

Ultimate Beneficial Ownership (UBO's)

“**Beneficial owner**” refers to the natural person(s) who ultimately owns or controls a customer and/or the person on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement. *(FATF definition)*

Regulations 6, 5(b) 5.3.8 A beneficial owner is normally an individual who ultimately owns or controls the customer or on whose behalf a transaction or activity is being conducted. In respect of private individuals the customer himself is the beneficial owner, unless there are features of the transaction, or surrounding circumstances, that indicate otherwise. Therefore, there is no requirement on firms to make proactive searches for beneficial owners in such cases, but they should make appropriate enquiries where it appears that the customer is not acting on his own behalf. *(JMLSG definition)*

What is ultimate beneficial ownership? (Wolfsberg principles)

The term “**beneficial ownership**” is conventionally used in anti-money laundering contexts, to refer to that level of ownership in funds that equates with **control** over such funds **or entitlement to such funds**. “Control” or “entitlement” in this practical sense is to be distinguished from mere signature authority or mere legal title.

The term reflects a recognition that a person in whose name an account is opened with a bank is **not necessarily the person who ultimately controls such funds or who is ultimately entitled to such funds**. This distinction is important because the focus of anti-money laundering guidelines – and this is fundamental to the Guidelines – needs to be on the person who has this ultimate level of control or entitlement. Placing the emphasis on this person is a **necessary step** in determining what the **source of funds is**.

What “beneficial ownership” is intended to mean for purposes of the Guidelines should be seen as dependent on the circumstances of the account involved. The Guidelines, therefore, do not seek to define the term “beneficial ownership” in the abstract; rather, the focus in the Guidelines is on **identifying persons**, in particular circumstances, who should be viewed as having the requisite “**beneficial ownership**”.

Accordingly, Paragraph 1.2.2 of the Guidelines begins with the general statement that beneficial ownership must be established for all accounts, but then qualifies this general principle by elaborating in the particular contexts of (i) natural persons, (ii) legal entities, (iii) trusts and (iv) unincorporated associations.

In the context of private banking relationships – which is what the Guidelines address – it should be noted that in circumstances in which the account holder is not a natural person, the general objective is to identify the natural person(s) who, ultimately, has the requisite beneficial ownership. In other contexts – e.g., business segments in which the clients are operating corporate entities with many shareholders – this objective, of course, would not make sense. *(Wolfsberg definition)*

Q. 2. What does the term “beneficial ownership” mean in the context of natural persons?

A. When a natural person seeks to open an account in his/her own name, the private banker should inquire whether such person is acting on his own behalf. If such person responds affirmatively, then, in the ordinary case, it is reasonable to presume that he/she is the **beneficial owner**.

There are circumstances, however, when this presumption may no longer be reasonable, that is, when “doubt exists” as to whether the apparent account holder is acting on his own behalf. In the client acceptance process, for example, such doubt could arise if there are inconsistencies in the information gathered in the due diligence process. For example, if a prospective client’s explanation as to the source of his/her funds does not, on its face, make sense, further due diligence would be appropriate.

Moreover, after the account has been opened, subsequent activity in the account may become inconsistent with the originally anticipated account activity, in which event, it may be reasonable to revisit the initial presumption that the account holder was acting on his/her own behalf. For example, if it is anticipated that the client, after the account is opened, will have occasional transfers of US \$100,000, and there are suddenly frequent transfers substantially in excess of that amount, further due diligence may be warranted, including further inquiry as to **beneficial ownership**.



Q. 3. What does “beneficial ownership” mean in the context of legal entities?

A. There are situations in which the account holder is a legal entity, but in which it is appropriate, for due diligence purposes, to understand who the beneficial owners of such entity are. For instance, a client of a bank may wish to organize a private holding company as a vehicle to hold assets; there may be advantages for doing so from an estate planning point of view in that corporate ownership of assets may eliminate estate taxes that might otherwise be imposed. Under these circumstances, **the client is the beneficial owner of such company**, and the appropriate due diligence would be done on this client, including background checks and inquiry as to source of funds. If appropriate, the banker should consider identifying **the beneficial owner** by reference to official identity papers.

Of course, in the case of a corporate entity that is a typical operating company with many shareholders, it would make no sense to do due diligence on the shareholders. Indeed, this type of entity would not ordinarily have a relationship with a Private Bank because such a client is institutional or commercial in nature and would presumably have relationships with other business units of the Bank.

