Examination Procedures

Beneficial Ownership

**Objective:** *Assess the bank’s written procedures and overall compliance with regulatory requirements for identifying and verifying beneficial owner(s) of legal entity customers.*

| **Procedure** | **Comments** |
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| 1. Determine whether the bank has adequate written procedures for gathering and verifying information required to be obtained, and retained (including name, address, taxpayer identification number (TIN), and date of birth) for beneficial owner(s) of legal entity customers who open an account after May 11, 2018.
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| 1. Determine whether the bank has adequate risk-based procedures for updating customer information, including beneficial owner information, and maintaining current customer information.
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| **Transaction Testing** |
| 1. On the basis of a risk assessment, prior examination reports, and a review of the bank’s audit findings, select a sample of new accounts opened for legal entity customers since May 11, 2018 to review for compliance with the Beneficial Ownership Rule. The sample should include a cross-section of account types. From this sample, determine whether the bank has performed the following procedures:
* Opened the account in accordance with the requirements of the Beneficial Ownership Rule (31 CFR 1010.230).
* Obtained the identifying information for each beneficial owner of a legal entity customer as required (e.g. name, date of birth, address, and identification number).
* Within a reasonable time after account opening, verified enough of the beneficial owner’s identity information to form a reasonable belief as to the beneficial owner’s true identity.
* Appropriately resolved situations in which beneficial owner’s identity could not be reasonably established.
* Maintained a record of the identity information required by the Beneficial Ownership Rule, the method used to verify identity, and verification results (31 CFR 1010.230(i)).
* Filed SARs as appropriate.
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| 1. On the basis of the examination procedures completed, including transaction testing, form a conclusion about the adequacy of procedures for complying with the Beneficial Ownership Rule
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