

## Beneficial Ownership

Beginning in May 2018, it will be mandatory for all financial institutions to comply with a new regulation regarding the disclosure of beneficial ownership of legal entities. This will not impact our consumer customers.

Itasca Bank & Trust Co. will begin collecting beneficial ownership information from its legal entity customers starting May 1, 2018. This means that any time an account is opened or maintained for a legal entity, we will request this information. The required identifying information includes the individual's name, address, date of birth, Social Security number, and a copy of a government issued ID or other information that will help identify those individuals. This information will need to be collected whether or not the person identified is an Itasca Bank & Trust Co. customer.

This information will also be collected for existing legal entity customers who establish new accounts once this new regulation is implemented at Itasca Bank & Trust Co.

We understand the information requested is personal and sensitive; however, we need to obtain this information in order to comply with the law. 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 according to our Information Security Program.

We appreciate your business and are committed to working together to shape your future.

For questions on beneficial ownership, please contact your loan officer or Customer Service at (630)773-0350.

## 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.

- **What does the term “legal entity” mean? What type of businesses will be required to provide ownership information?**

The term “legal entity” includes business customers such as corporations and partnerships, but does not include the following:

- Natural persons
- Sole Proprietorships
- Unincorporated Associations
- Trusts – Other than Statutory Trusts created by state office filing

Charities and non-profit organizations will only be required to provide information on one control person.

- **Why has Itasca Bank & Trust Co. been asked to collect this information?**

As of May 2018, Itasca Bank & Trust Co., 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.

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

*Beneficial Owners:*

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

*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 customer subject to beneficial ownership, you must identify one control person.

**NOTE:** It is possible that the control person may also be a beneficial owner.

- **What if the people who have been identified as beneficial owners or control persons are not customers of Itasca Bank & Trust Co.? Do I still need to provide their personal information to Itasca Bank & Trust Co.?**

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

- **My Itasca Bank & Trust Co. representative has asked me for a Certification of Beneficial Ownership. What is this and why is it necessary?**

All financial institutions are required by law to collect beneficial ownership information on legal entities opening new accounts. By completing the Certification of Beneficial Ownership form, you are attesting that the information provided is accurate to the best of your knowledge.

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

No. This information will not be used for marketing or prospecting purposes. It is required to comply with federal law.

- **I also have personal accounts with Itasca Bank & Trust Co. Will Itasca Bank & Trust Co. also collect beneficial ownership information for my personal accounts?**

No. The current regulation applies to legal entity accounts only.