There may be situations where there are more than one principal beneficial owner. For instance, a successful entrepreneur may organize a private holding company in which he and his spouse are the shareholders, but in which he is the provider of funds. In this situation, due diligence as to the source of funds should be done on him, not his spouse. It may, however, be appropriate, to engage in some due diligence with respect to the spouse’s background and reputation.

It is appropriate for the private banker to develop an understanding of the company’s structure. In the event, for example, there are shareholders owning a substantial amount of shares who are not related to the apparent provider of funds, the private banker should seek to understand why this is so. Similarly, if there are individuals who are in a position to exert control over the funds held by the company (e.g., directors or persons with power to give direction to the directors), and such individuals are not related to the apparent provider of funds, the private banker should consider why this might be so. In these types of situations, this further inquiry may disclose that the apparent provider of funds is not to be viewed as the beneficial owner with respect to such funds. If so, the focus of due diligence should be redirected to the **beneficial owner**, or indeed, the propriety of opening an account at all may be called into question.

Q. 4. What does “beneficial ownership” mean in the context of trusts?

A. In the typical case, it would be clear which person has “beneficial ownership” for purposes of the Guidelines. For instance, in the case of an industrialist who establishes a trust for the benefit of his wife or minor children, the “beneficial owner” would be the industrialist settlor, namely, the “provider of funds,” as contemplated by Paragraph 1.2.2 of the Guidelines. The appropriate due diligence should be conducted with regard to the industrialist, including background checks and the requisite inquiry as to source of funds. If appropriate, the banker should consider identifying the beneficial owner by reference to official identity papers.

Even though the wife or children have a beneficial interest in the trust, they should not be treated as “beneficial owners” for anti-money laundering purposes. That is, it would not make sense to do due diligence with respect to the wife’s or children’s source of funds, although it may be appropriate to do some due diligence with respect to their background and reputation.

The fact that the settlor is deceased does not preclude the need for due diligence with respect to his/her reputation and source of wealth. In this regard, it is presumptively reasonable to look to the trustee for information regarding the source of wealth, assuming the trustee is reputable.



Q. 5. What does beneficial ownership mean in the context of unincorporated associations and partnerships?

A. Establishing beneficial ownership in the context of unincorporated associations and partnerships generally entails the same principles as discussed above.

Partnerships. Ordinarily, the principal general partners would be considered to be the “principal beneficial owners” for purposes of Paragraph 1.2.2. Again, the focus is on the provider of funds. In the event there are many limited partners having relatively small stakes, there would be no need to do due diligence with respect to them, just as there would be no need to do due diligence on investors in a pooled fund managed by a client of a bank.

Foundations. In some jurisdictions, “foundations” may be used by clients as investment or wealth planning vehicles, much as private holding companies are used for such purposes in other jurisdictions. The private bankers should understand who the founder (typically, the client) is. The private banker should do so even if the identity of the founder (i.e., the source of funds) is not discernible from the public record.

(Wolfsberg AML principles --- See <http://www.wolfsberg-principles.com/faq-ownership.html#2>)

FATF – Recommendations pertaining to beneficial owners

Customer due diligence and record-keeping

5.* Financial institutions should not keep anonymous accounts or accounts in obviously fictitious Names AND should undertake customer due diligence measures, including identifying and verifying their customers, when:

- ❖ establishing business relations;
- ❖ carrying out occasional transactions: (i) above the applicable designated threshold; or (ii)
- ❖ that are wire transfers in the circumstances covered by the Interpretative Note to Special Recommendation VII;
- ❖ There is a suspicion of money laundering or terrorist financing; or
- ❖ The financial institution has doubts about the veracity or adequacy of previously obtained customer identification data.

The customer due diligence (CDD) measures to be taken are as follows:

a) Identifying the customer and verifying that customer’s identity using reliable, independent source documents, data or information.

b) Identifying the **beneficial owner**, and taking reasonable measures to **verify the identity of the beneficial owner** such that the financial institution is satisfied that it knows who the beneficial owner is. For legal persons and arrangements this should include financial institutions taking reasonable measures to understand the ownership and control structure of the customer.

