

Beneficial Ownership Overview for Business Customers

In May 2016, the U.S. government passed a new regulation regarding the beneficial ownership of legal entity customers. Going forward, it will be mandatory for **all** financial institutions to comply with this regulation by identifying the ultimate beneficial owner(s) and a controlling person of a legal entity customer opening or maintaining an account.

In compliance with this new regulation, Inland Bank will collect beneficial ownership information from legal entity customers starting in April 2018. 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 controlling person of the legal entity.

The required identifying information includes name, address, date of birth, identification number, and other information that will help identify those individuals. This information will need to be collected during the account opening process. This information will also be collected for existing legal entity customers who establish or maintain accounts once this new regulation is implemented at Inland bank in April 2018.

While we understand the information requested is personal and sensitive, we need to obtain this information in order to comply with the law. As always, we will treat all information collected with the utmost care. All information will be stored securely and handled with the same standard of privacy that we have always maintained.

What you need to know about Beneficial Ownership

- The new regulation impacts all legal entities opening or maintaining accounts at any financial institution.
- Legal entities will need to identify and attest to all ultimate beneficial owner(s) that meet specific requirements as well as a controlling person (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President or Treasurer).
- Inland Bank will collect information regarding the ultimate beneficial owner(s) and control person of legal entities whether or not they have a personal relationship with the financial institution.

Frequently Asked Questions

What is the beneficial ownership regulation and why does it matter?

The beneficial ownership regulation is a federal law requiring all financial institutions to identify and verify the identity of the beneficial owners of legal entity customers as well as a controlling person of the legal entity anytime an account is opened or maintained. The regulation is aimed at making financial institutions safer for their customers and protecting the country's financial system.

Why is Inland Bank collecting this information?

Inland Bank, as well as all other financial institutions in the U.S., will be required to collect beneficial ownership information. The U.S. government implemented the new beneficial ownership regulation to help fight financial crimes. Inland Bank is doing its part in upholding the new regulation to protect the financial system. Compliance with regulations has always been of utmost importance to Inland Bank, and the new beneficial ownership regulation will be treated with the same level of importance.

Is Inland Bank the only bank that is required to collect beneficial ownership information?

No. All financial institutions are required to comply with the new beneficial ownership regulation and will be collecting this beneficial ownership information from applicable customers.

What constitutes beneficial ownership?

The U.S. government regulation defines “beneficial ownership” as being made up of two roles: (1) those that have an ownership interest in a legal entity and (2) those that control a legal entity.

For those people who have an ownership interest in the legal entity, Inland Bank is required to identify and collect personal information on anyone that meets or exceeds the following ownership thresholds:

Beneficial Owners:

- An individual that has 25% or more beneficial ownership in the legal entity; and,
- A beneficial owner is each individual, who directly or indirectly owns 25% or more of the equity interest of the legal entity

Control Person:

- A single individual with significant responsibility to control, manage or direct a legal entity, including an executive officer or senior manager (e.g. CEO, CFO, COO, Managing Member, General Partner, President, Vice President or Treasurer); or any other individual who regularly performs similar functions

For every legal entity client subject to beneficial ownership, you must identify one control person.

NOTE: It is possible that the control person may also be a beneficial owner.

How will the change impact my existing accounts?

The change should not impact your existing accounts. However, please be aware that your Inland Bank representative may reach out for beneficial ownership information to update your account file, ensuring necessary compliance for any future financial requests.

What if the people who have been identified as beneficial owners or control persons are not clients of Inland Bank? Do I still need to provide their personal information to Inland Bank?

Yes. Regardless of customer status, information about beneficial owners and control person must be provided in order to comply with the regulation.



My Inland Bank representative has asked me to complete a Certification of Beneficial Ownership form. What is this and why is it necessary?

The Certification of Beneficial Ownership form is a legally required form that Inland Bank must collect from legal entity customers regarding their ultimate beneficial owners and the control person. By completing the form, you are attesting that the information provided is accurate to the best of your knowledge.

I also have personal accounts with Inland Bank. Will Inland Bank also collect beneficial ownership information for my personal accounts?

No. The Beneficial Ownership regulation only applies to applicable legal entity accounts.