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NEW QUESTION: 1

A compliance officer is completing a case and has determined that the events do not merit filing a suspicious activity report (SAR).

Which of the following should be included in the case notes to justify not filing a SAR? (Choose two.)

A. Who made the decision not to file the SAR

B. Why the officer deemed that the case did not merit filing a SAR

C. How much money was involved in the case

D. How the money flowed through the institution

E. When the unusual activity occurred

Answer: A,B (LEAVE A REPLY)

Case notes should document who made the decision and the rationale for not filing the SAR to ensure transparency, support auditability, and demonstrate compliance with regulatory expectations.

NEW QUESTION: 2

As emphasized in the Basel Committee guidance for "Sound management of risks related to money laundering and financing of terrorism", the third line of defense, or audit function, should:

A. Be involved in the day-to-day operations of the AML program to immediately prevent control failures.

B. Report to the audit committee of the board of directors to maintain independence.

C. Remain independent from expressing opinions on the sufficiency of remediation or action plans to address findings and recommendations.

D. Conduct AML audits no less often than every 12 months for consistency in annual reporting.
Answer: C (LEAVE A REPLY)

NEW QUESTION: 3
The UN Security Council's primary role in imposing sanctions is that it has the authority to:
A. impose sanctions lo maintain of restore international peace and security
B. impose sanctions on countries that lack AML/CFT controls.
C. conduct research on and analyze the impacts of sanctions to improve the effectiveness of sanctions regimes.
D. impose sanctions on economic targets to maintain or restore financial stability within a country.
Answer: (SHOW ANSWER)
The UN Security Council has the authority to impose sanctions specifically to maintain or restore international peace and security.

NEW QUESTION: 4
The degree of attraction that a company holds to criminal organizations is influenced by the (Select Two.)
A. amount of annual fees associated with the jurisdiction.
B. permissibility of bearer shares.
C. rules governing the disclosure of beneficial ownership by the jurisdiction.
D. ease of travel to the jurisdiction.
Answer: B,C (LEAVE A REPLY)
The susceptibility of a company or jurisdiction to ML/TF abuse is significantly increased by:
* Permissibility of bearer shares (B):"Bearer shares make it easy to hide ownership and control, presenting a major risk for misuse by criminals."(CAMS 6th Edition, Beneficial Ownership and Company Transparency)
* Rules governing the disclosure of beneficial ownership by the jurisdiction (C):"Weak requirements or loopholes in beneficial ownership disclosure are frequently exploited to conceal criminal involvement in corporate structures."(CAMS 6th Edition, Chapter: Legal Persons and Arrangements) Incorrect Options:
* A: High or low fees are not a significant ML/TF risk driver.
* D: Ease of travel is unrelated to ML/TF risk related to company structures.
References:
CAMS 6th Edition, Beneficial Ownership and Transparency
FATF Recommendations 24, 25

NEW QUESTION: 5

An AML analyst at a financial institution is examining an alert generated by the automated transaction monitoring system to determine whether the alert should be escalated to the AML unit for further investigation or whether it can be archived as a false positive.
Which action might be reasonable for the AML analyst to take?

A. Restrict the client's access to the account

B. Send a request for information to the counterparty bank involved in the transaction that caused the alert

C. Perform below-the-line testing to ensure the automated monitoring system is operating effectively

D. Request information from the relationship manager assigned to the account that caused the alert

Answer: (SHOW ANSWER)

NEW QUESTION: 6

Which risk factors are associated with acquiring and servicing the banking activities of customers considered higher risk for financial crime activities? (Select Three.)

A. Operational risk

B. Reputational risk

C. Compliance risk

D. Lending risk

E. Sanctions risk

Answer: (SHOW ANSWER)

NEW QUESTION: 7

An EU Trust and Company Service Provider analyst notices some unusual activity while looking through a customer's financial statements and detailed general ledger. The customer is in the business of importing and exporting machineries.
Which transaction indicator warrants further escalation to the compliance officer?

A. The payment of virtual offices services overseas

B. The payment of company secretarial retainer fees to a foreign company in a tax-efficient jurisdiction

C. The payment of consultancy fees to unrelated companies and service providers established in a foreign jurisdiction

D. Inter-company loans from the holding company to the subsidiary company to finance the shipment of machinery

Answer: B (LEAVE A REPLY)

NEW QUESTION: 8

Which statement best describes an organizational challenge for law enforcement agencies and Financial Intelligence Units (FIUs) when conducting cross-border money laundering (ML) investigations?

A. Defining a common communication approach and language between all involved parties.
B. Delays in the investigation due to a foreign FIU awaiting the results of queries performed by third parties.
C. Conducting an investigation in all countries through which ML funds were transferred when one or more of the countries do not have an FIU.
D. Investigations which involve high-ranking politicians, who often have influence over the local FIU.
Answer: C (LEAVE A REPLY)
One of the biggest organizational challenges for law enforcement agencies and Financial Intelligence Units (FIUs) in cross-border money laundering (ML) investigations is dealing with jurisdictions that do not have an FIU or lack proper AML enforcement structures. When funds are transferred through countries without effective AML frameworks, it becomes difficult to trace, freeze, or recover illicit assets.
Key challenges include:
Lack of mutual legal assistance agreements (MLAs), which slows down or prevents information-sharing.
Weak AML regulations in some countries, making it easier for criminals to exploit financial systems.
Jurisdictional conflicts, as different countries have different legal definitions and enforcement mechanisms for money laundering.

NEW QUESTION: 9
An adequate organizational policy is: (Choose two.)
A. up to date and reflects all relevant regulatory developments
B. signed off by the board of directors and regulators
C. approved by the clients and third parties
D. clearly communicated and understood by staff
Answer: (SHOW ANSWER)
An adequate organizational policy must be up to date with all relevant regulatory developments to remain compliant, and it must be clearly communicated and understood by staff to ensure proper implementation and adherence.

NEW QUESTION: 10
Which non-governmental bodies typically issue information and guidance related to AML/CFT issues?
(Choose two.)
A. Wolfsberg Group
B. Transparency International
C. Financial Action Task Force (FATF)
D. Tax Justice Network

Answer: (SHOW ANSWER)
The Wolfsberg Group and Transparency International are non-governmental organizations that provide information and guidance on AML/CFT matters, helping institutions and policymakers strengthen financial crime prevention practices.

