

**A Banker's Toolbox Guide  
To Beneficial Ownership**  
The Fifth Pillar of BSA

**Banker's  
 Toolbox**

April 2017

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# Introduction

The Financial Action Task Force (FATF) Special Recommendations on Customer Due Diligence indicate that financial institutions should identify the Beneficial Owner, taking risk-based measures to verify the identity of the Beneficial Owner to establish a level of certainty that the financial institution knows who the Beneficial Owner is. For legal persons and arrangements this should include an understanding the ownership and control structure of the customer. In 2016, FinCEN issued additional Customer Due Diligence rules for covered financial institutions including banks, credit unions, and broker-dealers in securities, mutual funds and futures commission merchants and brokers in commodities. This booklet will help you to gain a better understanding of the ruling and determining the changes required by this ruling for your institution.

## Foolish Assumptions:

While we all know what happens to those who make assumptions, we are making a few as you read through this. We have assumed the following:

- You have a basic understanding of the Bank Secrecy Act and current CIP requirements.
- You are familiar with FinCEN and their powers.
- You have at least heard about the new rules.
- You want to ensure your institution is compliant before the deadline.



## Part I: Addition of the 5th Pillar The Highlights...

### WAIT - 5TH PILLAR? WHAT ARE THE FIRST 4 PILLARS?

Reminder: The original four pillars are:

- Internal Controls
- Independent testing
- Board Approved BSA Officer
- Training

### THE 5TH PILLAR:

Prior to this ruling, appropriate risk-based Customer Due Diligence policies, procedures and processes should have been implemented as part of the institution's system of internal controls. Individuals and entities wishing to open a new account or establish a relationship with your institution, had to provide the basics for customer identification as defined in 31 CFR Chapter X (§ 1010.220 Customer Identification Program requirements):

1. Name
2. Date of Birth - for an individual
3. Physical Address
4. Identification

While these were the minimum requirements, expectations were set by examiners and lawmakers alike to do more than the minimum based on your risk profile. As a result, many institutions began collecting additional information and documents in order to better understand the structure and organization of the entities they serviced. With the passing of the new Beneficial Ownership rules, these processes become codified. In other words,

institutions were already doing much of what is now being asked, but like so many things, it simply moves from a “Best Practice” to actual law.

The existing rules required you to take reasonable measures to identify and verify your customer with existing CIP, CDD and EDD requirements.

The new rule goes a few steps further. You not only have to identify your customer, but when a legal entity is involved, you may also have to identify each direct and indirect Beneficial Owner of 25% or more and a person with control over the entity.

**'Indirect'** means that at the end of the process, you should get back to a natural person.



As an example, if company 'XYZ LLC' owns 50% or more of Acme Corp, who owns 'XYZ LLC'? As a company cannot physically walk in to your office to open an account, neither can it go to jail for money laundering, - who is the natural person that owns 'XYZ LLC'?

So, when opening a new account or relationship, the new rule requires you to do the following:

1. Gather Beneficial Ownership identification and verification. **(New)**
2. Understand the nature and purpose of a customer relationship to develop a customer risk profile. **(Prior 'Best Practice', now codified)**
3. Perform ongoing monitoring for the purpose of reporting suspicious transactions, and take a risk-based approach to maintaining and updating customer information. **(Prior requirement)**

We'll talk about the first one below.... The second two will be discussed in the monitoring section...

# 1. Gather Beneficial Ownership Identification and Verification:

At the time an account is opened for specified legal entities, covered financial institutions are required to obtain a certification from the individual opening the account on behalf of the legal entity.

## 'Specified Legal Entities'?

There are some business/entity types whose ownership is easily obtainable, and consequently you are not required to gather their Beneficial Ownership. However, for some, you still need to collect the Control information. You'll find more information in Part II.



## 'Covered Financial Institutions'?

For purposes of the CDD Rule, covered financial institutions are federally regulated banks and federally insured credit unions, mutual funds, brokers or dealers in securities, futures commission merchants, and introducing brokers in commodities. If your institution falls into any of these categories, this ruling applies to you!



This certification must identify any and all direct and indirect Beneficial Owner(s) holding 25% or more ownership of the legal entity.

- FinCEN has supplied a sample certification form in Appendix A of the new rule that may be used for this purpose. We added a copy to the back of this book.
- You can use a different form or format (paper or electronic) to obtain the same information, as long as the individual opening the account still certifies the accuracy of the information to the best of their knowledge.

