

About Certification for Beneficial Owners of Legal Entities

Why do I have to provide information on the owners of my organization?

The U.S. government implemented the new beneficial ownership regulation under the Bank Secrecy Act to aid the government in the fight against financial crimes, terrorism and other national security threats. The regulation requires financial institution to collect and verify the identities of certain individuals who own or control Legal Entity business customers, such as a corporations, limited liability companies, and general partnerships, or other entity created by a filing of a public document with a Secretary of State or similar office.

In what circumstance will this apply?

EACH time an account is opened or modified (e.g. change in authorized signers, change of ownership structure, deceased owner, or another triggering event) for a covered Legal Entity, we are required to identify and verify business owners. This means that any time an account is opened or maintained for a Legal Entity, we will request information that identifies the ultimate beneficial owner(s) and a controlling person of the Legal Entity. The rule applies to accounts such as checking, savings, certificates of deposit, safe deposit boxes, and loans.

Exemptions include most U.S. publicly traded entities, regulated entities, and government entities; and Incorporated Charities, Nonprofits, and Non-excluded Pooled Investment Vehicles must only provide information related to the control of the entity under the rule.

What information do I have to provide?

The regulation requires Exchange Bank to gather the following information for any beneficial owners of covered Legal Entities who, directly or indirectly, own 25% or more of the equity interest of a Legal Entity customer, as well as for one single individual with significant responsibility to control, manage, or direct a Legal Entity customer:

- 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)

Information for Certifying Your Legal Entity's Owners

What does signing the Certification mean?

The person opening or updating a loan or account on behalf of a covered Legal Entity will be required to complete a "Certification of Beneficial Ownership." By completing the form, the person present is attesting that the information provided is accurate to the best of their knowledge.

What if no one owns 25% or more of the organization?

If there are no owners with 25% or more ownership, either because all of the owners own a smaller percentage or because it is a nonprofit organization that has no owners, then you will just need the information on one person who controls or manages the organization.

Which depository institutions are required to collect this information?

All financial institutions including banks, savings associations and credit unions are required to comply with the new beneficial ownership regulation and will be collecting beneficial ownership information from applicable Legal Entity customers.

What happens to beneficial ownership information? Will it be shared?

Exchange Bank will maintain beneficial ownership information in its system of record. We maintain strict privacy policies and procedures, and while we understand the information requested is personal and sensitive, we need to obtain this information to comply with the law. Any customer information, including beneficial ownership information, will not be shared.

For more information about this new Beneficial Ownership regulation, visit US DEPARTMENT OF THE TREASURY at www.fincen.gov