



Beneficial Ownership Rule

To help the government fight the funding of terrorism, money laundering activities, and financial crime, federal regulation requires financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers. Requiring the disclosure of key individuals who own or control a legal entity (i.e. the beneficial owners) helps law enforcement investigate and prosecute these crimes.

What Legal Entities does this rule apply to?

For the purposes of the rule, a legal entity **includes** a corporation, Limited Liability Company, partnerships, or any other entity that is created by and filed with a Secretary of State or similar office. Legal Entity **does not include** sole proprietorships or unincorporated associations.

What information do I have to provide?

The rule will require Legal Entities to identify all “beneficial owners” each time a new account or share is opened. The entity is required to provide the name, address, date of birth, social security number, and valid government-issued identification for each of the following individuals (i.e., the **beneficial owners**): Any individual who directly or indirectly, owns 25% or more equity interest in the business;

AND

Any individual with significant responsibility to control, manage, or direct the legal entity (e.g.: CEO, COO, CFO, Managing Member, General Partner, President, VP, treasurer, or any individual who regularly performs similar duties). The number of individuals that satisfy this definition of “beneficial owner” may vary. For example:

Depending on the factual circumstances, zero to four individuals may be identified for section (i).

You must provide the identifying information of one individual under section (ii), regardless of the number of individuals identified under section (i).

It is possible that the same individual might be identified under both sections (e.g. President who also holds a 30% equity interest).

UFCU may also seek to see a copy of a driver license or similar identification for each beneficial owner.

For more details, read [the final ruling](#), issued by the Financial Crimes Enforcement Network (FinCEN).