The good news is, you may rely on the information provided by the individual as long as you have no knowledge of facts that may lead you to question the information.

## WHY DO WE NEED TO GET THIS INFORMATION?

The Bank Secrecy Act was originally enacted in 1970 to track the flow of funds into and out of the United States and through its Financial System. Since then, several acts have been passed to further that cause and to gain a better understanding and tracking method. In 2001, with the passage of the USA PATRIOT Act, an even larger responsibility was placed on financial institutions to assist in monitoring the money trail and to aid law enforcement.

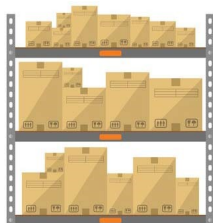
There are some companies/entities that wish to keep their true ownership hidden. Sometimes this is for completely legitimate business purposes, and sometimes this is to cover up nefarious deeds.

Certain legal business entity structures allow for the financial protection of an individual in order to separate the individual's personal finances from those of the business. They can also provide a mechanism for layering the true ownership of the entity. Some believe this makes it harder to sue the "man behind the curtain" thereby protecting the individual from losing all of his or her assets. However, this can also aid in protecting and hiding individuals that may be involved in illegal acts and possible financial censure.

There has been increased interest and scrutiny since the Panama Papers from those outside of our industry, particularly in certain entity types of such as Shelf Companies and Shell Companies.

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**Shelf Company** literally means a company sitting “on a shelf”. An attorney is usually the creator, holder and protector of the shelf company... and creates it with the intent to sell at a later date when someone needs an “established/ pre-existing company” to demonstrate corporate longevity. This may make the company appear more legitimate.

**A Shelf Company** is a bit different. It is intended to make true ownership unclear or obscure. Shell Companies are identified by how the company is organized in a structural sense and what it is used for.



Shell companies use nominee directors (sometimes other shell companies) to disguise the true owners.

Not all shell companies are criminal – sometimes owners have legitimate reasons protecting their privacy. For example, celebrities do this sometimes to cut down on public exposure.

With this in mind, the objective in gathering Beneficial Ownership is to dig deeper and unveil who has entitlement or claim and NOT just who is the legal owner.

## TIMELINE FOR COMPLIANCE

The ruling became effective on July 11, 2016. However, FinCEN acknowledges that financial institutions will need time to comply with the ruling. So while you should be taking steps now to address the new ruling, compliance with the rule is not mandatory until May 11, 2018.





## Part II

### Breaking down the 5th Pillar Details, Details, Details...

#### WHAT INSTITUTIONS ARE 'COVERED'?:

If your institution qualifies as a “covered institution”, this ruling applies to you.

For purposes of the CDD Rule, covered financial institutions are federally regulated banks and federally insured credit unions, mutual funds, brokers or dealers in securities, futures commission merchants, and introducing brokers in commodities.

## Covered financial institution is defined at 31 CFR 1010.605(e)(1)

- (i) An insured bank (as defined in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. 1813(h)))
- (ii) A commercial bank
- (iii) An agency or branch of a foreign bank in the United States;
- (iv) A federally insured credit union
- (v) A savings association
- (vi) A corporation acting under section 25A of the Federal Reserve Act (12 U.S.C. 611 et seq.);
- (vii) A trust bank or trust company that is federally regulated and is subject to an anti-money laundering program requirement
- (viii) A broker or dealer in securities registered, or required to be registered, with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), except persons who register pursuant to section 15(b)(11) of the Securities Exchange Act of 1934
- (ix) A futures commission merchant or an introducing broker registered, or required to be registered, with the Commodity Futures Trading Commission under the Commodity Exchange Act (7 U.S.C. 1 et seq.), except persons who register pursuant to section 4(f)(a)(2) of the Commodity Exchange Act
- (x) A mutual fund

## WHICH ENTITIES ARE COVERED?

### Who is Not Covered?

Legal entity customers do not include the following:

- Natural persons
- Sole Proprietorships
- Unincorporated Associations
- Trusts –Other than Statutory Trusts created by state office filing

This means you do NOT need to collect Beneficial Ownership information when opening an account for one of these groups...

## Who IS covered?

Legal Entities...

