



Notice to Business Customers

At The Farmers Bank of Willards, we strive to make the account opening experience easy and efficient. With that in mind, we wanted to make our business customers aware of some changes to our account opening process required by federal regulations.

As of May 11, 2018, all financial institutions are subject to a new rule under the Bank Secrecy Act intended to assist the government and law enforcement in the fight against money laundering and financing of terrorism.

When **ANY** account (deposit/loan/safe deposit) is opened on behalf of a business or legal entity, we are required to ask for certain identifying information (name, home address, date of birth, social security number) of the beneficial owners of the business or legal entity. We will also ask for additional documentation to verify the identity of those individuals (i.e. driver's license). **Each time a new account is opened, you will be required to complete a "Certification of Beneficial Ownership" form.** We suggest that, if your business will frequently need to open new accounts with us, you keep this information current and on file for future use.

AT A GLANCE: **What you will need to open a business account:**

- Articles/Resolution/Etc. to identify the business entity
- Copy of EIN Issued
- Identification for each account signer
- Certification of Beneficial Ownership form
- Identification for ALL owners of entity, regardless of whether listed on account



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of Willards**

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A FEW QUESTIONS ANSWERED...

What is a beneficial owner? Each individual, if any, who owns, directly or indirectly, 25% or more of the equity interest of the legal entity.

What is a Controlling Person? An individual with significant responsibility for managing the legal entity (an executive officer or senior manager, such as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer or Secretary).

Can a person be both a Beneficial Owner and a Controlling Person? Yes, in some cases the same individual might be both a beneficial owner and a controlling person. For example, you may have a person who is both the President of Example, LLC and owns 40% equity interest on the legal entity.

What does signing the Certification mean? Signing the certification means that the person signing is stating that to the best of his or her knowledge, the information on the form is complete and correct.

What if no one owns 25% or more of the organization? If there are no owners with 25% or more ownership, either because all of the owners own a smaller percentage or because it is a non-profit organization that has no owners, you will just need the information on one person who controls or manages the organization which should be entered in the Control part of the form right before the signature on the Certification. It is important to note that the information that goes on the Certification must be information regarding people rather than another organization. If another organization is the owner, the information on the people who own that other organization must be provided. Here are some examples of how this form should be completed in certain circumstances:

- If there are four owners, each owning 25%, then information on all four owners should be entered in the Ownership section of the Certification, then information on one person in control of the entity should be entered in the Control section
- If there are two owners of 40% and one owner of the remaining 20%, then information on the two 40% owners should be entered in the Ownership section, nothing needs to be entered for the 20% owner, and information on one person in control of the entity should be entered in the Control section
- If there are five owners at 20% each, no information needs to be listed on any of those owners in the Ownership section, but the box that says, “If checked, Beneficial Owner listing requirement is Not Applicable” should be checked, and information on one person in control of the entity should be entered in the Control section
- If the organization is a nonprofit entity (and really does not have owners), the box in the Ownership section that says “If checked, Beneficial Owner listing requirement is Not Applicable” should be checked, and information on one person in control of the entity should be entered in the Control section

Does this certification just need to be done once? No, it is required every time that another new deposit, lending or safe deposit account is opened. When an existing business customer makes certain changes to an account, this may be considered a “triggering event” and a new Certification must be provided in the same manner as a new customer. Examples of a triggering event are: change in authorized signers, change in resolution, and change in structure of a legal entity (corporation becomes a partnership).

[Click here for the Beneficial Ownership Form](#)