

BUSINESS ACCOUNT REQUIREMENTS

Beneficial Ownership



As of May 11, 2018 a new rule under the Bank Secrecy Act requires financial institutions to identify and verify business owners before a new account may be established. This rule applies to accounts such as checking, savings, Certificate of Deposit, safe deposit boxes and loans.

Each time a business account is **opened** or **modified** we are required to ask for identifying information for each individual who has beneficial ownership (owns 25% or more of the company) and one individual who has significant managerial control of the business.

If you are opening an account on behalf of a business, you will also be asked to provide appropriate documentation and to certify that the ownership information is accurate to the best of your knowledge.

Why We Need this Information

To help the government fight the funding of terrorism and money laundering activities. Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

Section 326 of the USA PATRIOT ACT re-

quires financial institutions to identify and verify the identity of the beneficial owners of all legal entity customers at the time a new account is opened. The identification and verification procedures for beneficial owner are very similar to those you currently follow as individual customers.

Who is Affected

Legal entity businesses such as a corporation, limited liability company, and general partnership, or other entity created by a filing of a public document with the Secretary of State or similar office.

Who is Exempt

- ◆ Sole proprietorships
- ◆ Trusts and Estates
- ◆ U.S. and state government entities
- ◆ Registered insurance companies
- ◆ Publicly-traded companies and subsidiaries
- ◆ Charities and non-profit entities
- ◆ Unincorporated associations such as scout troops and youth sport leagues.