### What types of entities qualify as 'Legal Entities'?

- Corporations
- Limited Liability Companies
- Limited Partnerships
- General Partnerships
- Business Trusts (Created By State Office Filing)
- Any Other Entity Created By A State Office Filing
- Including Similar Entities Formed Under Laws Of Other Countries

### Who is excluded from the definition of 'Legal Entity Customer'?

There are a few types of entities that have been excluded from the definition of a legal entity customer for the purpose of this rule:

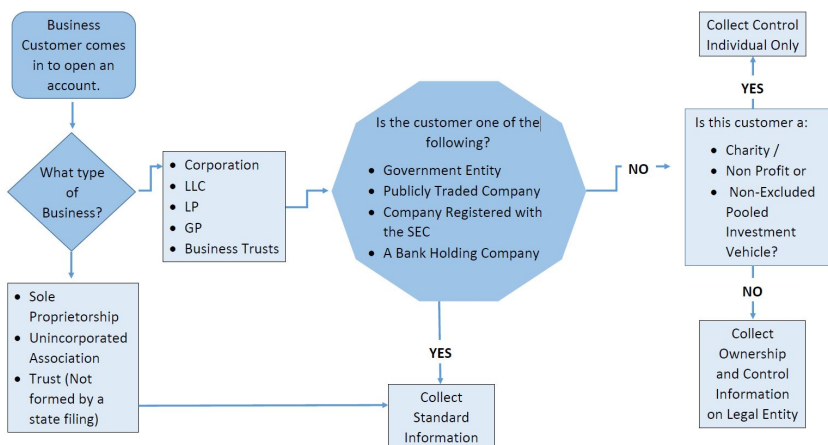
- Employee Benefit Plans formed under ERISA
- Federal or State regulated Financial Institutions
- Bank or Savings & Loan Holding Companies
- U.S. or State Departments or Agencies
- Entities with stock listed on NY, American or NASDAQ Stock Exchange
- Issuers of a class of securities under Section 12 of Securities Exchange Act
- Investment Companies or Advisors registered with SEC
- Public Accounting Firms registered under section 102 of Sarbanes-Oxley Act

### Who has a Partial Exemption?

The following types of entities are exempt from the Ownership Prong:

- Pooled Investment Vehicles (operated or advised by a financial institution not otherwise excluded)
- Non-Profit Entities

# Help!!! A picture is worth a thousand words....



## WHO, WHAT, WHEN, WHY, HOW?

### WHICH ENTITIES ARE COVERED?

First, **WHO** do I need to collect against?

You need the names of all the individuals who fall into the Beneficial Ownership prongs.

#### What's a prong?

Think of a tuning fork with two prongs. The rule requires you to take a two pronged approach in identifying the Beneficial Owner of an entity. You must pursue the Ownership Prong as well as the Control Prong.



#### The Ownership Prong

For the Ownership Prong, you must identify each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of a legal entity customer.

This is where that certification comes in handy. You are under no obligation to analyze the calculations – you may rely on the information provided in the certification.



If a customer comes forward with a nested entity, you know the ones, this LLC is owned by that LLC, that's owned by that LLC, you need to keep going until you identify a natural person.

If a trust owns 25% or more of an entity, the Beneficial Owner is the trustee.

You don't need to identify each and every Beneficial Owner, only those that own 25% or more of the entity; and you are under no obligation to determine if entity is structuring to avoid 25% threshold. However, you should file a SAR if you suspect it.

**Tip:** There may **not be** someone listed here. If all owners own less than 25% of the entity, you are not required to get the information. However, your own internal policies and procedures may require you to do so.

### The Control Prong

A single individual with significant responsibility to control, manage, or direct a legal entity customer. While there may be multiple people who can and will control an entity, you are only required to identify one. However, you may identify more based on risk as part of the due diligence process.

### Who counts under the Control Prong?

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); or... any other individual who regularly performs similar functions.

**Tip:** When Beneficial Ownership is required, there will **always** be someone listed here.

Okay – I've identified the Beneficial Owners – **WHAT** do I collect?

The second thing you need to do is gather information in line with current and existing CIP requirements. Therefore, you should be applying your CIP procedures and standards to the Beneficial Owners. That means name, date of birth, physical address and identification...

But wait, what if the Beneficial Owners are not present?

If an account is being opened by a representative or the individual responsible for the control of the entity, a photocopy of the actual identification of the Beneficial Owner may be accepted if your policy allows this.