NEW QUESTION: 11
The Office of Foreign Assets Control (OFAC) is responsible for:
A. Ensuring an effective export control and treaty compliance system
B. Administering and enforcing economic and trade sanctions
C. Designating jurisdictions as primary money laundering concerns
D. Managing trade agreements between the US and foreign countries
Answer: B (LEAVE A REPLY)
The Office of Foreign Assets Control (OFAC), part of the U.S. Department of the Treasury, is responsible for theadministration and enforcement of economic and trade sanctions.
These sanctions are based on U.S.
foreign policy and national security objectives and target:
Foreign countries and regimes
Terrorist organizations
Narcotics traffickers
Individuals and entities engaged in activities related to the proliferation of weapons of mass destruction OFAC acts under various authorities, including national emergency powers granted by the President and specific legislation. One of its primary tools is theSpecially Designated Nationals(SDN) List, which identifies individuals and entities whose assets are blocked and with whom U.S. persons are generally prohibited from dealing.
It is important to note that OFAC is not responsible for designating jurisdictions as primary money laundering concerns (a task handled by FinCEN under Section 311 of the USA PATRIOT Act), nor does it manage trade agreements.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter: U.S. Regulatory Framework - Section:
Office of Foreign Assets Control (OFAC)

NEW QUESTION: 12
Which of the following risk factors are considered by many supervisory authorities as representing a higher inherent risk associated with MSBs? (Select Two.)
A. The use of new technologies to facilitate the onboarding of customers remotely
B. The prevalence of international wire transfers
C. Domestic business with small and medium-sized enterprises
D. The cash-intensive nature of the services offered
E. The use of digital channels and traceable payment methods
Answer: (SHOW ANSWER)

Money Services Businesses (MSBs)are commonly recognized by regulatory and supervisory authorities as havinghigher inherent AML/CFT risk, particularly due to certain business characteristics.

Option B - The prevalence of international wire transfers:

MSBs often facilitatecross-border transactions, which present a higher money laundering and terrorist financing risk due to challenges in verifying customer identity, the origin of funds, and the end destination- especially when dealing with higher-risk jurisdictions.

Option D - The cash-intensive nature of the services offered:

Many MSBs deal primarily incash, which increases the risk ofanonymous transactionsandfunds layering, making it harder to trace illicit activity. Cash is the most vulnerable medium for placement of illicit funds into the financial system.

Option AandOption E, while involving modern technologies,can actually reduce riskwhen implemented with proper controls (e.g., secure digital onboarding and traceable payments enhance auditability).

Option Cdoes not in itself signal high AML risk unless combined with other red flags.

Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Industry-Specific Risks-Section:Money Services Businesses (MSBs) and Their Risk Characteristics

NEW QUESTION: 13

In order to prevent financial crime risk, the implemented policies, controls, and procedures must:

A. include sophisticated and automated controls that use the newest types of technology available (for example, artificial intelligence (AI) and machine learning).

B. be proportionate with regard to the size and nature of the firm, approved by senior management, and regularly reviewed

C. be completed by the business and validated by an external firm (for example, an auditing or consulting firm)

D. be created approved, and owned only by the First Line of Defense business team, and reviewed annually

Answer: B (LEAVE A REPLY)

Policies, controls, and procedures must be proportionate to the size and nature of the firm, approved by senior management, and regularly reviewed to ensure they remain effective in preventing and mitigating financial crime risk while aligning with regulatory expectations.

NEW QUESTION: 14

A bank received a subpoena regarding one of its clients. The financial intelligence unit of the bank should review the subpoena and:

A. Adjust the client's risk score and close the case.

B. Perform a transaction review and respond fully to the subpoena.

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

D. Close the client's account by informing the client of the subpoena.
Answer: B (LEAVE A REPLY)

NEW QUESTION: 15
According to the Financial Action Task Force (FATF) methodology, which situations would require a financial institution (FI) to consider filing a suspicious activity report?
A. A FI identifies the payer is a dealer in precious metals or stones.
B. A transaction involves funds exchanged from crypto to fiat currencies.
C. A beneficiary of a transaction is a politically exposed person.
D. A FI is unable to verify the relevant customer due diligence documents.
Answer: (SHOW ANSWER)

NEW QUESTION: 16
The manager of a bank's KYC team discovers that a high-risk customer's activity was not reviewed last quarter as the bank's internal schedule required.
What should the KYC team manager do?
A. Contact the customer's relationship manager to suspend account access until the periodic KYC review is completed
B. Remove the customer from the bank's high-risk list
C. Evaluate the KYC review process to understand why the review did not occur as required and take corrective action as necessary
D. Submit a referral to file a suspicious activity report (SAR)
Answer: C (LEAVE A REPLY)

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NEW QUESTION: 17
An organization is developing a comprehensive anti-money laundering (AML) framework. Which of the following statements best describes the relationship between AML policies and procedures?
A. Policies are broad guidelines. Procedures are detailed instructions for specific processes. Only procedures are mandatory for knowledge and adherence.
B. Policies define the principles of an organization and influence the drafting of procedures. Procedures are detailed instructions for specific processes.

C. Policies are detailed instructions for specific processes. Procedures are an overarching framework.
Neither policies nor procedures are mandatory for knowledge and adherence.
D. Policies are detailed instructions for specific processes. Procedures are an overarching framework. Both policies and procedures are mandatory for knowledge and adherence.
Answer: B (LEAVE A REPLY)
Policies outline the guiding principles and objectives of an organization's AML framework, setting the tone for compliance. Procedures translate these policies into detailed, actionable steps that staff must follow. Both are essential for effective AML compliance.

NEW QUESTION: 18
Beyond the physical and mental harm caused to individuals, which of the following problems can be linked to significant costs from unregulated online gambling and gaming?
A. Economic and societal
B. Political and regulatory
C. Governance and compliance
D. Sectoral and jurisdictional
Answer: A (LEAVE A REPLY)
Unregulated online gambling and gaming can lead to significant economic and societal costs, including increased crime, financial distress, addiction, and strain on public health and social services. These impacts extend beyond individual harm and affect communities and national economies.

NEW QUESTION: 19
Which of the following entities could potentially pose a higher money laundering risk and require additional review prior to onboarding? (Select Two.)
A. A large multinational corporation with extensive, documented wire transfer activity
B. A local convenience store that replenishes the onsite automated teller machine (ATM) with cash from its till
C. A local used car sale lot that allows individuals to pay their monthly bill in cash
D. A virtual asset service provider (VASP), facilitating peer-to-peer cryptocurrency transactions
Answer: C,D (LEAVE A REPLY)
Higher-risk customer profilesoften include businesses that:
Regularly handle large volumes of cash
Operate in sectors withhistorical vulnerabilities to money laundering
Are involved invirtual assets or unregulated financial activities
Option C - A local used car sale lot that allows cash payments:
This business type is consideredcash-intensive, and accepting monthly payments in cash raises concerns about the source of funds, potential structuring, or placement of illicit proceeds.

