

BANK OF EASTERN OREGON

Beneficial Ownership – what you need to know!

Overview

In May 2016, the U.S. government passed a new regulation regarding the beneficial ownership of legal entity customers. This regulation makes it 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.

Effective 2018, Bank of Eastern Oregon will collect beneficial ownership information from legal entity customers. 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 whether or not the person identified is a Bank of Eastern Oregon customer. This information will also be collected for existing legal entity customers who establish or maintain accounts at Bank of Eastern Oregon.

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 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).
- Bank of Eastern Oregon 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.

The U.S. government has amended rules to require financial institutions, like Bank of Eastern Oregon, to collect and verify specific information from legal entities (businesses) establishing relationships with us. These new rules help fight financial crime. Because legal entities can be abused to disguise involvement in money laundering, terrorist financing, tax evasion, corruption, fraud, and other financial crimes, requiring the disclosure of key individuals who own and/or control a business helps law enforcement investigate and prosecute these crimes. Bank of Eastern Oregon is required to collect this information, and we have provided details regarding this change in the frequently asked questions (FAQs) below. We appreciate your business and are committed to providing you with extraordinary service for years to come.

Frequently Asked Questions (FAQs):

- [What is Beneficial Ownership?](#)

Beneficial ownership information refers to identifying information about the individuals who directly or indirectly own or control a company.

- [Why is Bank of Eastern Oregon asking for a beneficial ownership certification from my company?](#)

Federal regulations now require all financial institutions to obtain and verify information about the key individuals who ultimately own and/or control a legal entity to help law enforcement investigate and prosecute crimes.

- [What is the definition of a “beneficial owner”?](#)

A beneficial owner is defined as any individual who owns—either directly or indirectly—25 percent or more equity interest in a legal entity.

- [What is the definition of an “individual with significant management responsibility”?](#)

Also referred to as the control person, this is the person with significant responsibility for managing the legal entity. Generally, this is the individual who has the authority to act on behalf of your legal entity to make decisions related to financial relationships.

- [What personal information is required for each named individual on the certification?](#)

For each person named on the certification, we are required to obtain their legal name, physical address, date of birth, and social security number (SSN). If they are not a U.S. citizen, then a passport number may be provided in lieu of the SSN. Additionally, we will need a copy of a government-issued ID, like a driver’s license or passport, for verification of each named individual.

- [I am already a Bank of Eastern Oregon customer. Do I still need to provide this information?](#)

The beneficial ownership information is required when a new account is opened and/or a new loan is obtained, or if the business has had a significant change such as a change in ownership. It may also be required if you request or conduct certain higher risk services, such as international wires.

- [What if my company is publicly traded?](#)

There are a few exceptions to the collection of beneficial ownership information. It is not required to be collected for government agencies, publicly traded companies, sole proprietorships, or voluntary unincorporated associations (i.e., youth sports leagues or community organizations).

- [Will I have to provide this information on a regular basis?](#)

Once Bank of Eastern Oregon has obtained a beneficial ownership certification for your legal entity, we may ask that you confirm the information when you open additional new accounts or conduct higher risk services. Please let us know if there is a change in ownership or control of your company so we can obtain an up-to-date certification that reflects accurate information.

- [Do we need to complete a certification if there is no individual with 25 percent or more ownership?](#)

Yes. You would simply mark the box indicating there is no individual with beneficial ownership and complete the section for the control person.

- [Who from my company should complete the certification?](#)

The individual requesting the new account is generally the person to complete the certification. This could be the same individual named as the control person, or someone who has been designated by that individual to establish bank relationships for your legal entity.

- What will Bank of Eastern Oregon do with this information?

We are required to maintain this information as part of our records that are associated with your legal entity. We treat this information with the same high level of confidentiality and security as we do all our customer information.

- What if my company is owned by another legal entity?

Indirect ownership means your legal entity may be owned by one or more legal entities. We are required to obtain information on the individual persons behind those layered entities who ultimately have the equivalent of 25 percent or more ownership of your legal entity.

New Reporting Requirements

Beginning on January 1, 2024, many companies in the United States will have to report information about their beneficial owners, i.e., the individuals who ultimately own or control the company. They will have to report the information to the Financial Crimes Enforcement Network (FinCEN). FinCEN is a bureau of the U.S. Department of the Treasury.

- Why do companies have to report beneficial ownership information to the U.S. Department of of the Treasury?

In 2021, Congress passed the Corporate Transparency Act on a bipartisan basis. This law creates a new beneficial ownership information reporting requirement as part of the U.S. government's efforts to make it harder for bad actors to hide or benefit from their ill-gotten gains through shell companies or other opaque ownership structures.

- When do I need to report my company's beneficial ownership information to FinCEN?

A reporting company created or registered to do business before January 1, 2024, will have until January 1, 2025 to file its initial beneficial ownership information report.

A reporting company created or registered on or after January 1, 2024, and before January 1, 2025, will have 90 calendar days after receiving notice of the company's creation or registration to file its initial BOI report. This 90-calendar day deadline runs from the time the company receives actual notice that its creation or registration is effective, or after a secretary of state or similar office first provides public notice of its creation or registration, whichever is earlier.

Reporting companies created or registered on or after January 1, 2025, will have 30 calendar days from actual or public notice that the company's creation or registration is effective to file their initial BOI reports with FinCEN.

For more information on Beneficial Ownership regulations and helpful information about reporting, please visit: <https://www.fincen.gov/boi>