- c) Obtaining information on the purpose and intended nature of the business relationship.
- d) Conducting ongoing due diligence on the business relationship and scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the institution's knowledge of the customer, their business and risk profile, including, where necessary, the source of funds.

Financial institutions should apply each of the CDD measures under (a) to (d) above, but may determine the extent of such measures on a risk sensitive basis depending on the type of customer, business relationship or transaction. The measures that are taken should be consistent with any guidelines issued by competent authorities. For higher risk categories, financial institutions should perform enhanced due diligence. In certain circumstances, where there are low risks, countries may decide that financial institutions can apply reduced or simplified measures.

Financial institutions should **verify the identity** of the customer and **beneficial owner before or during the course of establishing a business relationship or conducting transactions** for occasional customers. Countries may permit financial institutions to complete the verification as soon as reasonably practicable following the establishment of the relationship, where the money laundering risks are effectively managed and where this is essential not to interrupt the normal conduct of business.

Where the financial institution is unable to comply with paragraphs (a) to (c) above, it **should not** open the account, commence business relations or perform the transaction; or should terminate the business relationship; and should consider making a suspicious transactions report in relation to the customer.

These requirements should apply to all new customers, though financial institutions should also apply this Recommendation to existing customers on the basis of materiality and risk, and should conduct due diligence on such existing relationships at appropriate times. *(FATF Recommendation 5)*

Regulation and supervision

23.* Countries should ensure that financial institutions are subject to adequate regulation and supervision and are effectively implementing the FATF Recommendations. Competent authorities should take the necessary legal or regulatory measures to prevent criminals or their associates from holding or **being the beneficial owner of a significant or controlling interest or holding a management function in a financial institution.**

For financial institutions subject to the Core Principles, the regulatory and supervisory measures that apply for prudential purposes and which are also relevant to money laundering, should apply in a similar manner for anti-money laundering and terrorist financing purposes. Other financial institutions should be licensed or registered and appropriately regulated, and subject to supervision or oversight for anti-money laundering purposes, having regard to the risk of money laundering or terrorist financing in that sector. At a minimum, businesses providing a service of money or value transfer, or of money or currency changing should be licensed or registered, and subject to effective systems for monitoring and ensuring compliance with national requirements to combat money laundering and terrorist financing. *(FATF Recommendation 23)*

Transparency of legal persons and arrangements

33. Countries should take measures to prevent the unlawful use of legal persons by money launderers. Countries should ensure that there is adequate, accurate and timely information on the **beneficial ownership and control of legal persons** that can be obtained or accessed in a timely fashion by competent authorities. In particular, countries that have legal persons that are able to issue bearer shares should take appropriate measures to ensure that they are not misused for money laundering and be able to demonstrate the adequacy of those measures. Countries could

consider measures to facilitate **access to beneficial ownership and control information** to financial institutions undertaking the requirements set out in Recommendation 5. (*FATF Recommendation 33*)

34. Countries should take measures to prevent the unlawful use of legal arrangements by money launderers. In particular, countries should ensure that there is adequate, accurate and timely information on express trusts, including information on the settlor, trustee and beneficiaries, that can be obtained or accessed in a timely fashion by competent authorities. Countries could consider measures to facilitate access to beneficial ownership and control information to financial institutions undertaking the requirements set out in Recommendation 5. (*FATF Recommendation 34*)

Recommendation 5 - Interpretative Notes on UBO's

Customer due diligence and tipping off

1. If, during the establishment or course of the customer relationship, or when conducting occasional transactions, a financial institution suspects that transactions relate to money laundering or terrorist financing, then the institution should:

- a) Normally seek to identify and verify the identity of the customer and the **beneficial owner**, whether permanent or occasional, and irrespective of any exemption or any designated threshold that might otherwise apply.
- b) Make a STR to the FIU in accordance with Recommendation 13

CDD for legal persons and arrangements

4. When performing elements (a) and (b) of the CDD process in relation to legal persons or arrangements, financial institutions should:

- a) Verify that any person purporting to act on behalf of the customer is so authorised, and identify that person.
- b) Identify the customer and verify its identity - the types of measures that would be normally needed to satisfactorily perform this function would require obtaining proof of incorporation or similar evidence of the legal status of the legal person or arrangement, as well as information concerning the customer's name, the names of trustees, legal form, address, directors, and provisions regulating the power to bind the legal person or arrangement.

c) Identify the beneficial owners, including forming an understanding of the ownership and control structure, and take reasonable measures to verify the identity of such persons.