Option D - A Virtual Asset Service Provider (VASP):
VASPs involved inpeer-to-peer crypto transactionspresent elevated AML risks due to theanonymity, speed, and borderless natureof virtual assets. These institutions are often subject toenhanced due diligence requirements.
Option Ais incorrect: A large multinational with documented transactions and transparency typically poseslower inherent risk, though still subject to review.
Option Bmay be reviewed, buton-site ATM replenishment using store cashis not automatically a red flag without other risk indicators.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Customer Risk Profiling- Section:Higher- Risk Business Types and Entities

NEW QUESTION: 20
Which of the following is one of the pillars of the EU AML Package adopted in June 2024?
A. Digital Operational Resilience Act
B. Anti-Corruption Directive
C. EU AML Regulation
D. 7th AML Directive
Answer: C (LEAVE A REPLY)
One of the central pillars of the EU AML Package adopted in June 2024 is theEU AML Regulation. This regulation introduces directly applicable AML/CFT rules across all EU member states, replacing the previous approach where AML directives were transposed into national laws. This shift addresses regulatory fragmentation and strengthens enforcement across borders.
The complete AML Package includes the following four pillars:
EU AML Regulation (directly applicable rulebook)
6th AML Directive (not the 7th)
Establishment of a new EU Anti-Money Laundering Authority (AMLA)
Revised Transfer of Funds Regulation, especially concerning crypto-asset service providers The EU AML Regulation aims to unify and streamline the application of AML/CFT measures across the EU, ensuring a consistent and effective framework.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter: International AML Standards - Section:
European Union AML Framework and Developments

NEW QUESTION: 21
Who bears the ultimate responsibility for approving a financial institution's relationship with a politically exposed person?
A. Senior management
B. KYC analyst
C. Relationship manager
D. Enhanced due diligence compliance officer

Answer: A (LEAVE A REPLY)

NEW QUESTION: 22

How should risk-related issues be addressed to ensure the effectiveness of the three lines of defense model?

A. Delegate some risk-related issues to the first line to avoid overwhelming the second line and to ensure operational efficiency

B. Assign risk-related oversight duties to the third line to provide an independent review and address issues more effectively by avoiding conflicts of interest in the first and second lines

C. Have senior management handle risk-related issues directly when possible because they are ultimately responsible for the organisation's overall risk management strategy

D. Ensure that the second line reviews, monitors, and escalates risk-related issues as needed to senior management while maintaining independent oversight from the third line

Answer: D (LEAVE A REPLY)

NEW QUESTION: 23

Which risk factors should a financial institution (FI) examine for a new corporate customer intending to open a new bank account? (Select Three.)

A. The identity of senior managing officials and all individuals authorized to operate the account

B. The country or location where the customer is from or conducts business

C. All the financial institutions where the new customer currently banks or banked previously

D. The employment profiles and information of all employees of the new customer

E. The type of business the corporate customer is engaged in

Answer: A,B,E (LEAVE A REPLY)

NEW QUESTION: 24

Financial crime risk related to the use of "hawalas" can stem from: (Choose two.)

A. remote verification of identity by third-party program managers

B. heavy usage by senior political figures.

C. heightened risks of returned transactions.

D. informal networks used for cross-border transactions outside of the formal banking system

E. difficulty in tracking the originator recipient, and source of transactions.

Answer: D,E (LEAVE A REPLY)

Hawala operatives rely on informal networks outside the regulated banking system, allowing funds to move across borders without the usual AML controls.

Because hawala transactions are settled on trust rather than recorded through formal channels, it's often impossible to trace who originated or ultimately received the funds.

NEW QUESTION: 25
What should a financial institution (FI) do in response to a formal law enforcement request to produce documents?
A. Designate a person responsible for the internal investigation in preparation of documents for the request
B. Keep senior management informed at all times to strategically organize a defense to terminate the law enforcement request
C. Verify the officer's identification and ask for the law enforcement request to be served when the Chief Executive Officer is available to sign for it
D. Ask for an extension to review the FI's privacy policy and confidentiality policy before providing any information under the law enforcement request
Answer: A (LEAVE A REPLY)

NEW QUESTION: 26
According to the Basel Committee principles, which actions would make a customer identification program at a bank more robust? (Select Two.)
A. Verifying the identity of a customer with reputable online source documentation
B. Understanding why a customer has selected a particular financial institution for banking
C. Limiting the online activities of a new customer during the first two months
D. Understanding the nature and purpose behind a new business opening an account at the bank
Answer: B,D (LEAVE A REPLY)

NEW QUESTION: 27
The law enforcement agency (LEA) of a foreign jurisdiction contacts a financial institution (FI) regarding one of the FI's clients. The LEA advises that the client is currently wanted for prosecution as a result of a series of human trafficking charges.
What should the FI do? (Select Two.)
A. Comply immediately with the foreign jurisdiction and turn over all client information
B. Review the client's activity, determine if suspicious activity exists, and report accordingly
C. Advise the LEA that the government needs to be contacted for extradition
D. Inform local LEA and regulator of the request for awareness
E. Close the client's accounts immediately to avoid any undue risk
Answer: (SHOW ANSWER)

NEW QUESTION: 28
Which of the following are common indicators of possible money laundering within the securities industry?
(Choose two.)
A. Using brokerage accounts like deposit accounts

B. Receiving securities into an existing brokerage account following the death of a spouse
C. Allowing fixed income securities to mature
D. Engaging in transactions involving nominees or third parties
Answer: A,D (LEAVE A REPLY)
Using brokerage accounts like deposit accounts (e.g., frequent cash deposits or withdrawals) and conducting transactions through nominees or third parties are common red flags in the securities industry. These behaviors can obscure the origin or ownership of funds and are often used to facilitate money laundering.

NEW QUESTION: 29
Which regulatory bodies cooperate when dealing with cross-border suspicious or unusual financial activity investigations?
A. European Commissions
B. Wolfsberg Groups
C. Financial Intelligence Units
D. Financial Action Task Forces
Answer: C (LEAVE A REPLY)

NEW QUESTION: 30
Which statement best describes a key money laundering risk associated with virtual asset service providers (VASPs), cryptoassets, and related products?
A. Cryptoassets can be transferred across borders quickly, but the volatility of their value still makes them less attractive for money laundering compared to traditional assets
B. Mandatory reporting requirements have been implemented for certain types of crypto transactions, but gaps in regulation and enforcement still leave room for money laundering activities.
C. The transparency of blockchain technology helps law enforcement trace transactions, but it can also provide criminals with ways to obscure their financial activities through complex layering techniques.
D. The pseudonymous nature of transactions allows criminals to hide their identities while transferring large sums of money globally, making it difficult to trace the ultimate beneficial owner.
Answer: D (LEAVE A REPLY)
The pseudonymous nature of cryptoasset transactions enables criminals to transfer large sums globally while concealing their identities. This lack of transparency poses a significant money laundering risk, as it hinders efforts to trace the ultimate beneficial owner.

