

Beneficial Ownership Certification

FAQs

Overview

The U.S. government has amended rules to require financial institutions, 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. Gold Coast Bank is required to collect this information, and we have provided details regarding this change in the frequently asked questions (FAQs) below.

Frequently Asked Questions (FAQs)

- Q.** Why is Gold Coast Bank asking for a beneficial ownership certification from my company?
- A.** 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.
- Q.** What is the definition of a “beneficial owner”?
- A.** A beneficial owner is defined as any individual who owns—either directly or indirectly—25 percent or more equity interest in a legal entity.
- Q.** What is the definition of an “individual with significant management responsibility”?
- A.** 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.
- Q.** What personal information is required for each named individual on the certification?
- A.** 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.
- Q.** I am already a Gold Coast Bank customer. Do I still need to provide this information?
- A.** The beneficial ownership information is required when a new account is opened and/or a new loan is obtained. It may also be required if you request any changes to your account or loan.
- Q.** What if my company is publicly traded?
- A.** 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).

- Q.** Will I have to provide this information on a regular basis?
- A.** Once Gold Coast Bank 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.
- Q.** Do we need to complete a certification if there is no individual with 25 percent or more ownership?
- A.** Yes. You would simply mark the box indicating there is no individual with beneficial ownership and complete the section for the control person.
- Q.** Who from my company should complete the certification?
- A.** 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.
- Q.** What will Gold Coast Bank do with this information?
- A.** 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.
- Q.** What if my company is owned by another legal entity?
- A.** 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.

For Example: Initially, one might think ABC, Inc. has no owners with 25% or more equity. But when you look at the individuals who own Doe, LLC, indirect ownership is evidenced that when combined with direct ownership, applicable beneficial owners are revealed.