The types of measures that would be normally needed to satisfactorily perform this function would require identifying the natural persons with a controlling interest and identifying the natural persons who comprise the mind and management of the legal person or arrangement. Where the customer or the owner of the controlling interest is a public company that is subject to regulatory disclosure requirements, it is not necessary to seek to identify and verify the identity of any shareholder of that company. The relevant information or data may be obtained from a public register, from the customer or from other reliable sources. .

Simplified or reduced CDD measures

9. The general rule is that customers must be subject to the full range of CDD measures, **including the requirement to identify the beneficial owner**. Nevertheless there are circumstances where the risk of money laundering or terrorist financing is lower, where information on the identity of the customer and the beneficial owner of a customer is publicly

available, or where adequate checks and controls exist elsewhere in national systems. In such circumstances it could be reasonable for a country to allow its financial institutions to apply simplified or reduced CDD measures when identifying and verifying the identity of the customer and the beneficial owner.

11. Simplified or reduced CDD measures **could also apply to the beneficial owners of pooled accounts held by designated non financial businesses** or professions provided that those businesses or professions are subject to requirements to combat money laundering and terrorist financing consistent with the FATF Recommendations and are subject to effective systems for monitoring and ensuring their compliance with those requirements. Banks should also refer to the Basel CDD paper (section 2.2.4.), which provides specific guidance concerning situations where an account holding institution may rely on a customer that is a professional financial intermediary to perform the customer due diligence on his or its own customers (i.e. the beneficial owners of the bank account). Where relevant, the CDD Paper could also provide guidance in relation to similar accounts held by other types of financial institutions.

(FATF Recommendation 5)

BASEL COMMITTEE Guidance

Initiatives to combat Money-laundering

Part 2: Sector contributions

This Part contains the contributions from the three Secretariats.

1. Nature of customer relationships and specific vulnerabilities of each sector

Banking

By its nature, because of its ability to move funds rapidly, the banking system is especially vulnerable to money laundering. Customers of the bank include the person or entity that maintains an account with the bank or those on whose behalf an account is maintained (**i.e. beneficial owners**) and the beneficiaries of transactions conducted by professional intermediaries. The account holder can be a customer that does not present himself or herself for interview at the bank (i.e. a non-face-to-face customer) or one introduced to the bank by a third-party. It may also be a legal entity (e.g. corporate, trust) interposed between the ultimate beneficial owners and the bank, or a professional intermediary (e.g. mutual fund, lawyer) depositing funds that it manages for its clients.

Specific activities for which the risk of money laundering is relatively higher are:

___ Customers who use fronts (e.g. trust, corporates, professional intermediaries) to open an account so as to hide their true identities.

___ Private banking operations, which by nature involve a large measure of confidentiality.

___ Customers who are politically exposed persons (PEPs) may significantly raise the potential for reputation risk.

___ Introduced business, where a bank may place undue reliance on the due diligence conducted by an introducer.

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___ Correspondent banking business, especially where banks do not fully understand the nature of the respondent banks' business, or if the respondents are shell banks or located in a jurisdiction which has poor know-your-customer standards.

2. Guidance provided to address vulnerabilities

Banking

The BCBS, in its *Customer due diligence for banks* (CDD) paper in October 2001 issued prudential guidance for CDD which are applicable to AML/CFT. This paper sets out standards and provides guidance for the development of appropriate practices by banks in this area. Adequate due diligence on new and existing customers is a key element. Banks must develop policies and procedures in key areas such as customer acceptance, customer identification, ongoing monitoring of high-risk accounts and risk management. The essential elements for these are presented in this paper, together with recommendations for more rigorous standards of due diligence for higher-risk areas. Specific examples are:

___ Banks should take decisions to enter into business relationships with higher risk customers at the senior management level.

___ Banks should identify the **beneficial owners of all accounts**. Guidance is provided on the persons to be identified where the customer is a non-natural person, such as a trust, corporate, or professional intermediary. If a bank is unable to identify the beneficial owner to its satisfaction, it should refuse the business.

___ Banks should apply enhanced due diligence for private banking operations. There should be policies and procedures for handling banking relationships with PEPs.