NEW QUESTION: 31

The relationship manager in the corporate banking department at a bank is required to take specialized AML training tailored to the risks the department is most likely to encounter.
Which types of content are most appropriate for this training? (Select Two.)
A. Money laundering typologies applicable to monetary instrument reporting
B. Applicable AML laws and regulations
C. Regulatory exam best practices
D. Money laundering typologies applicable to corporate loans
Answer: B,D (LEAVE A REPLY)
Specialized AML training must be relevant to the specific risks the corporate banking team faces, including legal/regulatory expectations and the ML/TF typologies applicable to their products and customer base.
* Applicable AML laws and regulations (B):"Staff must be aware of the applicable AML/CFT laws and regulatory requirements relevant to their business area."(CAMS 6th Edition, Chapter: AML Training and Awareness)
* Money laundering typologies applicable to corporate loans (D):"Training should include typologies and red flags that are most relevant to the risks present in the specific business line, such as corporate lending."(CAMS 6th Edition, AML Training for High-Risk Departments) Incorrect Options:
* A: Monetary instrument reporting is more relevant to retail/branch banking.
* C: Regulatory exam best practices are for compliance teams, not business-line relationship managers.
References:
CAMS 6th Edition, AML Training and Awareness
FATF Guidance: Risk-Based Approach to Banking Sector

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NEW QUESTION: 32
According to the Financial Action Task Force (FATF). potential risk indicators related to money laundering proceeds from environmental crimes include. (Select Two.)
A. unexplained wealth and cash transfers involving senior officials or politically exposed persons for their family members) with a position of responsibility related to the management or preservation of natural resources.

B. waste management sector companies based in high-risk jurisdictions with payments or trade invoices tor types of waste aligned with those they are authorized to process.
C. frequent payments from companies in the logging. milling, or waste trade sectors to individuals or beneficiaries unrelated to the legal parson activity or business.
D. small cash transfers from cash-Intensive businesses to beneficiaries in areas known as a source of gold mining, illegal logging, and Illegal land clearing.
Answer: A,C (LEAVE A REPLY)

NEW QUESTION: 33
An employee at a financial institution (FI) suspects that one of their co-workers is involved in a financial investment scam syndicate.
Which step should be taken next by the employee who has the suspicion?
A. Question their co-worker to determine if their suspicions are correct before reporting to the FI's Human Resources department
B. Report the suspected employee to the line manager of the FI to take the required action
C. Conduct an open-source intelligence investigation using artificial intelligence tools to gain more information on the activities of the suspected employee
D. Use the FI's whistleblowing channel to report the suspected employee
E. Warn colleagues and customers of the FI that the employee's suspicious financial investment proposals could be a scam
Answer: (SHOW ANSWER)

NEW QUESTION: 34
What is the primary advantage of using a risk-based approach in allocating compliance resources?
A. It reduces the overall cost of compliance programs.
B. It eliminates the need for periodic audits of low-risk customers.
C. It ensures focus on high-risk areas while maintaining operational efficiency.
D. It standardizes compliance processes across all regions.
Answer: C (LEAVE A REPLY)
The CAMS 6th Edition highlights that a risk-based approach enables organizations to efficiently allocate compliance resources, focusing efforts on areas presenting the highest risk, thereby ensuring both regulatory compliance and operational effectiveness.
"A risk-based approach allows firms to concentrate resources and controls where the risk of ML/TF is highest, while applying simplified measures to lower-risk areas. This enhances both effectiveness and efficiency." (CAMS 6th Edition, AML Compliance Program: Risk-Based Approach) Incorrect Options:
* A: Cost savings may occur, but it is not the main advantage.
* B: Audits may still be required, just less frequently for low-risk customers.
* D: Risk-based approaches are tailored, not standardized, across regions.
References:

CAMS Study Guide 6th Edition, AML Compliance Program, "Risk-Based Approach" FATF Recommendation 1: Assessing risks and applying a risk-based approach

NEW QUESTION: 35
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 clients exited for commercial reasons
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 money laundering alerts generated by the watchlist screening system
Answer: (SHOW ANSWER)

NEW QUESTION: 36
The Financial Intelligence Unit (FIU) in a country has received a suspicious activity report (SAR) which involves significant suspicious fund transfers, not only within its jurisdiction but also in a foreign country.
Further information is required from the foreign country to determine whether the matter needs to be referred for prosecution locally.
Which of the following statements is true in this scenario?
A. It is against international laws on data protection to access information from foreign countries
B. Sovereignty of nations means that information cannot be accessed from foreign countries
C. Any information related to money laundering can be received from any organization at any time regardless of jurisdiction
D. Countries that are members of the Egmont Group can request assistance for information from each other
Answer: D (LEAVE A REPLY)
Countries that are members of the Egmont Group can securely exchange information between their Financial Intelligence Units (FIUs) to support money laundering and terrorist financing investigations, even when the activity involves multiple jurisdictions.

NEW QUESTION: 37
A customer frequently deposits large amounts of cash into an online gambling account and requests withdrawals shortly after with minimal gambling activity.
What is the most likely money laundering risk associated with this behavior in the gambling and gaming industry?
A. The customer is attempting to convert illicit funds into "clean" withdrawals
B. The customer is attempting to avoid high fees by minimizing gambling activity
C. The customer is testing the gaming platform's payout system for potential fraud

D. The customer is a high-risk gambler who regularly places large bets
Answer: A (LEAVE A REPLY)
In the context ofgambling and gaming sectors, a well-known money laundering typology is the use of platforms tointroduce illicit funds and withdraw them as "winnings". When a customerdeposits large cash amounts and quickly withdraws themwithout engaging in actual gambling, it indicates"placement and layering"techniques.
This behavior is indicative of attempts todisguise the origin of illicit funds, converting them into legitimate- looking financial flows. It is considered a classic red flag in AML programs related to casinos and online gaming.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Industry-Specific Risks- Section:Gambling and Gaming Sector Red Flags

NEW QUESTION: 38
An institution is looking to alter an existing threshold-based monitoring scenario because it is generating too many alerts that do not yield suspicious activity reports.
Documentation submitted to the relevant committee for supporting this proposal should include details on:
(Choose three.)
A. evidence that the increased residual risk arising from the change is within the bank's risk appetite.
B. approval by money-laundering reporting officer for the proposal.
C. how many resources are spent on the less productive lower threshold and the associated costs.
D. the number of cases that will not be filed and the resources that can be freed up for other tasks.
E. minutes of meeting held with the regulator where agreement was obtained that the higher threshold was justified.
F. historical analysis proving that the current scenario generates a disproportionate number of false positives.
Answer: (SHOW ANSWER)
The documentation should include evidence that the residual risk remains within the bank's risk appetite, analysis of resources spent and costs associated with the current lower threshold, and historical data showing the high false positive rate to justify altering the threshold while maintaining effective risk management.

