

Business Account Requirements

Beginning May 2018

New rules under the Bank Secrecy Act require financial institutions to identify business owners before a new account may be established.

Each time a business account is opened or modified, we are required to ask for identifying information for each individual who has beneficial ownership (25% or more) and one individual who has significant managerial control of the business.

If you are opening an account on behalf of a business, you will also be required to provide appropriate documentation and to certify that the ownership information is accurate to the best of your knowledge.

Why the new law?

The federal government believes it will aid in combatting terrorism and other national security threats. The regulation is aimed at making financial institutions safer and protecting the country's financial system.

What types of accounts are included?

The rule applies to checking, savings, certificates of deposit, safe deposit boxes, and loans held at banks, credit unions, investment firms, and other financial service providers.

Does this law affect existing accounts?

No, it does not apply to accounts opened prior to 2018. However, if you open an additional account, modify signers on an existing account, renew a loan or certificate of deposit, or add a service to your account, ownership information must be provided.

What businesses are affected?

The rule applies to legal-entity businesses such as a corporation, limited liability company, general partnership, or other entity created by a filing of a public document with a Secretary of State or similar office.

What businesses are exempt from the requirements?

These businesses are generally exempt:

- Sole proprietorships
- Trusts and estates
- U.S. and state government entities
- Unincorporated associations such as scout troops or youth sport leagues

Who is required to provide information?

Each time an account is opened, we are required to ask you for identifying information as well as:

- Each individual who owns 25% or more of the business.

- and -

- One individual with significant responsibility for managing the business (e.g. Chief Executive Officer, Chief Financial Officer, Partner, President, Vice President, or Treasurer.)

This information must be collected whether or not the individuals are bank clients.

What information must be provided?

We are required to ask you to provide:

- Address of primary residence
- Date of birth
- Social security number
- Issuer and number of driver's license or passport

Additional information may be needed based on the type of business.