

About Certification for Beneficial Owners of Legal Entities



Certification for Beneficial Owners

Why do I have to get information on the owners of my organization?

The federal government has issued regulations requiring that before deposit, lending or safe deposit accounts can be opened for organizations such as corporations, partnerships and limited liability companies, information must be collected about the owners of those organizations.

What information do I have to provide?

If you want to open an account like that, you or someone else will have to sign a Certification that gives the following information:

- names
- addresses
- dates of birth and
- identifying numbers (such as Social Security Numbers)

for any owners that have 25% or more in ownership, as well as for one person who controls the organization. The financial institution will also have to verify that information.

So, it may be necessary for you to get that information, put it on the form, and then bring the form along with copies of verifying documents (such as copies of the owners' drivers licenses) back to the financial institution. Someone will then need to sign the Certification on behalf of your organization.

Information for Certifying your Legal Entity's Owners

What does signing the Certification mean?

Signing that Certification means that the person signing is stating that to the best of his or her knowledge, the information on the form is complete and correct.

What if no one owns 25% or more of the organization?

If there are no owners with 25% or more ownership, either because all of the owners own a smaller percentage or because it is a nonprofit organization that has no owners, then you will just need the information on one person who controls or manages the organization which should be entered in the Control part of the form right before the signature on the Certification.

It is important to note that the information that goes on the Certification must be information regarding **people** rather than another organization. If another organization is the owner, then the information on the people who own that other organization that is the owner must be provided.

Here are some examples of how this form should be completed in certain circumstances:

- If there are four owners, each owning 25% then information on all four owners should be entered in the Ownership section of the Certification, and information on one person in control of the entity should be entered in the Control section

- If there are two owners of 40% and one owner of the remaining 20%, then information on the two 40% owners should be entered in the Ownership section of the Certification, nothing needs to be entered for the 20% owner, and information on one person in control of the entity should be entered in the Control section
- If there are five owners of 20% each, then no information needs to be listed on any of those owners in the Ownership section of the Certification, the box that says “If checked, Beneficial Owner listing requirement is Not Applicable” should be checked, and information on one person in control of the entity should be entered in the Control section
- If your organization is a nonprofit entity, so it really doesn’t have any owners, then nothing needs to be entered in the Ownership section of the Certification, the box that says “If checked, Beneficial Owner listing requirement is Not Applicable” should be checked, and information on one person in control of the entity should be entered in the Control section

Which depository institutions are required to collect this information?

Banks, savings associations and credit unions will all be covered by the regulations requiring Certifications for this type of information.

Does this information have to be kept confidential?

Yes, financial institutions are subject to privacy and information security requirements that cover this information.

Does this just need to be done once?

No, it is required every time that another new Account is opened. The definition of Account includes opening any new loans, deposit accounts and/or safe deposit relationships. But does not include single transactions like check-cashing, wire transfers, or sales of checks or money orders; and it does not include an account opened for participating in an employee benefit plan established under ERISA.

What if one of the owners is from another country and doesn’t have a Social Security Number?

In that case, instead of entering anything in the Social Security column, just enter a passport number (or similar number) and the name of the country that issued the number in the last column labeled “For Foreign Persons”.