



MRIESS@MAT-MGT.COM

We have been serving the precious metals and jewelry industries for 25 years.

We will be here for ongoing advice and to update our AML programs... free of charge.



## Beneficial Owners

Every once in awhile, FinCEN shifts its emphasis on the customer identification information it wants you to collect and maintain. Recently, it has been focusing on the "beneficial ownership" of your customers.

"Beneficial owner" has different meanings to different people. For FinCEN and the Government enforcement agencies, it means the companies and individuals that control your customers' policies and business practices.

There are other definitions that overlap FinCEN's and that give an idea as to information you might fruitfully maintain.

- As a financial term, beneficial owner is the person who enjoys the benefits and risks of ownership even if title is in another name—i.e., **the person who ultimately profits (or loses) even if the owner's identity is immediately not apparent.**
- The SEC definition is **a person that owns 10% to 25% of a company's shares**. That may not put the person in control by FinCEN's standard, but it's certainly an indicator.

FinCEN will be circulating a questionnaire to determine what information precious metals companies gather about beneficial owners in their customer due diligence. Meanwhile, **you might want to check the customer identification sections of your AML plans to be sure beneficial ownership is among the items you collect.** The enforcement bodies are certain to look for it.

*Questions? Do you need to know more about how to set up or improve your anti-money laundering program? Training courses? AML audits? We can help.* And our precious metals and jewelry industry professionals are also accredited by the Association of Certified Anti-Money Laundering Specialists (ACAMS). Call me, Mike Riess, at: (203)661-6715 or reach me by e-mail at: MRIESS@MAT-MGT.COM

To find out more about the Patriot Group of Materials Management Co. and about our AML programs and services, visit our website at: [WWW.MATERIALSMANAGEMENT.NET](http://WWW.MATERIALSMANAGEMENT.NET). There you'll also find the final regulations and a wealth of background information.

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**Watch for future issues of the AML Advisor!**  
**Check past issues at:** [WWW.MATERIALSMANAGEMENT.NET](http://WWW.MATERIALSMANAGEMENT.NET)

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