



## About Certification of Beneficial Owners of Legal Entities

Effective May 11, 2018, the federally mandated Bank Secrecy Act (BSA) is changing. Here is how these changes will impact our business customers.

All non-exempt business clients will be required, due to changes to the Bank Secrecy Act (BSA), to provide us with certain information on its Beneficial Owners, Controlling Person and Certifying Person. This information must be provided on Huntingdon Valley Bank's *Certification of Beneficial Owners of Legal Entity Customers Form* before a new account can be opened, before a new service can be established or otherwise in order to fulfill the bank's request for such. Failure to complete this form when requested may result in the refusal of your request to open a new account or obtain additional services from us.

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

The federal government has issued regulations required 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 wish to open a business account, you or someone else will have to sign a *Certification of Beneficial Owners of Legal Entity Customers Form* that contains the following information:

- Name
- Address
- Dates of Birth
- Identifying Numbers (i.e. Social Security Number)
- Issuer and Number of Primary Identification

This information must be obtained for any owners that own 25% or more of the organization, as well as for one person who controls the organization. An individual with significant responsibility for managing the organization is viewed to have control of the organization (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer).

So, it may be necessary for you to obtain that information, place it on the form, and then bring the form (and all copies of verifying documents such as business formation documents and copies of driver's licenses for each owner) back to us. Someone will then need to sign the *Certification of Beneficial Owners of Legal Entity Customers Form* on behalf of your organization.

### What does signing the Certification mean?

Signing the 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 my 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 need to provide the information on one person who controls or manages the organization. This information should be entered in Section D of the form just before the signature line.

It is important to note that the information that goes on the *Certification of Beneficial Owners of Legal Entity Customers Form* must be information regarding **people** rather than another organization. If another organization is the owner, then the information on the people who own that organization (i.e. the organization who owns your organization) 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 the information on all four owners should be entered in Section C of the *Certification of Beneficial Owners of Legal Entity Customers Form*, and information on one person in control of the organization should be entered in Section D of the form.
- If there are two owners who each own 40% of the organization and one owner who owns the remaining 20%, then the information on the two 40% owners should be entered in Section C of the *Certification of Beneficial Owners of Legal Entity Customers Form*, and information on one person in control of the organization should be entered in Section D of the form. No information needs to be provided for the 20% owner in Section C of the form.
- If there are five owners who each own 20% of the organization, then no information needs to be entered in Section C of the *Certification of Beneficial Owners of Legal Entity Customers Form*. However, the box in Section C (“Not Applicable – No Individual Meets this Definition”) should be marked. Information on one person in control of the organization should be entered in Section D of the form.

### **What if one of the owners is from another country and does not have a Social Security Number?**

In that case, enter the individual's passport number (or similar number) and the name of the country that issued the number in the column labeled “For Non-U.S. Persons.”

### **Which depository institutions are required to collect this information?**

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

### **Will my information be kept confidential?**

Yes. Financial institutions, including HVB, are subject to privacy and information security requirements that help safeguard your information and keep it private.

### **Does this just need to be done once?**

No. You will be required to complete a new *Certification of Beneficial Owners of Legal Entity Customers Form* every time you open a new account, any time your certificate of deposit automatically renews, and any time your organization materially changes (i.e. changes in ownership, changes in the authorized signers on an account, the relocation of your organization, etc.).

Commercial lending customers will have to complete a new *Certification of Beneficial Owners of Legal Entity Customers Form* whenever an extension of credit is created, modified, or renewed. Essentially, you will be asked to recertify whenever your organization goes through HVB's underwriting process.

### **Where can I read this new law?**

You can access the law in its entirety by visiting <https://www.gpo.gov/fdsys/pkg/FR-2016-05-11/pdf/2016-10567.pdf>.