



SUNFLOWER BANK
First National 1870

First National 1870, a division of Sunflower Bank, N.A.

Account Opening Requirements for Legal Entities – FAQs for Customers

We have put together helpful information related to new account opening requirements for Legal Entities. If you have any questions, please do not hesitate to contact your local branch, relationship manager, or call the Customer Care Center at 1-888-827-5564 from 8 a.m. to 8 p.m. Monday through Friday, and 8 a.m. to 4 p.m. Saturday (CT).

Q. What is the new Beneficial Ownership regulation and why was it enacted?

- A. A bureau of the United States Department of the Treasury, issued the Beneficial Ownership Rule to ensure that financial institutions clarify and strengthen their customer due diligence requirements. Collecting and verifying the identity of key individuals who ultimately own or control a legal entity (i.e., the beneficial owners) can be an important tool in helping law enforcement fight financial crimes.

All Financial Institutions are required to obtain, verify, and record information about the beneficial owners and controllers of Legal Entity customers as of May 11, 2018*. This new regulation aids the U.S. Government in the fight against financial crimes.

We proudly support all efforts to protect and maintain the security of our customers and our country.

*[https://www.fincen.gov/sites/default/files/2016-09/FAQs_for_CDD_Final_Rule_\(7_15_16\).pdf](https://www.fincen.gov/sites/default/files/2016-09/FAQs_for_CDD_Final_Rule_(7_15_16).pdf)

Q. What is considered a Legal Entity under the rule?

- A. The rule defines a Legal Entity customer as a corporation, Limited Liability Company, a general partnership, and any similar entity formed under the laws of a foreign jurisdiction that opens an account. The definition also includes limited partnerships, business trusts that are created by a filing with a state office, and any other entity created by the filing of a public document with a Secretary of State or similar office.

A Legal Entity customer does not include sole proprietorships, unincorporated associations, or natural persons opening accounts on their own behalf.

A detailed list of excluded entities can be provided by your relationship manager.

Q. Who is a Beneficial Owner?

- A. The Rule defines Beneficial Owner as each of the following:
- each individual, if any, who, directly or indirectly, owns 25% or more of the equity interests of a legal entity customer (i.e., the ownership prong); and
 - a single individual with significant responsibility to control, manage, or direct a legal entity



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customer, including 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 (i.e., the control prong). This list of positions is illustrative, not exclusive, as there is significant diversity in how legal entities are structured.

Under this definition, a legal entity will have a total of between one and five Beneficial Owners (i.e., one person under the control prong and zero to four persons under the ownership prong).

Q. What do I need to do differently when I open an account for a legal entity?

- A. At our locations beginning in First Quarter 2018, each time an account is opened for a covered Legal Entity, you will be required to provide identifying information (including name, address, date of birth, as well as relevant identification numbers and documents) for:
- each individual that has beneficial ownership (25% or more); and
 - one individual that has significant managerial control of the Legal Entity;
- and to certify that this information is true and accurate to the best of your knowledge.

Q. When does the Beneficial Ownership information need to be provided?

- A. It must be provided prior to opening all new deposit and loan accounts, for both new and existing Legal Entity customers. There are also certain trigger events for already existing accounts that require the collection of Beneficial Ownership data.

Q. Who can provide the Beneficial Ownership information on behalf of a Legal Entity?

- A. The Rule requires Financial Institutions to obtain information about the Beneficial Owners of a Legal Entity from the individual seeking to open a new account at the Financial Institution on behalf of the Legal Entity customer. This individual could, but does not necessarily have to, be a Beneficial Owner. However, the individual providing the information is responsible for certifying the form.

Q. What if the Beneficial Owner(s) is not a customer of this bank? Do I still need to provide their information?

- a. Yes. Information about the ultimate Beneficial Owners and control person of the Legal Entity establishing the account with this bank must be provided in order to comply with the regulation.