

# REQUIREMENTS FOR BENEFICIAL OWNERSHIP

## New Information To Be Collected At Account Opening

### **WHAT IS NEEDED AND WHY?**

To help the government fight financial crime, Financial Crimes Enforcement Network (FinCEN)\* federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers who hold 25 percent or more of the business equity interest. Additionally, a key individual who owns or controls a legal entity must be disclosed. The control person could be a beneficial owner or a person with significant control of the business.

### **WHO IS A BENEFICIAL OWNER?**

A Beneficial Owner is a person who owns, directly or indirectly, 25 percent or more of the shares (equity interest) of a legal business entity. A legal entity includes a corporation, limited liability company, or other entity that is created by a filing of a public document with a Secretary of State or similar office, a general partnership, and any similar business entity formed in the United States or a foreign country. Legal entity does not include sole proprietorships, unincorporated associations, or natural persons opening accounts on their own behalf.

### **WHO IS A KEY INDIVIDUAL (CONTROL PARTY)?**

A key individual (control party) is a person with significant responsibility for managing the legal business entity customer. For example, this could be a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer.

### **WHAT INFORMATION IS NEEDED ON THE BENEFICIAL OWNERS AND KEY INDIVIDUALS (CONTROL PARTY)?**

- For Beneficial Owners, FinCEN requires you to provide the name, date of birth, address, and social security number. In the case of foreign persons, a passport number or similar identification number may be used. Financial institutions must verify each person's identity which may occur through the copy of a driver's license.
- For key individuals, FinCEN requires you to provide the name, title held with the business (e.g. CEO, CFO, General Partner, Vice President), date of birth, address, and social security number. In the case of foreign persons, a passport number or similar identification number may be used. Financial institutions must verify each person's identity which may occur through the copy of a driver's license.

### **WHO COMPLETES THE REQUIRED CERTIFICATION FORM?**

A form must be completed certifying the accuracy of the information and signed by the person opening a new account on behalf of a legal entity with any of the following U.S. financial institutions: (i) a bank or credit union; (ii) a broker or dealer in securities; (iii) a mutual fund; (iv) a futures commission merchant or (v) an introducing broker firm in commodities.