NEW QUESTION: 39
Which of the following attributes would enhance an AML program's effectiveness?
A. Providing basic AML training to all employees
B. An AML officer being appointed to the board as a working member of management with increased authority

C. Auditors providing prescriptive guidance and support to the program following a less than satisfactory audit
D. Providing effective challenge with AML staff and continuous cross-training
Answer: D (LEAVE A REPLY)
Effective AML programs promote aculture of compliance, which includes an environment where staff are empowered to raise concerns, challenge decisions, and continuously improve through cross-functional learning.Providing effective challengeis a supervisory expectation and best practice in institutions that value AML governance integrity.
While AML officer authority (option B) supports oversight, it is not as impactful on daily operational effectiveness as fostering a challenging and adaptive compliance culture.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter: AML Program Components - Section:
Culture of Compliance

NEW QUESTION: 40
Which statements regarding using network analysis tools to determine links to criminality are true? (Choose three.)
A. When using network analysis data to fight money laundering and financial crime, data protection and privacy can be disregarded because fighting crime takes precedent
B. Network analysis tools are an efficient means of generating relevant results because they only need a limited amount of data and computation power and artificial intelligence (AI) allows less-skilled people to quickly learn to use these systems
C. When using artificial intelligence (AI) with network analysis tools, it must be ensured that the algorithms used are not biased towards social criteria, such as race, gender, or religion
D. Network analysis allows for the identification of individuals or entities in a network by analyzing connections or links between them and can be used to study a wide range of systems, such as social or transportation networks
E. Analyzing relationships between individuals in a social network allows for the identification of hierarchies, the detection of behaviors and geographical movements, or an understanding of how groups are organized
Answer: C,D,E (LEAVE A REPLY)
When using network analysis tools, it's important to avoid algorithmic bias toward social criteria to ensure fairness, analyze connections between individuals or entities to identify links and structures, and study relationships within networks to uncover hierarchies, behaviors, movements, and group organization relevant to detecting criminal activity.

NEW QUESTION: 41
According to guidelines issued by Basel Committee on Banking Supervision relating to corporate governance principles for banks, what is the role of the board of directors in addressing an institution's AML oversight and governance?

A. The board of directors should be responsible for overseeing the management of the bank's compliance risk but not involved in establishing a compliance policy that explains the processes by which compliance risks are to be identified and managed throughout the organization.
B. The board of directors should establish a compliance function and approve the bank's policies for identifying, assessing, monitoring, reporting, and advising on compliance risk.
C. The compliance function must have sufficient authority, stature, independence, and resources to be effective on its own and should not have access to the board of directors.
D. The compliance function should report directly to the CEO concerning the bank's compliance with applicable laws, rules, and standards and only update the board of directors on the bank's efforts in managing compliance risk when required.
Answer: B (LEAVE A REPLY)
The Basel Committee on Banking Supervision (BCBS) requires that the board of directors establish and oversee the compliance function and approve the bank's AML/CTF compliance policies and procedures, including processes for identifying, assessing, monitoring, and reporting compliance risks.
"The board of directors should establish a compliance function and approve compliance policies and processes for identifying, assessing, monitoring, and reporting compliance risks throughout the organization." (CAMS 6th Edition, Corporate Governance and Oversight; BCBS, Corporate Governance Principles for Banks, Principle 6) References: CAMS 6th Edition, Governance and Oversight
BCBS: Corporate Governance Principles for Banks (2015)

NEW QUESTION: 42
Which section of the USA PATRIOT Act relates to forfeiture of funds and allows for extraterritorial reach?
A. Section 319(b)
B. Section 314(a)
C. Section 314(b)
D. Section 319(a)
Answer: A (LEAVE A REPLY)

NEW QUESTION: 43
A bank in the Netherlands has been requested to share information about a series of transactions and related customers with a bank in Italy. Both banks are subject to European Union jurisdiction.
Which factor is the most important to consider before the Dutch bank shares the requested information with the Italian bank?
A. The Dutch bank should require a production order from the Italian bank and receive approval from its legal department before sharing the requested information

B. The need to fight financial crime outweighs the EU's data protection and privacy regulations
C. The Dutch bank should limit any information sharing to what is necessary, reasonable, and proportionate, in line with applicable laws and regulations
D. The Dutch bank's legal obligations to protect customer privacy and bank secrecy prohibit it from sharing any such information
Answer: C (LEAVE A REPLY)

NEW QUESTION: 44
A key factor in the independence of an AML audit is that the auditor should.
A. have never worked in previous assignments within the AMUCFT departments.
B. be sufficiently trained in AML to be able to provide an independent review.
C. have been screened by the board of directors before the audit starts
D. have no involvement with the organization's AML/CP T compliance staff.
Answer: B (LEAVE A REPLY)

NEW QUESTION: 45
The Financial Action Task Force (FATF) routinely publishes a catalogue of jurisdictions requiring enhanced monitoring which is commonly called the:
A. yellow notice
B. grey list
C. red notice
D. white list
Answer: B (LEAVE A REPLY)

NEW QUESTION: 46
Public-private partnerships (PPPs) that involve the sharing of information between law enforcement authorities, Financial Intelligence Units (FIUs), and the private sector are established to: (Select Two.)
A. Exchange operational information between public authorities and obliged entities
B. Exchange strategic information between FIUs and obliged entities
C. Exchange strategic information between financial institutions
D. Create a common database of key information and share analysis of suspicious activities with FATF
Answer: (SHOW ANSWER)
Public-Private Partnerships (PPPs)are collaborative initiatives involvinglaw enforcement, FIUs, and financial institutions. Their objective is to improve theefficiency and effectivenessof the fight against money laundering, terrorist financing, and other financial crimes bysharing both operational and strategic intelligence.
Option A - Exchange operational information between public authorities and obliged entities:

PPPs often facilitate real-time or near-real-time information sharing that supportsspecific investigations and the detection of suspicious activity, helping financial institutions respond quickly and accurately to ongoing threats.
Option B - Exchange strategic information between FIUs and obliged entities:
Strategic-level intelligence sharing helps financial institutionsunderstand typologies, risk trends, and evolving criminal methods, thereby strengthening their risk assessments and transaction monitoring frameworks.
Option Cis incorrect: Strategic information exchange between private institutions is limited and heavily regulated.
Option Dis incorrect: FATF does not collect or manage databases of suspicious activity reports; it sets standards and reviews national frameworks.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Public-Private Partnerships and Information Sharing- Section:Purpose and Function of PPPs in AML/CFT