You may also rely on another financial institution, (including an affiliate) to perform some or all of the elements of the CIP is allowed, if:

- The relied-upon financial institution is subject to a rule implementing the AML program requirements of 31 USC 5318(h) and is regulated by a federal functional regulator.
- The customer has an account or is opening an account at the institution and at the other functionally regulated institution.
- Reliance is reasonable, under the circumstances.
- The other financial institution enters into a contract requiring it to certify annually to the bank that it has implemented its AML program, and that it will perform (or its agent will perform) the specified requirements of the institution's CIP.

## WHEN/WHY would I do this?

A financial institution may choose to rely on another for identification purposes in the following scenarios:

- A joint lending effort between two financial institutions
- A mortgage broker or car dealer is acting as the bank's agent in connection with a loan
- A shared customer between affiliates or sister institutions
- A deposit sharing relationship between financial institutions
- A deposit institution shares a customer relationship where the deposit institution is an agent for a credit card issuer. The cards are co-branded, the two institutions share in the revenue from the cards issued.



Be sure to clearly indicate in your policies and procedures when you will allow the reliance on another financial institution in your policies and procedures.

## WHEN do I need to collect Beneficial Ownership Information?

As of **May 11, 2018**, you need to collect this information when you open a new account for an applicable legal entity.

That means you need to collect the information when you enter into a new relationship with a legal entity, when they open additional accounts for the new legal entity, AND when you open a new account for an existing customer/member with whom you were already doing business prior to the effective date.

## WHY am I doing this again?

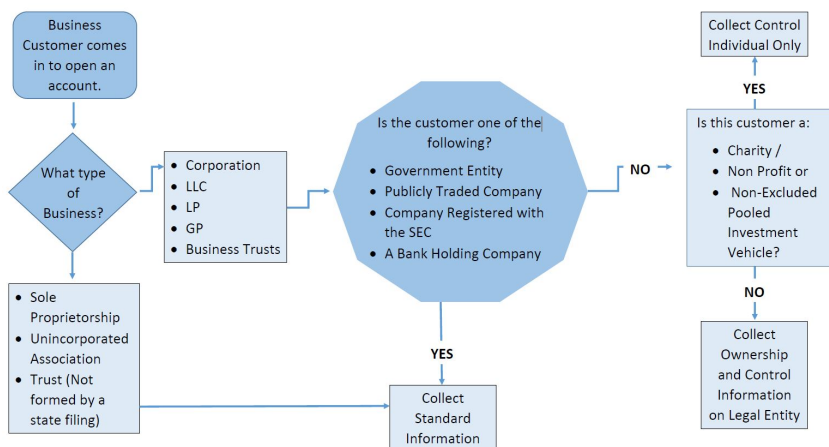
Remember those shelf and shell companies we talked about earlier? That's why!

## HOW do I implement the collection of all this?

As the New Account process becomes increasingly difficult, you may want to consider how you will train and expect your New Accounts staff to handle this change.

- Will you just require this information from everyone unless the customer/member indicates – and can prove – that they don't need to provide it?
- Will you develop a decision tree for your New Accounts staff to follow each and every time to ensure they know when the need to obtain the information?

Either way, be sure you are addressing and documenting in your



policies and procedures how you will collect the information and from whom.

## Additional food for thought...

Can you add this decision tree and the necessary forms within your New Account Platform or Core? Loan system?

How will I identify Beneficial Owners within my core?

When will my core be ready to accept this information?





## Part III Monitoring

# CUSTOMER DUE DILIGENCE & ENHANCED DUE DILIGENCE

AKA ... 2. Understand the nature and purpose of a customer relationship to develop a customer risk profile.

The new rule expects you to develop a customer risk profile to assist in determining the level of due diligence and monitoring that may be required of the relationship. At all stages, your policy and procedures should clearly document what may be required for all risk levels and profiles and should be risk-based for your institution.

### Due Diligence - Low Risk

For your low risk customers, this may be completed through regular monitoring performed by a model calibrated for the bank's risk profile and actual customer activity. Through the use of a system and its alerts, reports, or risk scoring methodologies, watch for possible indicators of changes to the customer's risk profile. Then reassess periodically.

### Enhanced Due Diligence – Higher Risk

For customers with an elevated level of risk profile, you will want to document comprehensive periodic reviews above and beyond regular monitoring or investigations sparked by your model's alerts/case management system.

