



Your business relationship is important to us. Our goal is to make the business account-opening process an efficient and enjoyable experience for you. Effective May 11, 2018, all financial institutions will be subject to **new rules** under the Bank Secrecy Act that will aid the government in the fight against crimes to evade financial measures designed to combat terrorism and other national security threats.

EACH time any Deposit, Loan, or Safe Deposit Box account is opened or renewed for a covered Legal Entity, we will be required to ask you for identifying information (name, address, date of birth, social security number), as well as personal identification documentation for:

- **EACH** individual that has 25% or more Beneficial Ownership in the Legal Entity; and,
- **ONE** individual that has Significant Managerial Control of the Legal Entity such as a Chief Executive Officer, Chief Financial Officer, President, Vice President, Managing Member, etc.

If you are opening an account on behalf of a covered Legal Entity, you will be required to provide appropriate documentation and to certify that this information is true and accurate to the best of your knowledge. In order to make this process as efficient as possible, we recommend that you obtain the above, bulleted information, along with a copy of the current Driver's License for EACH identified individual. If your business will frequently be opening new accounts/loans, please keep this information current and available to present EACH time you come in to establish a new account.

Covered legal entities include:

- Corporations
- Limited Liability Companies, or any other entity that is created by filing a public document with a Secretary of State or similar office
- General Partnerships, and any similar entity formed in the United States or a foreign country

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

Please read further for more information and to see a sample of the form.

Beneficial Ownership FAQ for Fidelity Bank Customers

Overview

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, Fidelity Bank will collect beneficial ownership information from legal entity customers starting on May 11, 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, copy of Driver's License, and other information that will help identify those individuals. This information will need to be collected whether or not the person identified is a current Fidelity Bank customer. This information will also be collected for existing legal entity customers who establish or maintain accounts once this new regulation is implemented at Fidelity Bank.

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).
- Fidelity Bank will collect information regarding the ultimate beneficial owner(s) and control person of legal entities whether or not they have an existing 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 has Fidelity Bank been asked to collect this information?**

Fidelity 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. Fidelity 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 Fidelity Bank, and the new beneficial ownership regulation will be treated with the same level of importance.

- **Is Fidelity 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, Fidelity Bank is required to identify and collect personal information on anyone that meets or exceeds the following ownership thresholds:

Ultimate Beneficial Owners:

A natural person having 25 percent or more of the equity interests of a legal entity; or

A natural person owning more than 10 percent if:

- a. An individual, with any amount of ownership, is a non-U.S. person (i.e., a non-U.S. citizen who is not a lawful permanent resident); or
- b. The entity customer or intermediary entity is formed outside of the U.S.; or
- c. The entity client is a Private Investment Company (PICs) / Personal Investment Vehicle (PIVs).

Control Person:

A person with significant managerial control or influence over a legal entity customer (e.g., Chief Executive Officer, Chief Financial Officer, Managing Member, General Partner, etc.)

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 an ultimate beneficial owner.

- **How will the change impact my existing accounts?**

The change should not impact your existing accounts. However, please be aware that your Fidelity Bank representative may reach out for beneficial ownership information to update your account file, ensuring

necessary compliance for any future financial requests or gather it if a triggering event occurs such as a renewal or account record maintenance.

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

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

- **My Fidelity Bank account representative has asked me to complete a Certification of Beneficial Ownership. What is this and why is it necessary?**

The Certification of Beneficial Ownership is a legally required form that Fidelity 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.

- **Where will beneficial ownership data be stored?**

Fidelity Bank will maintain beneficial ownership information in its core system. We maintain strict privacy policies and procedures. Any customer information, including beneficial ownership information, will not be shared.

- **Will the information I provide for beneficial ownership be used for marketing to prospects that do not already have a relationship with Fidelity Bank?**

No. This information will not be used for marketing or prospecting purposes.

- **How do I get beneficial ownership information back to my Fidelity Bank representative?**

Beneficial ownership information will be collected using Fidelity Bank documents and should be returned to your Fidelity Bank representative.

