



## Important Information about Procedures for Opening a New Account

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

**What this means for you:** When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

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### Additional Information for Covered Legal Entities

Each time an account is opened for a covered legal entity, we will ask for the name, address, date of birth, and other information that will allow us to identify the beneficial owner(s) of the legal entity. A beneficial owner is:

- ▶ Each individual who directly or indirectly through any contract, arrangement, understanding, relationship or otherwise, owns **25 percent** or more of the equity interests of a covered legal entity; and/or
- ▶ An individual with significant responsibility to control or manage a covered legal entity.

We may also ask to see the driver's license or other identifying documents for identified beneficial owners.

**We thank you in advance for your cooperation!**



Our institution is required to verify the identity of the beneficial owners of a "legal entity customer." A legal entity customer is a:

- Corporation;
- Limited liability company (LLC), or other entity created by filing a public document with the Secretary of State or similar office;
- General partnership;
- Similar entity formed under the laws of a foreign jurisdiction that opens an account.

The definition also includes **limited partnerships**, business trust that are created by a filing with a state office, and any other entity created in this manner.

### Exclusions

The definition does **NOT** include:

- ▶ Trusts other than those that may be created through a state filing;
- ▶ Sole proprietorships (DBA);
- ▶ Unincorporated associations;
- ▶ Natural persons opening accounts on their own behalf

**Non-governmental organizations (NGOs), charities and religious organizations such as churches are excluded from the ownership prong, so only one person who has significant control over the entity for the control prong needs to be identified.**

The definition of a beneficial owner includes two prongs:

- ▶ **Ownership Prong:** Each individual who *directly or indirectly*, through any contract, arrangement, understanding, relationship or otherwise, owns **25 percent** or more of the equity interests of a legal entity customer; and/or
- ▶ **Control Prong:** An individual with significant responsibility to control, manage, or direct a legal entity customer, including:
  - An executive officer or senior manager; or
  - Any other individual who performs similar functions.

The COD rules also requires a new Beneficial Ownership Certification form to be completed when an existing account is updated to incorporate beneficial ownership information for the **first** time in response to the following events:

- Loan modifications
- Auto-renewing CDs
- Loan renewals
- Loan extensions
- A notable increase in CTR filings for the legal entity or any of the beneficial owners
- The filing of a SAR
- A 314(a) match
- Law enforcement subpoenas
- Transaction monitoring alerts for unexpected activity
- Changes regarding business ownership
- Changes regarding the authorized signers on the account