In addition, while the rule allows you to rely on the certification and information provided by the customer opening the account, you may want to establish criteria for when additional research into the entity is required; i.e. checking the Secretary of State's website for the list of officers or ownership.

**Note:** Not all states make this information available.

# SUSPICIOUS ACTIVITY MONITORING

'AKA... 3. Perform ongoing monitoring for the purpose of reporting suspicious transactions, and take a risk-based approach to maintaining and updating customer information.'



According to the FFIEC Exam Manual, "suspicious activity reporting forms the cornerstone for the BSA reporting system".

## Activity Monitoring

You must know what is normal and/or expected behavior for a customer/member in order to identify potentially abnormal, suspicious activity. In order to do this, you must collect expected activity information during your initial identification and due diligence process. This should be documented somewhere, either by a paper file or online.

## Intent

In addition to the standard transaction-based reporting requirements we are used to, it is also good to keep in mind for the new Beneficial Ownership rule you should also file anytime you believe the customer's intent was to lie or defraud the institution. This means that if you have any reason to suspect that they are not being honest regarding the true Beneficial Ownership structure of the entity, you may need to do enhanced due diligence and you may need to file a SAR.

## Structuring Ownership

Similarly, if you become aware, or have reason to suspect that the customer is structuring ownership percentages in order to avoid having to provide the Beneficial Owner names, you may need to file. As stated earlier, you are not required to analyze all Beneficial Owners to determine IF they might be structuring ownership percentages... you just need to be aware if the signs present themselves to you.

**After May 11, 2018**, you should include the Beneficial Ownership information on all applicable SARs.

## Aggregation by Beneficial Owner

Another requirement of the ruling involves Currency Transaction Reporting. In general, you would not have cause to include all Beneficial Owners within your currency transaction aggregation. However, if you become aware that legal entities that share Beneficial Owner(s) are not operating independently, but have shared employees, or appear to be transferring funds etc., you should include those Beneficial Owners in your CTR Aggregation calculations.

Example: If the Bank is aware that a Beneficial Owner made a \$5,000 cash deposit into his personal account, and later the same business day, he made a \$6,000 cash deposit into the account of a legal entity not being operated as an independent entity, the institution would be required to aggregate those transactions and file a CTR.

And to the extent that the financial institution determined that such transactions had no other apparent purpose than to avoid triggering a CTR filing, the financial institution would need to consider whether filing a SAR about the transactions would be appropriate.

## Re-Certification of Beneficial Ownership

FinCEN made this rule effective going forward, not retroactively. That means you are not expected to go back and identify all Beneficial Owners and control prongs for your existing customers.

However, if an applicable existing customer/member opens a new account after the ruling goes into effect, you will need to collect Beneficial Ownership information. In terms of updating information once collected... barring the opening of new accounts, updates to previously collected information should occur using a risk-based approach when potential ownership changes are identified during periodic reviews and monitoring.



## Part IV: Preparing for 2018

### What The Examiners Are Looking For Now

As the rule isn't mandatory until May 2018, you don't need to worry about it yet, right? Obviously 'Wrong' or you wouldn't

be reading this booklet! Examiners are already looking for certain things to ensure you will be ready to comply on day one. First Up – What is your Regulatory Change management processes? Specifically do you have an Action plan and a Training plan?

### Action Plan

The first thing your examiner may be looking for is an Action Plan. Examiners want to see that you have done your research and are taking steps to ensure your institution's compliance. This Action Plan should clearly outline the Policies, Procedures and Processes that will need to change in order to address the rule. This should also include a section for how your core system will or will not incorporate the new Beneficial Ownership and control information, how you will bridge potential gaps, and how you will effectively train your staff. The action plan should also include a timeline for when these things will be accomplished and clearly assign authority for all steps and tasks throughout the process.

### Training

Seems obvious right? You need to train your BSA and New Account's staff on the new rule and its requirements. However, you may want to consider what, if any, of the other areas of the institution will need training. The loan department and business development will also need training as they are often the individuals gathering this information and communicating with the customer. Ultimately, all members of bank personnel are required to receive annual BSA training, so departments or business lines that may not be directly affected will still need to be kept up to date on changes in regulator expectations in addition to changes in bank policy, procedure and processes.