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NEW QUESTION: 47
A financial institution is designing an enterprise-wide risk assessment (EWRA).
According to the guidance issued by the Wolfsberg Group regarding a risk-based approach to identifying and managing money laundering risks, an effective approach should:
A. Focus on understanding the risks presented by new clients within the assessment period, and the controls to mitigate associated money laundering risks.
B. Use a framework provided by a third-party vendor and used by other FIs in the jurisdiction.
C. Include appropriate measures and controls to mitigate money laundering risks stemming from higher- risk customers, products, and geographies.
D. Focus on the inherent risk in the FI's product and service offerings and the controls to mitigate potential money laundering risks.
Answer: C (LEAVE A REPLY)

NEW QUESTION: 48
Which suspicious activity may be the strongest indicator of money laundering through a casino?
A. A patron routinely places multiple bets on the same sporting events

B. A patron requests the casino to transfer their winnings to another gambling operator
C. A privately held company originates funds transfers through the casino into the betting accounts of multiple patrons
D. A patron purchases a large amount of chips at a blackjack table using cash
Answer: (SHOW ANSWER)

NEW QUESTION: 49
Which techniques are most commonly used in a rules-based approach to transaction monitoring for detecting suspicious activities? (Choose two.)
A. Using predefined rules to flag specific transaction patterns
B. Randomly flagging transactions for further investigation
C. Statistical tuning of monitoring scenarios to improve accuracy
D. Using advanced machine learning models to detect outliers
E. Setting transaction thresholds for automated alerts
Answer: (SHOW ANSWER)
A rules-based approach to transaction monitoring relies on predefined rules that flag specific patterns and on setting thresholds that trigger automated alerts when exceeded. These techniques are fundamental to identifying potentially suspicious activities in a structured, deterministic way.

NEW QUESTION: 50
Which of the following serves as an example of a successful public-private partnership (PPP)?
A. The Financial Action Task Force (FATF)
B. The AUSTRAC Fintel Alliance
C. The Egmont Group
D. The Wolfsberg Group
Answer: B (LEAVE A REPLY)
The AUSTRAC Fintel Alliance is a successful example of a public-private partnership (PPP). It brings together government agencies and private sector organizations to collaborate on detecting, preventing, and disrupting financial crime through shared intelligence, technology, and expertise.

NEW QUESTION: 51
A National Risk Assessment (NRA) can impact a financial institution's (FI's) risk-based approach to anti- money laundering and terrorism financing by:
A. dictating what predicate offences must be considered in the FI's risk assessment.
B. providing guidance on the types of customers and transactions that pose the highest risk.
C. defining exactly what policies and procedures must be implemented.
D. determining the maximum fines that can be imposed for AML violations.

Answer: B ([LEAVE A REPLY](#))
A National Risk Assessment (NRA) provides valuable guidance on which customers, products, services, and transactions pose the highest risk for money laundering and terrorist financing, enabling financial institutions to tailor their risk-based approach and allocate resources more effectively.

NEW QUESTION: 52
Money services businesses (MSBs), payment service providers, and e-commerce platforms usually have a high volume of daily transactions.
What are the risks associated with these types of businesses? (Choose two.)
A. These businesses are all cash intensive, increasing the risk of financial crime
B. KYC challenges arise because e-commerce platforms face global customers making customer due diligence complex and resource intensive
C. These businesses are highly regulated and therefore have no reason to be non-compliant as this would put them at risk of sanctions and fines
D. Criminals can make use of identify fraud to fulfill KYC processes for layering purposes
E. The settlement systems of these businesses are not sophisticated enough to cope with the high transaction volume
Answer: B,D ([LEAVE A REPLY](#))
E-commerce platforms face KYC challenges due to a global and diverse customer base, making due diligence complex, while criminals may exploit identity fraud to pass KYC checks and facilitate layering in money laundering schemes. These factors increase the financial crime risks for such businesses.

NEW QUESTION: 53
Which of the following processes or tools contribute to AML compliance despite being seemingly unrelated?
(Choose two.)
A. Customer loyalty program tracking
B. Product usage analysis
C. Customer satisfaction surveys
D. Customer support ticket tracking
E. Credit risk assessment
Answer: A,B ([LEAVE A REPLY](#))
Customer loyalty program tracking and product usage analysis can uncover unusual patterns or behaviors that deviate from expected norms. These insights may help detect suspicious activity or hidden risks, making them valuable tools for supporting AML compliance even if not directly linked to traditional monitoring systems.

NEW QUESTION: 54

When selecting an anti-financial crime (AFC) tool for an organization, the most important factor to consider is whether the tool:

A. integrates seamlessly with existing systems and processes.

B. meets budget and cost requirements.

C. automates all regulatory reporting requirements.

D. replaces manual compliance training for employees.

Answer: A (LEAVE A REPLY)

The most important factor when selecting an anti-financial crime tool is its ability to integrate seamlessly with existing systems and processes. Effective integration ensures data consistency, operational efficiency, and improved detection and response to financial crime risks.

NEW QUESTION: 55

When a financial institution (FI) is considering providing traditional banking services to a virtual asset service provider (VASP), consideration should be given to whether the FI: (Select Two.)

A. has a general understanding of virtual assets.

B. consistently reviews transactions between fiat and virtual currencies.

C. implements enhanced KYC measures.

D. owns virtual currencies itself.

Answer: A,C (LEAVE A REPLY)

* A: FIs should ensure they have a general understanding of virtual assets and VASP operations to assess risks accurately.

* C: Enhanced KYC measures are recommended for VASPs due to their higher ML/TF risk profile.

* "FIs must understand the business model and risk of VASPs and apply enhanced due diligence as required by FATF and regulatory guidance."(CAMS 6th Edition, Virtual Assets and VASPs; FATF Guidance) Incorrect:

* B: While monitoring transactions is important, it's not a primary initial consideration for onboarding.

* D: The FI's own holdings are not relevant to due diligence on VASPs.

References:

CAMS 6th Edition, Virtual Assets and VASPs

FATF, Guidance for a Risk-Based Approach to Virtual Assets and VASPs

NEW QUESTION: 56

The role of FATF-style regional bodies (FSRBs) is to; (Select Three.)

A. offer mutual evaluation and follow-up processes for members in their FSRB Jurisdiction.

B. provide AM L/C FT technical assistance needed by members in their FSRB junsdiction.

C. identify and address the current financial crime trends through the issuance of typologies originating in members outside of their FSRB's Jurisdiction.

