

# Requirements to disclose beneficial owners

The following is an overview of new beneficial owner disclosure requirements.

## Why?

The U.S. Department of Treasury recently issued a final rule titled "Customer Due Diligence Requirements for Financial Institutions" (31 CFR 1010.230) that creates new due diligence obligations for banks and other financial institutions. All banks are now required to collect and verify the identities of certain individuals who own or control legal entity customers, including corporations, limited liability companies ("LLCs"), partnerships, and other legal entities. Individuals who own or control legal entity customers are considered "beneficial owners" of that entity.

## What?

The regulation requires U.S. Bank to gather the following information from beneficial owners of its new and existing legal entity customers:

- Name,
- Date of birth,
- Current physical residential address or business address, and
- Social Security Number (or other government issued identification number for non-U.S. citizens without a SSN).

Most U.S. publicly traded entities, regulated entities, and government entities will be excluded from these requirements.

## How will the new requirement impact me?

Your U.S. Bank representative may ask to review the following documentation:

- A document verifying your identity and date of birth, such as a passport or driver's license. A copy of the identification document is also acceptable.
- A document verifying your current address, if not listed on the document.

## Will my personal information be shared?

Your information may be shared within U.S. Bancorp, its subsidiaries, and its affiliates in order to comply with the Bank Secrecy Act and other regulatory requirements.

## Is my personal information protected?

U.S. Bank has a legal and ethical responsibility to ensure its information, including our customers' personal information, is secure and maintained accurately. We are committed to protecting the confidentiality integrity, availability and privacy of customer data. Our reputation rests, in part, upon securely maintaining our customers' information. Please contact your U.S. Bank representative should you have additional questions.

## **Frequently Asked Questions:**

### **Question: What does the new Beneficial Ownership rule define as a legal entity customer?**

Answer: The rule defines the following as legal entity customers:

- Corporations, including single owner S-corporations
- Limited liability companies
- Other entities that are created by the filing of a public document with a Secretary of State or similar office
- General partnerships
- Any similar entities formed under the laws of a foreign jurisdiction that open an account
- Limited partnerships and business trusts that are created by a filing with a state office, or any other entity created in this manner as well as similar entities formed under the laws of other countries

The following are not considered legal entity customers under the new rule:

- Sole proprietorships and most trusts
- Unincorporated associations (small local community organizations such as Scout Troops and youth sports leagues)
- Natural persons opening accounts on their own behalf

### **Question: What is a beneficial owner?**

A beneficial owner is any individual that has ownership and/or control of the legal entity customer.

### **Question: What is meant by the term “ownership?”**

Under the rule, an individual is considered a beneficial owner if she/he directly or indirectly, through any contract, arrangement, or understanding, relationship or otherwise, has an individual equity interest of 25% or more of the legal entity customer.

### **Question: What is meant by the term "control?"**

Under the new rule, a "control" individual is a person with significant responsibility for managing the legal entity customer. This may include someone like an executive officer or senior manager (e.g. a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer).

### **Question: How will U.S. Bank gather my personal information if I am a beneficial owner?**

U.S. Bank will provide the account opener with a beneficial ownership certification form that must be completed prior to account opening. The account opener attests to the accuracy of the information in the certification form.

### **Question: What is an “account opener?”**

An account opener is an individual who opens an account for a legal entity customer.

**Question: What is information must be provided on the beneficial ownership certification form?**

Certification information includes:

- Name (first, middle, last) and job title of the account opener
- Name and address of the legal entity customer (street address, city, state/province, country and zip code)
- The information below is required for beneficial owners:
  - Name
  - Date of birth
  - Physical address
  - For U.S. Persons: Social Security Number
  - For Non-U.S. Persons: Social Security Number, passport, alien ID, other government issued ID including document number and place of issuance.

**Question: Must I provide my Social Security Number?**

Yes. This is an absolute requirement of the rule for beneficial owners who are U.S. persons. If you have concerns about the security of your Social Security Number, please bring them to the attention of your U.S. Bank representative.

**Where can I learn more?**

The Customer Due Diligence Requirements for Financial Institutions Final Rule can be found here:  
<https://www.govinfo.gov/content/pkg/FR-2016-05-11/pdf/2016-10567.pdf>

The Financial Crimes Enforcement Network (FinCEN) issued FAQs to assist in understanding the scope of the Customer Due Diligence Requirements for Financial Institutions which can be found here:  
[https://www.fincen.gov/sites/default/files/2016-09/FAQs\\_for\\_CDD\\_Final\\_Rule\\_%287\\_15\\_16%29.pdf](https://www.fincen.gov/sites/default/files/2016-09/FAQs_for_CDD_Final_Rule_%287_15_16%29.pdf)