Anti Money Laundering Exam Answers

Section: Certified Anti Money Laundering Specialist Exams • **Total Questions:** 10 • **Format:** Verified Q&A

1. Which regulatory bodies cooperate when dealing with cross-border suspicious or unusual financial activity investigations?

(A) European Commissions
(B) Wolfsberg Groups
(C) Financial Action Task Forces
(D) Financial Intelligence Units

2. Which principle about safeguarding privacy and data should an auditor adhere to when performing an AML investigation?

(A) Countries should clarify where AML and Data Protection/Privacy laws are not balanced.
(B) During evidence gathering, privacy laws are less important than local AML laws.
(C) Terrorist financing is more relevant in the context of data protection and supersedes laws.
(D) AML and Data Protection/Privacy laws should not be mutually exclusive.

3. Which key metric would provide the most valuable data to the senior management of a financial institution about the effectiveness of its AML controls?

(A) The number of money laundering alerts generated by the watchlist screening system
(B) The ratio of true positives to false positives generated by the automated monitoring system
(C) The number of high-risk customers onboarded each month
(D) The number of clients exited for commercial reasons

4. In which of the following situations would it be most crucial for the designated AML compliance officer of a company to perform a complete review of the company's AML program, including identifying the risks and commensurate controls?

(A) Extensive AML legislation is proposed by a legislative body in the company's jurisdiction
(B) An external audit highlights several deficiencies
(C) A high-profile money laundering case involving another industry is publicized
(D) The company is merging with or acquiring another entity

5. What should a financial institution do when it receives a subpoena for information on a client's account?

(A) adjust the client's risk score and close the case.

(B) file a suspicious activity report (SAR), including the receipt of the subpoena in the SAR narrative.

(C) close the client's account by informing the client of the subpoena.

(D) perform a transaction review and respond fully to the subpoena.

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6. A legal instrument which is executed between two nations and governs cross-border information sharing is known as a:

(A) Memorandum of agreement

(B) Declaration of understanding

(C) Mutual legal assistance treaty

(D) Request for urgent information

(E) Memorandum of understanding

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7. An agent of a wealthy individual residing in Country A, which is on the EU list of high-risk third jurisdictions, approaches a notary in Country B, which is in the EU. The agent wants to complete a disposal of assets recently acquired at auction by the wealthy individual through an offshore company. The agent also has a power of attorney to act on behalf of the offshore company issued by a respectable law firm from country C, which is also in the EU. The agent asks the notary to proceed with the disposal as quickly as possible without paying any specific attention to related costs or taxes to be paid as a result of this transaction. The notary notices the intended transfer price is significantly lower than the one recorded at auction, but the agent does not want to discuss this matter and claims that it is not covered by the power of attorney.Which red flags should the notary consider? (Select Two.)

(A) The agent requested a disposal of assets at a lower price than recently acquired.

(B) The agent acted on behalf of an individual residing in a country which is on the EU's list of high-risk jurisdictions.

(C) The power of attorney was issued by a law firm in a different EU country from where the transaction took place.

(D) The assets acquired through an auction were put in the name of an offshore company.

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8. The Wolfsberg Group's 2012 'Principles for Private Banking' established that:

(A) private banks need to better coordinate and align their global AML control environment strategies.

(B) risk based approaches are insufficient to address the heightened risk presented through private banking.

(C) due diligence requirements for private banking customers are necessary to prevent predicate offenses.

(D) private banks agree that transparency of client beneficial ownership is necessary and appropriate.

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9. Which of the following are red flags pertaining to potentially suspicious transactions by a customer?

(A) A customer deposits a large number of consecutively numbered money orders

(B) A customer has regular deposits and withdrawals primarily in wire transfers

(C) A customer requests loans made to local companies or secured by obligations of local banks

(D) A customer receives wire transfers from different unknown accounts which are immediately wired onwards to a third party

(E) A customer withdraws cash in amounts just under the reporting threshold

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10. Which of the following is a red flag for potential money laundering in a casino?

(A) A customer exchanges large amounts of cash for chips and leaves without gambling

(B) A customer uses a credit card to purchase chips

(C) A customer wins a large jackpot and requests a bank transfer

(D) A customer frequents the casino with a known source of income