D. coordinate technical assistance for members in their FSRB jurisdiction
E. identify and address any gaps in the AML/CFT policies for members outside of their FSRB jurisdiction.
F. set and amend the FATF 40 Recommendations for members in their FSRB jurisdiction.
Answer: (SHOW ANSWER)

NEW QUESTION: 57
An international bank is investigating a payment requested by one of its correspondent relationships that generated an alert in the automated transaction monitoring system. The payment originated from a corporation located in Hong Kong and the final beneficiary is an individual located in New York.
Which steps should the bank take first to address the alert? (Select Three.)
A. Call the receiving individual to review identity verification documents
B. Confirm that neither the beneficiary nor the originator are sanctioned parties
C. Send a 314(b) request to the corporation's bank in Hong Kong
D. Request supporting documents, including invoices and contracts to confirm the purpose of the payment
E. Check for negative news in public sources on the sender and receiver
Answer: B,D,E (LEAVE A REPLY)

NEW QUESTION: 58
A bank has joined a public-private partnership (PPP) to work with law enforcement and regulators on combating financial crime. However, the bank's data protection officer is concerned about sharing sensitive customer data, and the compliance officer is worried about potential delays in receiving useful information from the government.
Which of the following best describes a benefit of PPPs in fighting financial crime?
A. PPPs allow banks to manage their own suspicious activity report (SAR) filing process without the need to involve the Financial Intelligence Unit (FIU).
B. PPPs improve financial crime detection and prevention by sharing intelligence between banks and law enforcement.
C. PPPs help banks reduce compliance costs by automating information sharing.
D. PPPs maximize the efficiency of the bank's compliance program by providing real-time intelligence from law enforcement.
Answer: (SHOW ANSWER)

NEW QUESTION: 59
Which of the following is a benefit of an institution implementing machine learning to identify suspicious transactions?
A. Adaptable to new AFC typologies through continuous model training
B. Completely unbiased and without error through continuous model training
C. More consistent and reliable detection outcomes

D. Transparent and easy to explain algorithms for regulator and compliance purposes
Answer: (SHOW ANSWER)
A key benefit of machine learning in identifying suspicious transactions is its adaptability to new anti- financial crime typologies through continuous model training, enabling the system to evolve with emerging threats and patterns.

NEW QUESTION: 60
A recruitment manager in the human resources department of a bank has shortlisted a candidate for the position of relationship manager in its private banking division. The compliance policy of the bank stipulates that proper background checks on new employees must be completed by the recruiting team to protect the bank against potential risks, including fraud and money laundering.
Which resources would be most useful for identifying any potential negative information regarding the shortlisted candidate? (Select Three.)
A. Personal resume
B. Internet and public media searches
C. Past employment records
D. Criminal history searches
E. Personal references from close associates
Answer: D (LEAVE A REPLY)

NEW QUESTION: 61
How do nominees benefit criminals misusing thorn for money laundering purposes? (Select Two.)
A. Allow beneficial owners to provide proxies lot voting on corporate decisions
B. Obscure beneficial ownership
C. Derail investigations
D. Allow domicile in the nominee's jurisdiction
Answer: B,C (LEAVE A REPLY)

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NEW QUESTION: 62

A compliance officer is reviewing an institutional banking prospect proposal for a new foreign entity that is a multinational business but headquartered in a country where most businesses are state-owned.
Which risks should be prioritized in the review? (Choose two.)
A. Politically exposed persons (PEPs)
B. Capital flight risk
C. Anti-bribery and corruption risk
D. Tax evasion
Answer: A,C (LEAVE A REPLY)
The review should prioritize politically exposed persons (PEPs) risk, as state ownership increases the likelihood of political connections, and anti-bribery and corruption risk, since such environments may have higher exposure to corrupt practices and misuse of influence.

NEW QUESTION: 63
Which of the following are important AML controls for a compliance manager of a regulated asset management company in the European Union to implement? (Select Two.)
A. Inviting prospective customers for an onboarding interview
B. Rejecting any politically exposed persons (PEPs) as customers
C. Understanding the source and origin of assets
D. Performing negative news checks of prospective customers
E. Producing financial stability reports on interesting customers
Answer: C,D (LEAVE A REPLY)
* Understanding the source and origin of assets (C):According to the CAMS 6th Edition (Chapter:
Customer Due Diligence and Enhanced Due Diligence) and the EU 4th & 5th AML Directives, regulated entities are required to take adequate measures to understand the source of funds and the origin of assets of their customers, especially when there are higher risk factors such as large transactions or PEPs."Firms must identify the source and origin of assets to ensure they are not the proceeds of crime or corruption, particularly for higher-risk customers."(CAMS 6th Edition, CDD/EDD Requirements; EU Directive 2015/849, Article 20)
* Performing negative news checks of prospective customers (D):Adverse media screening is an essential part of the onboarding process for identifying potential risks related to money laundering, terrorist financing, or reputational harm."Negative news or adverse media checks form a vital component of the due diligence process, helping organizations detect links to criminal or suspicious activities."(CAMS
6th Edition, CDD/EDD Requirements)
Incorrect Options:
* A: Onboarding interviews may be part of EDD, but are not a standard or required AML control.

* B: PEPs are not to be automatically rejected; instead, enhanced due diligence should be applied.
* E: Producing financial stability reports is not an AML control, but may be relevant for credit or investment assessment.

References:
CAMS Study Guide 6th Edition, Customer Due Diligence
EU 4th AML Directive (Directive 2015/849/EU)
EU 5th AML Directive (Directive 2018/843/EU)

NEW QUESTION: 64
Which statement is the most accurate describing who must comply with Office of Foreign Assets Control (OFAC) sanctions?
A. All US citizens and permanent residents regardless of where they are located, all US incorporated entities excluding their foreign branches, and all individuals and entities within the United States
B. All US citizens and permanent residents regardless of where they are located, all US incorporated entities and their foreign branches, and all individuals and entities within the United States
C. All US citizens except those with dual nationality, US permanent residents, all US incorporated entities, and all individuals within the United States
D. All US citizens and permanent residents while located in the US, all US incorporated entities and their foreign branches, and all individuals within the United States
Answer: B (LEAVE A REPLY)

NEW QUESTION: 65
A national risk assessment (NRA) can impact the risk-based approach (RBA) within an organization's anti- financial crime (AFC) compliance program by: (Choose two.)
A. helping to identify high-risk sectors that require enhanced due diligence (EDO),
B. eliminating the need for sectoral risk assessments within the organization
C. guiding the allocation of resources for mitigating financial crime risks
D. requiring all organizations to apply standardized measures
E. automatically reducing the organization's responsibility for conducting its own risk assessment
Answer: (SHOW ANSWER)
A national risk assessment can identify high-risk sectors requiring enhanced due diligence and guide resource allocation to mitigate financial crime risks effectively, helping organizations align their risk-based approach with national priorities and threats.

NEW QUESTION: 66
Which of the following programs would most likely be considered part of an effective supervision regime for a regulator?

A. Onsite and offsite reviews, cooperating on an international basis with access to a range of sanctions and outreach
B. Onsite and offsite reviews, cooperating on an international and domestic basis with access to a range of sanctions and outreach
C. Offsite reviews, cooperating on a domestic basis with access to a range of sanctions and outreach
D. Onsite reviews, cooperating on an international and domestic basis with outreach and access to a range of sanctions
Answer: (SHOW ANSWER)
An effective supervision regime includes both onsite and offsite reviews, cooperation on international and domestic levels, and access to a range of sanctions and outreach programs. This combination allows regulators to detect and address risks comprehensively while promoting compliance through engagement and enforcement.