- **Given the sensitive nature of the information that is being provided for beneficial ownership, can I provide the details directly to my Fidelity Bank representative?**

Yes. If you are more comfortable providing information in person, please reach out to your Fidelity Bank representative directly.

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

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

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:

Account #:

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b. **Name, Type, and Address** of Legal Entity for which the account is being opened:

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

	Name of Beneficial Owner(s)	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number	For Non-U.S. Persons: Social Security Number, Passport Number and Country of Issuance, or other similar identification number ¹	% of Ownership
1						
2						
3						
4						

*If no individual meets this definition, please enter "Not Applicable" above and **explain below** (i.e. All <25%; Charity/Non-Profit; etc.):

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Beneficial Owner Detail: If applicable, explain any layers of Beneficial Ownership, etc. (For example, ABC Co. is 50% owned by 123 Corp. 123 Corp. is 50% owned by John Doe; therefore, John is a 25% Beneficial Owner of ABC Co.)

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d. The following information for **one** individual with **significant** responsibility for managing the Legal Entity listed above:

- 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,
- 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 of Control Person	Date of Birth	Address (Residential or Business Street Address)	For U.S. Persons: Social Security Number	For Non-U.S. Persons: Social Security Number, Passport Number and Country of Issuance, or other similar identification number ¹

I, (***name of natural person opening account***), hereby certify, to the best of my knowledge, that the information above is complete and correct. I further certify that I will notify Fidelity Bank as soon as possible if this information changes.

SIGNATURE:

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DATE:

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¹ In lieu of a passport number, Non-U.S. persons may also provide a Social Security Number, 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.

APPENDIX A to § 1010.230 – CERTIFICATION REGARDING BENEFICIAL OWNERS OF LEGAL ENTITY CUSTOMERS

I. GENERAL INSTRUCTIONS

What is this form?

To help the government fight financial crime, Federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers. Legal entities can be abused to disguise involvement in terrorist financing, money laundering, tax evasion, corruption, fraud, and other financial crimes. Requiring the disclosure of key individuals who own or control a legal entity (i.e., the beneficial owners) helps law enforcement investigate and prosecute these crimes.

Who has to complete this form?

This form must be completed by the person opening a new account on behalf of a legal entity with any of the following U.S. financial institutions: (i) a bank or credit union; (ii) a broker or dealer in securities; (iii) a mutual fund; (iv) a futures commission merchant; or (v) an introducing broker in commodities.

For the purposes of this form, a **legal entity** includes a corporation, limited liability company, or other entity that is created by a filing of a public document with a Secretary of State or similar office, a general partnership, and any similar business entity formed in the United States or a foreign country. **Legal entity** does not include sole proprietorships, unincorporated associations, or natural persons opening accounts on their own behalf.

What information do I have to provide?

This form requires you to provide the name, address, date of birth and Social Security number (or passport number or other similar information, in the case of Non-U.S. Persons) for the following individuals (i.e., the **beneficial owners**):

- i. Each individual, if any, who owns, directly or indirectly, 25 percent or more of the equity interests of the legal entity customer (e.g., each natural person that owns 25 percent or more of the shares of a corporation); **and**
- ii. An individual with significant responsibility for managing the legal entity customer (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer).

The number of individuals that satisfy this definition of “beneficial owner” may vary. Under section (i), depending on the factual circumstances, up to four individuals (but as few as zero) may need to be identified. Regardless of the number of individuals identified under section (i), you must provide the identifying information of one individual under section (ii). It is possible that in some circumstances the same individual might be identified under both sections (e.g., the President of Acme, Inc. who also holds a 30% equity interest). Thus, a completed form will contain the identifying information of at least one individual (under section (ii)), and up to five individuals (i.e., one individual under section (ii) and four 25 percent equity holders under section (i)).

The financial institution may also ask to see a copy of a driver’s license or other identifying document for each beneficial owner listed on this form.