



FIRST STATE BANK



New Regulations Governing Account Opening Requirements for Legal Entities

Beginning May 11, 2018, all Banks, Credit Unions and other Financial Institutions are required to obtain, verify and record information about the beneficial owners and controllers of Legal Entity (Corporation, LLC, Partnership, LLP, Business Trust) customers.

Requiring the disclosure of beneficial owners (key individuals who own or control a Legal Entity) will help the government fight financial crime and combat terrorism. Each time an account (Deposit or Loan) is opened or changed for a covered Legal Entity, all financial institutions are required to collect identifying information (name, address, date of birth, social security number), along with copies of corresponding ID (i.e. Driver's License) for:

- Each individual that has beneficial ownership (25% or more); and,
- An individual that has significant managerial control of the Legal Entity.

In support of these regulatory efforts, First State Bank will implement the new information gathering requirements April 1st, 2018. If you are opening or changing an account on behalf of a Legal Entity on or after this date, you will be required to provide the appropriate documentation and to Certify that this information is true and accurate to the best of your knowledge.

In order to provide you with the best account opening experience, it is critical that the above information be presented each time you open a new deposit account, apply for new credit, or modify an existing account/loan relationship. If you have questions about these new requirements, please contact your branch office, relationship manager, or call Customer Support 8:00am-5:00pm Monday through Thursday, 8:00am-5:30pm Fridays or 8:00am-12:00pm Saturdays at 800-511-1802.





Beneficial Ownership | FAQ

What types of Legal Entities are covered by this regulation?

Legal Entity includes corporations, limited liability companies or other entities created by filing a public document with the Secretary of State, and partnerships. Legal Entity does not include sole proprietorships, unincorporated associations, trusts (with some exceptions), publicly traded companies, and most financial institutions, among others.

Who has to complete the Certification of Beneficial Owner(s) form?

The person opening an account on behalf of a Legal Entity.

What information does the form require?

Name, address, date of birth and Social Security Number (or passport number or other similar information, in the case of foreign persons), for the following beneficial owners:

- **Each individual, if any, who owns, directly or indirectly, 25% or more of the equity interests of a Legal Entity customer** (e.g. each natural person who owns 25% or more of the shares of the corporation), and
- **An individual with significant responsibility for managing the Legal Entity customer** (e.g. CEO, CFO, COO, Managing Member, General Partner, President, VP or Treasurer).

When must the form be completed?

Prior to opening all new deposit and loan accounts, including credit cards, for both new and existing Legal Entity customers.

Must First State Bank verify the % of ownership on Legal Entities?

The Bank can rely on the Certification of Beneficial Owner(s) unless it has actual knowledge that any of the information is incorrect.

Must First State Bank verify the accuracy of the information collected on each individual?

Yes, First State Bank is required to verify name, address, date of birth and Social Security Number for all beneficial owners. We verify that information by obtaining ID, unless the individual is an existing customer and First State Bank already has ID on file.

Must Legal Entities notify First State Bank of changes in beneficial ownership?

Yes, not only is this information required at the time of a new account/loan opening, the Bank may require updated information on existing account relationships when they are modified or when the ownership of the Legal Entity changes.

Who can assist customers with questions? Customers should contact the respective branch or relationship manager.