Start with the May 11, 2018 deadline and work backwards to establish due dates for each component. Take into consideration that things like your policy and risk assessment will need to be Board approved prior to the deadline, meaning, if your Board does not meet until the end of the month, take that into consideration and do not wait until May 2018. Ensure that you give yourself enough time to test new systems and processes to ensure full compliance by the mandatory compliance date.

## Checklists to Compliance Success

### Sample Checklist

#### Customer Due Diligence and Beneficial Ownership

(This is only a sample. Actual tasks at your institution may differ.)

Category	Tasks	Details/Comments	Due Date	Completed Date	Responsible Party
Policies	BSA Policy				
	OFAC Policy				
	CIP/New Acct Opening Policies				
	Other				
Procedures	New Acct Opening Procedures				
	Update CTR aggregation procedures				
	Update OFAC scanning procedures				
	Update suspicious activity monitoring procedures				
	Other				
Forms	Signature Card				
	Certification Form				
	New Account Worksheets				
	Other				
Onboarding Processes	What will you collect				
	What will be entered at onboarding				
	OFAC scanning				
	Are sufficient name lines available to enter beneficial ownership info?				
	Other				
System Changes	Beneficial Ownership Information and CIP				
	Relationship Code Updates				
	Data feed changes for data from Host to AML systems				
	Changes to CTR aggregations systems				
	Changes to structuring aggregation				
	Ability to collect additional CDD information				
	Ability to collect expected activity				
	Create reports of accts whose activity differs from expected				
Training	Train branch personnel				
	Train central operations				
	Train BSA dept.				
	Train any other depts. as necessary				
	Other				

## What The Examiners Will Be Looking For In 2018?

Your examiners review scope will widen once the rule becomes effective. They will continue looking for all of the stringent requirements they review currently, but will also be looking for your compliance with the new rule as well as the usual suspects, i.e. your policies, procedures, risk assessment, and other systems of internal controls, audit, and training with a new eye.

In order to be prepared for these things, you may want to consider:

### Board and Senior Management Awareness and Engagement – Culture of Compliance

Your Board of Directors are responsible for the institution's compliance with the new rule and ultimately with the BSA itself. In August 2014, FinCEN issued an advisory (FIN-2014- A007) to U.S. Financial Institutions on Promoting a Culture of Compliance. This advisory confirmed that the culture of an organization begins at the top and is critical to its successful compliance. Ensure that the Board and Senior Management have been appropriately trained and involved in the changes to the institution's processes.

### Updated Risk Assessment

The Risk Assessment is a living document, and therefore always demands attention. Any significant change to your organization, or rules, laws or best practices need to be reflected within your risk assessment.

Consider the following:

- What controls have you implemented to ensure compliance with the new rule?
- What training have you provided?
- Will your core have a place to maintain this information or will you have to resort to paper or other electronic files?
- Has your automated monitoring system addressed the new rule?

## Updated Policies and Procedures

With any change, you must also update your policies and procedures. Some policies and procedures to consider are:

- AML
- CIP
- CDD/EDD
- SAR
- CTR
- OFAC
- New Accounts
- Loan Policy
- Record Retention

## Updated Processes and Technology

Be working with your Core system provider and your automated monitoring system provider now.

**Tip:** Be sure to involve your IT and Operations departments early as this will likely affect them and their processes as well.

## Enterprise Wide Training and Testing

Develop appropriate role-based training not only on the new rule, but also on the changes to their processes. Plan for periodic testing of new procedures to ensure that they are being followed.

## Updated Audit Scope

Ensure that your auditor is prepared and educated on the requirements of the new rule and has updated their audit scope accordingly.

## Actual Strength of AML Program

As always, the AML Program should be reflective of your institution's risk profile. Be sure you have documented your preparation, changes, monitoring, and testing. If you didn't document it – you didn't do it. Or at least good luck convincing your examiners you did.

## Speaking of Policies, Procedures and Processes... (Oh my!)

### Record Retention

**Retention for Identification:** Any identifying information obtained (including the certification) 5 years after the date the account is closed.

**Retention for Verification:** A description of any document relied on, of any nondocumentary methods and the results of any measure undertaken and the resolution of each substantive discrepancy 5 years after the record is made.

**Penguin Point:** Record Retention Requirement must be included in policy/procedures. There are a few other areas we must consider.