___ Banks should use the conditions below when determining whether it can rely on introducers. These conditions also apply to a number of other areas, e.g. to assess whether reliance can be placed on the due diligence performed by professional intermediaries and to respondent banks in a correspondent banking relationship:

___ The introducer complies with the minimum CDD standards required of banks;

___ The CDD procedures of the introducer are as rigorous as those which the bank would have conducted itself for the customer;

___ The bank must satisfy itself as to the reliability of the systems put in place by the introducer to verify the identity of the customer;

___ The bank must reach agreement with the introducer that it will be permitted the right to verify the due diligence undertaken by the introducer; and

___ All relevant identification data and other documentation pertaining to the customer's identity are immediately submitted by the introducer to the bank

___ For correspondent banking, banks should fully understand the nature of the respondent bank's management and business; should refuse to enter into or continue a correspondent banking relationships with foreign shell banks; and should pay particular attention when continuing correspondent banking relationships with respondent banks located in jurisdiction with poor know-your-customer standards.

In addition to customer identification, the CDD paper provides recommendations for:

___ The ongoing monitoring of accounts;

___ Appropriate compliance and internal audit functions within the bank;

___ Application of an accepted minimum standard of KYC policies and procedures on a global basis;

___ Supervisory obligations and powers in the implementation of KYC in a cross-border context.

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Recommendations in the CDD paper have been incorporated into the Methodology, which has become the uniform basis for assessing the implementation of AML/CFT measures in all countries. A main feature in the sector-specific criteria for banks is the level of detail on customer identification, drawn from the CDD paper. They have since been amplified in a special paper on account opening and customer identification procedures that was issued in February 2003 (see section 3) in order to provide banks with detailed guidance on the nature of information that it may be reasonable to request from new customers.

Among the more complex issues addressed by the CDD paper is the identification of **beneficial owners where the customer is a non-natural person** and the criteria for determining when a bank can rely on introducers/intermediaries. Customers who are non-natural.

Securities

Because of the multiplicity of arrangements for the trading and settlement of securities and the patterns of relationships incident to the provision of investment services, across markets and product types domestically, and across jurisdictions, IOSCO has not sought to develop a single AML/CFT system that could be made applicable to the securities sector internationally. Rather, IOSCO has adopted a high level principle that regulators should require market intermediaries to have in place policies and procedures designed to minimise the risk of the use of an intermediary's business as a vehicle for money laundering.³ Thus, IOSCO has left it to its individual members to develop the specific requirements relating to an effective AML/CFT regime within their respective jurisdictions.

However, numerous IOSCO reports and resolutions bear on the implementation of an AML/CFT scheme by national securities regulators. The IOSCO Technical Committee issued an initial "Report on Money Laundering" in 1992 which, among other things, discusses the significance of the original FATF 40 Recommendations to the securities industry. Moreover, while not specifically directed at the prevention of money laundering, many of the regulatory mechanisms and procedures that have been instituted in the securities industry to accomplish the objectives of securities regulation can be and are, in practice, used to aid in investigations of money laundering. A number of IOSCO reports and resolutions bear on issues relating to the **beneficial ownership** of positions and customer identification, particularly the Resolution on Principles for Record-keeping, Collection of Information,

Because of the approach outlined above, the AML/CFT regimes adopted nationally by IOSCO's members or voluntarily adopted by investment services providers in particular jurisdictions are not entirely uniform. At the same time, certain characteristics are common. An AML/CFT regime of an investment services provider generally consists of CDD requirements and other internal controls and procedures. CDD generally is conducted by the investment service provider who has the direct relationship with the customer. Investment services providers also generally adopt other internal controls to address the risks that their business will be used as a vehicle for money laundering. Appropriate internal controls include the adoption of a written internal policy regarding the prevention of the use of the firm for money laundering, the establishment of management controls to prevent the involvement of the firm in money laundering schemes, and due diligence programs and contractual methods for the firm to be able to obtain the kinds of client identification information that it and its regulatory authority may require.

