

Frequently Asked Questions Regarding New Beneficial Ownership Requirements For Legal Entity Customers

On May 5, 2016, the United States Treasury Department issued a rule that requires U.S. financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers (subject to certain exemptions) at the time a new account is opened. Compliance with the rule becomes mandatory on May 11, 2018.

Following are answers to frequently asked questions that you may have. If you have additional questions about these requirements, contact your Relationship Manager.

1. *Why was the rule established?*

The rule was established to help the government fight financial crime. 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.

2. *What are the requirements?*

When a legal entity customer opens a new account on or after May 11, 2018, financial institutions will be required to gather and verify 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 prior to opening the account:

- Each individual, if any, who owns, directly or indirectly, 25 percent¹ or more of the equity interests of the legal entity (e.g., each natural person that owns 25 percent or more of the shares of a corporation); and
- One control person, defined as an individual with significant responsibility for managing the legal entity (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer).

3. *What is considered a “legal entity”?*

For the purposes of this rule, a “legal entity” is defined as a corporation, limited liability company, other entity created by the filing of a public document with a Secretary of State or similar office, a general partnership, and any similar entity formed under the laws of a foreign jurisdiction. The definition also includes limited partnerships, business trusts that are created by a filing with a state office, and any other entity created in this manner. Certain legal entities are exempt from the rule (refer to the following question). “Legal entity” does not include natural persons opening accounts on their own behalf.

¹In some cases, we may request identifying information for each individual, if any, who owns, directly or indirectly, 10% or more of the equity interests of the legal entity.

4. *Are all legal entities subject to the rule?*

No. Certain legal entities are exempt from the rule, including sole proprietorships, unincorporated associations, publicly traded companies, trusts (except business trusts that are created by a filing with a state office), regulated financial institutions (including but not limited to bank/financial holding companies, insurance companies, public accounting firms, and investment companies and advisers), and government departments or agencies.

In addition, certain legal entities are partially exempt from the rule, including charities, non-profit organizations, or other similar organizations that have filed organizational documents with the appropriate state authority; and pooled investment vehicles operated or advised by a financial institution not exempt from the rule (such as certain foreign funds). For these types of legal entities, identifying information must only be gathered for a single individual with significant responsibility for managing the legal entity.

5. *What will be required of me?*

If you open a new account for a covered legal entity on or after May 11, 2018, we will ask you to complete a “Certification Regarding Beneficial Owners of Legal Entity Customers.” 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. person) for applicable beneficial owners prior to opening the account.

We will also require that a copy of a Passport, or any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard, be provided for non-U.S. beneficial owners listed on the form.

6. *If I already have an account with the funds and I open a new account with the same registration, will I be required to provide beneficial ownership information?*

No. However, if you open a new account for a covered legal entity that does not have an existing with the funds, you will still be required to complete a “Certification Regarding Beneficial Owners of Legal Entity Customers” and provide identifying information for applicable beneficial owners.

7. *Are these requirements unique to the Funds?*

No. All covered financial institutions in the United States (including banks and credit unions, brokers or dealers in securities, mutual funds, futures commission merchants, and introducing brokers in commodities) are required to gather beneficial ownership information for legal entity customers opening accounts on or after May 11, 2018.