### 314(a) Will Not Change.

Under the 314(a) Information Sharing rule, financial institutions need only search their records for account or transactions matching a named subject, and report to FinCEN whether such a match exists using the identifying information that FinCEN provides.

### OFAC Will Change.

OFAC requires you to block accounts of those appearing on the SDN list, which includes any entity that is 50% or more owned, in the aggregate, by one or more blocked persons, regardless of whether the entity is formally listed on the SDN List. You must use Beneficial Ownership information to help ensure that they do not open or maintain an account, or otherwise engage in prohibited transactions or dealings involving individuals or entities subject to OFAC-administered sanctions.

### CTRs Will Change - ish.

In general, you must aggregate multiple currency transactions if you have knowledge that these transactions are by or on behalf of any person and result in either cash in or cash out totaling more than \$10,000 during any one business day. The Beneficial Ownership identification may provide banks with information they did not previously have, in order to determine when transactions are "by or on behalf of" the same person.



If a financial institution determines that legal entity customers/ members are not being operated independently from each other or from their primary owner—e.g., the institution determines that legal entities under common ownership have common employees and are repeatedly used to pay each other's expenses or the personal expenses of their primary owner—then the financial institution may determine that aggregating the transactions of a legal entity or entities and their primary owner would be appropriate.

In March 2012, FinCEN issued FIN-2012-G001 Currency Transaction Report Aggregation for Businesses with Common Ownership. The Guidance includes additional information as to when a CTR should or should not be aggregated by Beneficial Owner.

Great example:

*If the Bank is aware that a Beneficial Owner made a \$5,000 cash deposit into his personal account, and later the same business day, he made a \$6,000 cash deposit into the account of a legal entity not being operated as an independent entity, the institution would be required to aggregate those transactions and file a CTR. And to the extent that the financial institution determined that such transactions had no other apparent purpose than to avoid triggering a CTR filing, the financial institution would need to consider whether filing a SAR about the transactions would be appropriate.*



## Part V: Resources

### Be Proactive With Banker's Toolbox

It is always better to be proactive rather than reactive. Banker's Toolbox can help you with this. We already include Beneficial Ownership information that feeds in on name lines and are actively working to develop tools and programs to handle all your Beneficial Ownership needs and monitoring- long before the deadline!

Banker's Toolbox Consulting Services can assist you in this transition as well as your BSA Program in general, offering services like:

- CDD Compliance Action Plans
- Model Evaluations
- Program Tuning and Calibration Services
- Data Integrity Reviews
- Risk Assessments
- Monitoring Services
- High Risk Customer Reviews (EDD)
- Clear Alerts
- Investigate/Manage Cases
- Suspicious Activity Reports
- Suspicious Activity Look backs
- Exam Preparation
- Custom Training

### Additional Resources

*Additional resources include:*

- Federal Register Vol. 81, No. 91 / Wednesday, May 11, 2016
- FIN-2016-G003 Frequently Asked Questions Regarding Customer Due Diligence Requirements for Financial Institutions
- FFIEC Exam Manual
- FATF Special Recommendations
- FIN-2012-G001 Currency Transaction Report Aggregation for Businesses with Common Ownership
- FIN-2014-A007 Advisory to U.S. Financial Institutions on Promoting a Culture of Compliance

# "The" FinCEN certified Certification Form

## II. CERTIFICATION OF BENEFICIAL OWNER(S)

Persons opening an account on behalf of a legal entity must provide the following information:

a. Name and Title of Natural Person Opening Account:

b. Name and Address of Legal Entity for Which the Account is Being Opened:

c. The following information for each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of the legal entity listed above:

Name	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: • Social Security Number	For Foreign Persons: • Passport Number • Country of Issuance (or other similar identification number <sup>1</sup> )

(If no individual meets this definition, please write "Not Applicable.")

d. The following information for one individual with significant responsibility for managing the legal entity listed above, such as:

- o An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or
- o Any other individual who regularly performs similar functions.

(If appropriate, an individual listed under section (c) above may also be listed in this section (d)).

Name/Title	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: • Social Security Number	For Foreign Persons: • Passport Number • Country of Issuance (or other similar identification number)

I, \_\_\_\_\_ (name of natural person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

<sup>1</sup> In lieu of a passport number, foreign persons may also provide an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

Legal Entity Identifier \_\_\_\_\_ (Optional)



We support America's community financial institutions with simple solutions to complex problems while building a community of happy employees and customers.