JMLSG – Guidance pertaining to beneficial ownership

3.20 In most cases, before deciding to make a report, the nominated officer is likely to need access to the firm's relevant business information. A firm should therefore take reasonable steps to give its nominated officer access to such information. Relevant business information may include details of:

- the financial circumstances of a customer or **beneficial owner**, or any person on whose behalf the customer has been or is acting; and
- the features of the transactions, including, where appropriate, the jurisdiction in which the transaction took place, which the firm entered into with or for the customer (or that person).

Regulation 5(1) 5.1.5 The CDD measures that must be carried out involve:

- (a) identifying the customer, and verifying his identity (see paragraphs 5.3.2ff);

(b) identifying the **beneficial owner**, where relevant, and verifying his identity (see paragraphs 5.3.8ff); and

(c) obtaining information on the purpose and intended nature of the business relationship (see paragraphs 5.3.21ff).

Regulation 5(b) 5.1.6 Where the customer is a legal person (such as a company) or a legal arrangement (such as a trust), part of the obligation on firms to identify any **beneficial owner** of the customer means firms taking measures to understand the ownership and control structure of the customer.

5.1.7 Working out who is a **beneficial owner** may not be a straightforward matter. Different rules apply to different forms of entity (see paragraphs 5.3.8ff).

Regulation 9(2) 5.2.2 **General rule:** The verification of the identity of the customer and, where applicable, the **beneficial owner**, must, subject to the exceptions referred to below, take place before the establishment of a business relationship or the carrying out of an occasional transaction.

Regulation 9(3) 5.2.5 **Exception if necessary not to interrupt normal business and there is little risk:** In any other case, verification of the identity of the customer, and where there is one, the **beneficial owner**, may be completed during the establishment of a business relationship if

- (a) this is necessary not to interrupt the normal conduct of business and
- (b) there is little risk of money laundering or terrorist financing occurring provided that the verification is completed as soon as practicable after the initial contact.

5.3 Application of CDD measures

Regulation 5(1) 5.3.1 Applying CDD measures involves several steps. The firm is required to identify customers and, where applicable, **beneficial owners**. It must then verify these identities. Information on the purpose and intended nature of the business relationship must also be obtained

Regulations 6, 5(b) 5.3.8 A **beneficial owner** is normally an individual who ultimately owns or controls the customer or on whose behalf a transaction or activity is being conducted. In respect of private individuals the customer himself is the **beneficial owner**, unless there are features of the transaction, or surrounding circumstances, that indicate otherwise. Therefore, there is no requirement on firms to make proactive searches for **beneficial owners** in such cases, but they should make appropriate enquiries where it appears that the customer is not acting on his own behalf.

5.3.9 Where an individual is required to be *identified* as a **beneficial owner** in the circumstances outlined in paragraph 5.3.8, where a customer who is a private individual is fronting for another individual who is the **beneficial owner**, the firm should obtain the same information about that **beneficial owner** as it would for a customer. For identifying **beneficial owners** of customers other than private individuals see paragraphs 5.3.115 onwards.

Regulation 5(a) and (b) 5.3.10 The *verification* requirements under the ML Regulations are, however, different as between a customer and a **beneficial owner**. The identity of a customer must be verified on the basis of documents, data or information obtained from a reliable and independent source. The obligation to verify the identity of a **beneficial owner** is for the firm to take risk-based and adequate measures so that it is satisfied that it knows who the **beneficial owner** is. It is up to each firm whether they make use of records of **beneficial owners** in the

public domain (if any exist), ask their customers for relevant data or obtain the information otherwise. There is no specific requirement to have regard to particular types of evidence.

5.3.11 In lower risk situations, therefore, it may be reasonable for the firm to be satisfied as to the **beneficial owner's** identity based on information supplied by the customer. This could include information provided by the customer (including trustees or other representatives whose identities have been verified) as to their identity, and confirmation that they are known to the customer. While this may be provided orally or in writing, any information received orally should be recorded in written form by the firm.

Regulation 6 5.3.12 The ML Regulations require that **beneficial owners** owning or controlling more than 25% of body corporates, partnerships or trusts are identified, and that risk-based and adequate measures are taken to verify their identities.

Regulation 6(3)(b) 5.3.13 In some trusts and similar arrangements, instead of being an individual, the **beneficial owner** is a class of persons who may benefit from the trust (see paragraphs 5.3.183ff). Where only a class of persons is required to be identified, it is sufficient for the firm to ascertain and name the scope of the class. It is not necessary to identify every individual member of the class.