

## **Beneficial Ownership Requirements Overview**

Effective May 11, 2018 all non-exempt business clients will be required, due to a regulatory requirement, to provide Country Club Bank with certain information on Beneficial Owners, and Controlling Persons.

### **What types of businesses are potentially exempt from these new requirements?**

Business clients who fall into one of the categories below are generally exempt from these requirements. .

1. **Sole Proprietorships**
2. **Unincorporated Associations** (such as scout troops or youth sport leagues)
3. **Trust, other than statutory trust** (created by a filing with a state office)
4. **Federal or state regulated financial institutions** (e.g. federally regulated banks)
5. **Brokers or dealers in securities, mutual funds, and futures commission merchants, and introducing brokers in commodities.**
6. **Bank and savings and loan holding companies**
7. **State-regulated insurance companies**
8. **Publicly held companies listed on the New York, American, or NASDAQ Stock Exchanges.**
9. **Registered investment advisers and investment companies**
10. **SEC-registered exchanges or clearing agencies**
11. **Entities registered with the SEC**

If you are not an exempt business the information must be provided on Country Club Bank's **Beneficial Owner Form** before a new account can be opened or a new service can be established. Failure to complete this form when requested may result in the exiting/closing of your banking relationship.

### **What is this form?**

To help the government fight financial crime, federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers. Legal entities can be abused to disguise involvement in terrorist financing, money laundering, tax evasion, corruption, fraud, and other financial crimes. Requiring the disclosure of key individuals who ultimately own or control a legal entity (i.e., the beneficial owners) helps law enforcement investigate and prosecute these crimes.

### **Who has to complete this form?**

This form must be completed for the person or persons who directly or indirectly owns 25 percent or more of the legal entity and one individual who has significant responsibility to control, manage, or direct the legal entity, who opens a new account or a new service with any of the following U.S. financial institutions:

- a bank or credit union
- a broker or dealer in securities
- a mutual fund

- futures commission merchant
- an introducing broker in commodities

For the purposes of this form, a legal entity includes a corporation, limited liability companies, limited partnerships, general partnerships and business trusts, or other entity that is created by a filing of a public document with a Secretary of State or similar office, 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.

**What information do I have to provide?**

This form requires you to provide the name, primary residence **address, date of birth and Social Security Number (as applicable) as well as the name of the issuer and number of the driver's license or passport** for the following individuals:

**Beneficial Owner:** Each individual, if any, who owns, directly or indirectly, 25 percent or more, of the equity interests of the legal entity customer (e.g., each natural person that owns 25 percent of the shares of a corporation).

**AND**

**Controlling Person:** An individual with significant responsibility for managing the legal entity customer (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer)

- If these individuals are not present at account opening, a photocopy of the presented driver's license or passport must also be provided.
- The number of individuals that satisfy this definition of "beneficial owner" may vary.
- Regardless of the number of individuals identified as beneficial owners, you must provide the identifying information of one individual identified as the "controlling person".
- It is possible that in some circumstances the same individual might be identified as both. For example, you may have the President of a business who also holds a 30% equity interest.

**For more information related to this new regulatory requirement, you may contact your banking representative.**