a license is submitted of any felony ; and ~~[has]~~

(b) Have never been convicted in any jurisdiction of a crime involving fraud, deception or a false statement . ~~[, unless the requirements of this subsection have been satisfied for a particular person within the past 2 years by the current or a previous applicant. The review must include reports of the criminal history of the person that are:~~

~~—(a) Compiled and certified by:~~

~~——(1) The Central Repository for Nevada Records of Criminal History or the local law enforcement agency for the area where the person resided and was employed for the previous 7 years; and~~

~~——(2) The local law enforcement agency for such other jurisdictions as the Secretary of State requires;~~

~~—(b) Dated not more than 30 days before the date of their submission to the Secretary of State; and~~

~~—(c) Reasonably sufficient to disclose any criminal convictions during the previous 7 years in any jurisdiction in the United States and its territories and possessions, and in any other jurisdiction specified pursuant to paragraph (b) of subsection 1.]~~

Sec. 5. NAC 720.350 is hereby amended to read as follows:

720.350 1. A licensee shall not allow any person to undertake any of the responsibilities or duties of his operative personnel if the licensee knows or, based upon the ~~documentation described in~~ *records provided to the Secretary of State pursuant to* NAC 720.340, should know that the person ~~has~~ :

(a) *Has* been convicted in any jurisdiction during the ~~past~~ 7 years *immediately preceding the date the application for the issuance or renewal of a license is submitted* of any felony ; or ~~has~~

(b) *Has* ever been convicted in any jurisdiction of a crime involving fraud, deception or a false statement.

2. If a licensee discovers that a person who has undertaken any of the responsibilities or duties of his operative personnel has been convicted as described in subsection 1, the licensee shall:

(a) Immediately remove the person from that position; and

(b) Within 3 business days after making that discovery, notify the Secretary of State of his action to remove the person from that position.