

## **For Immediate Release**

### **For More Information:**

Chandler Owdom

Director, Communications and Strategy

(804) 819-4707

[cowdom@vabankers.org](mailto:cowdom@vabankers.org)

### **New Business Account Opening Procedures at All Banks: What Business Customers Can Expect**

Glen Allen, VA - Virginia bankers strive to make the account opening process easy and efficient for their business customers, so customers need to be aware of upcoming changes to the account opening process that are required by federal regulation.

Beginning on May 11, 2018, all banks, savings associations and credit unions will be subject to a new rule under the Bank Secrecy Act intended to assist the government and law enforcement in the ongoing fight against money laundering and the financing of terrorism. When an account is opened on behalf of a business, or covered “legal entity,” all banks in the United States will be required to ask for certain identifying information (name, address, date of birth, social security number) of the “beneficial owners” of the business. The rule defines a beneficial owner as:

- Each individual that has 25 percent or more of the equity interest in the business; and
- One individual that has the authority to exercise control of the legal entity (such as a CEO, executive officer or treasurer).

Banks may ask for additional documentation to verify the identity of those individuals. All this is required of banks as part of the government’s efforts to fight financial crime and terrorist activities.

As a company, partnership, or organization opens new loan and deposit accounts, or makes changes to existing business accounts, business customers will be required to provide this documentation and certify that the information is true and accurate to the best of the customers’ knowledge. To ensure an efficient account opening experience, contact your bank to find out what information you’ll need to obtain for each of the identified individuals and provide at the time of the account opening.

If a business has a frequent need to open new accounts or obtain loans, the Virginia Bankers Association recommends the business keep this information current and on file for future use.

Bankers are ready to assist with more information and help with this transition. Please contact your bank with additional questions on these new government requirements.

#### *About the Virginia Bankers Association*

Established in 1893, the Virginia Bankers Association is the unified voice for commercial and savings banks in Virginia. The VBA maintains an active legislative advocacy program, provides training to bankers statewide, and provides a variety of products and service to help its member banks best serve their communities. To learn more about the VBA and the VBA Education Foundation click [here](#).

###