Anti Money Laundering Online Exam

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

1. The Basel Committee on Banking Supervision published guidelines on the 'Sound management of risks related to money laundering and financing of terrorism.' With regard to identifying and accepting customers, it recommends that banks:

(A) Are prohibited from offering numbered accounts to customers, even if procedures are established to gather and maintain due diligence information

(B) Establish policies and procedures that encourage processing transactions while due diligence information is being established and verified

(C) Establish policies and procedures to identify and verify customers, beneficial owners, and any individuals that can transact on behalf of their customers

(D) Establish policies and procedures for customer due diligence that vary based on risk

(E) Establish policies and procedures to ensure due diligence activities are identical for all customers

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2. A bank organized under foreign law and located outside of the US maintains a correspondent banking relationship with a US-based bank to handle financial transactions in US dollars for its clients. In compliance with the USA PATRIOT Act of 2001, all US banks and broker-dealers in securities must obtain a signed certification from all non-US foreign bank clients conducting business with them. What information does the USA PATRIOT Act of 2001 require the foreign bank to certify to the US bank? (Select Three.)

(A) The foreign bank will not allow indirect use of the correspondent bank accounts by Politically Exposed Persons (PEPs)

(B) The ownership details of the foreign bank

(C) The jurisdictions in which the foreign bank maintains a physical presence

(D) The foreign bank's operations will be limited to the country of incorporation

(E) The foreign bank will not allow indirect use of the correspondent bank accounts by shell banks

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3. What is a name for this typology?

(A) Bid-ask spread

(B) Reverse flip

(C) Wash trading

(D) Short position

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4. Which suspicious activity may be the strongest indicator of money laundering through a casino?

(A) A privately held company originates funds transfers through the casino into the betting accounts of multiple patrons.

(B) A patron requests the casino to transfer their winnings to another gambling operator.

(C) A patron purchases a large amount of chips at a blackjack table using cash.

(D) A patron routinely places multiple bets on the same sporting events.

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5. Which should be provided to the board of directors or designated specialized committee when preparing suspicious activity reports (SARs)?

(A) Names of all customers subject to SARs filed during the reported period

(B) All possible details of SARs filed during the reported period

(C) Copies of all SARs filed during the reported period

(D) Statistical data regarding SARs filed during the reported period

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6. What are the rules imposed by the Office of Foreign Assets Control (OFAC) for legal entities and persons related to the US? (Select Two.)

(A) Nationals of the US must comply with OFAC rules, regardless of where they are located in the world.

(B) Any foreign corporation is also penalized if it conducts transactions with sanctioned countries under OFAC rules.

(C) A subsidiary of a legal entity of the US, which is formally registered in a foreign country, is exempt from OFAC rules.

(D) A foreign individual visiting the US for a short vacation is obligated to follow OFAC rules.

(E) The head office of a foreign legal entity which has a branch in the US does not need to comply with OFAC rules.

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7. Which statement regarding data privacy is the most accurate in the context of AML investigations?

(A) FIUs should document purposes for which personal data included on suspicious activity reports may be shared with other agencies.

(B) Any customer that is the subject of a suspicious report filing has the right to request redaction of their personal data.

(C) Data privacy laws prohibit information sharing between financial institutions for the purposes of AML investigations in all jurisdictions.

(D) Organizations are required to demonstrate that customers have opted into information sharing before submitting suspicious activity reports to relevant financial intelligence units (FIUs).

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8. Which of the following measures is one that the FATF recommends that Financial Institutions and Designated Non-Financial Businesses and Professions (DNFBP) take to mitigate risks arising from business relationships with foreign politically exposed persons (PEPs)?

(A) Subscribe to commercial databases to assist in the detection of PEPs

(B) Require approval from the prudential regulator for entering into or continuing the business relationship

(C) Raise transaction monitoring thresholds for PEP accounts in automated systems to account for higher transaction values and complex legal vehicles and financial structures

(D) Establish processes to understand the PEP's source of wealth and the source of funds, and to refresh that understanding on a regular basis

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9. Which of the following activities is most likely to be associated with trade-based money laundering?

(A) Frequent deposits of small cash amounts into a personal account

(B) Over- or under-invoicing in international trade transactions

(C) Regular wire transfers to a known charity organization

(D) Purchasing luxury goods with a credit card

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10. A US bank recently received a regulatory order to remediate its AML programs, which included several violations of law. What degree of accountability is it possible for the bank's senior management and employees to face?

(A) The bank's designated AML compliance officer is the only individual in the company's senior management team that can face personal liability for violation of AML laws.

(B) The bank's designated AML compliance officer and senior management can face civil prosecution but not criminal prosecution for violation of AML laws.

(C) The bank's designated AML compliance officer and senior management may face personal liability if they failed to take actions while aware of AML violations at the bank.

(D) The bank's designated AML compliance officer is likely to face criminal prosecution because the bank received a regulatory order.