NEW QUESTION: 67
A risk-based approach (RBA) to anti-financial crimes (AFC) involves understanding and managing risks by:
A. applying uniform controls to all customers, regardless of their risk profile
B. allocating resources and implementing controls based on the level of identified risks
C. prioritizing regulatory compliance over customer experience and operational efficiency
D. relying on automated systems to detect and mitigate AFC risks
Answer: B (LEAVE A REPLY)
A risk-based approach to anti-financial crimes means allocating resources and implementing controls proportionate to the level of identified risk. This ensures that higher-risk areas receive more focus and resources, improving both effectiveness and efficiency in mitigating financial crime risks.

NEW QUESTION: 68
Money laundering has social and economic impacts, especially within developing countries. A high volume of money laundering in a country may: (Select Two.)
A. Reduce confidence in the country's financial sector.
B. Reduce volatility in exchange and interest rates.
C. Lower the employment rate.
D. Dissuade foreign investment.
E. Dissuade government tax incentive programs
Answer: (SHOW ANSWER)

NEW QUESTION: 69
What are the primary sources of reference besides AML laws and regulations when developing and maintaining the AML policies, standards, and procedures of a bank? (Choose three.)

A. National Risk Assessment
B. Regulatory guidance or publications
C. Government or state-run newspapers
D. Guidance issued by international bodies
E. Policies and procedures developed by other banks
Answer: A,B,D (LEAVE A REPLY)
When developing and maintaining AML policies, standards, and procedures, banks should rely on the National Risk Assessment, regulatory guidance or publications, and guidance issued by international bodies to ensure their frameworks align with both domestic and global best practices and risk considerations.

NEW QUESTION: 70
Which action should a financial institution take when it receives a grand-jury subpoena regarding a customer?
A. Notify the customer being investigated before submitting documents
B. Keep the customer's accounts open at the enforcement agency's verbal request
C. Have the institution's assigned legal counsel review the subpoena
D. Make copies of the customer's documents and submit the originals to the enforcement agency
Answer: (SHOW ANSWER)

NEW QUESTION: 71
Which of the following scenarios warrants enhanced due diligence (EDD)? (Select Three.)
A. An existing local league footballer trying to open a bank account with a bank in their local jurisdiction
B. An individual with a current bank account who resides in one country becoming the ambassador of another country
C. The current prime minister of a country trying to open a bank account in another country
D. A bank located in a higher risk country trying to establish a correspondent-respondent banking relationship with a bank in a lower-risk country
E. The former personal secretary to the minister of transport in a low-risk country 25 years ago opening a bank account at a bank in a neighboring low-risk country
Answer: (SHOW ANSWER)

NEW QUESTION: 72
Upon learning of a potential weakness through an organization's enterprise-wide sanctions risk assessment relating to a low number of sanctions screening alerts generated compared to the business size and operations identified, which action would best ensure the risk area is properly managed and remediated to the best possible extent?
A. Reviewing the enterprise-wide risk assessment methodology
B. Enhancing staff training on the documentation of justification on closed alerts

C. Revisiting the post-transaction monitoring system parameters and thresholds
D. Reviewing the fuzzy logic currently adopted in the screening system
Answer: (SHOW ANSWER)
A low number of sanctions screening alerts relative to the size and scope of operations may indicate overly restrictive or inappropriate monitoring parameters. Revisiting and adjusting the post-transaction monitoring system parameters and thresholds ensures that the system is calibrated to detect potential sanctions breaches effectively.

NEW QUESTION: 73
A large international bank's chief compliance officer (CCO) is exploring ways to enhance the bank's ability to identify suspicious activities by using intelligence data more effectively. One potential solution is to engage in public-private partnerships (PPPs) to leverage shared intelligence and enhance collaboration with government agencies.
The bank considers joining a PPP initiative with the local Financial Intelligence Unit (FIU) and other financial institutions to improve its access to relevant data and intelligence. The CCO understands that while PPPs can provide significant benefits, such as improved risk detection and enhanced information sharing, there are also potential limitations, including data privacy concerns and differing priorities between public and private sector partners.
Which approach would best maximize the benefits of PPPs for the bank while mitigating the limitations associated with data sharing and intelligence?
A. Engage in the PPP without strict data sharing protocols, allowing for open and unrestricted flow of information between the bank, FIUs, and other financial institutions
B. Rely solely on the intelligence provided by government agencies through the PPP because they have the most comprehensive data on suspicious activities
C. Establish a clear framework within the PPP that outlines data privacy protections and ensures that information sharing complies with legal and regulatory requirements in all jurisdictions involved
D. Prioritize the bank's internal data sources over external intelligence from PPPs, as internal data is easier to control and does not present data privacy challenges
Answer: (SHOW ANSWER)
To maximize the benefits of PPPs while addressing data privacy and regulatory concerns, the bank should establish a clear framework within the partnership that defines privacy protections and ensures all information sharing complies with applicable legal and regulatory requirements across jurisdictions. This approach fosters trust, enables effective collaboration, and mitigates potential legal risks.

NEW QUESTION: 74
A bank is preparing for a regulatory exam after a previous regulatory exam identified weaknesses in the bank's AML program. Since the last exam, the bank has improved the written AML program, hired an experienced AML compliance officer, and has taken actions to demonstrate a strong culture of compliance.

The bank is now focused on getting through their transaction monitoring case backlog and completing enhancements to its sanctions screening program.
Which of the following are correct? (Select Two.)
A. The bank is likely to face secondary sanctions from global financial institutions despite addressing many of the previous concerns.
B. The bank may face civil or criminal penalties if it is unable to demonstrate sustained improvement in addressing the previous concerns.
C. The bank may face the risk of regulatory orders to remediate its AML program despite addressing many of the previous concerns.
D. The bank is protected from reputational risk arising from any regulatory action because regulatory orders must remain confidential.
E. The regulatory agency may require the bank's board of directors to publicly share the actions taken to address the previous concerns in order to limit its reputational risk.
Answer: (SHOW ANSWER)
* B: If a bank fails to demonstrate sustained improvement or cannot resolve identified deficiencies, it can face civil or even criminal penalties from regulators. Regulators expect not just policy changes, but proof of effectiveness and ongoing compliance improvements.
* C: Even after addressing many concerns, if all issues are not resolved-such as outstanding transaction monitoring backlogs-regulators may issue orders to further remediate the AML program until full compliance is achieved.
* CAMS 6th Edition and regulatory guidance clarify that "regulators may impose penalties, issue consent orders, or require further remediation where weaknesses persist." Incorrect:
* A: Secondary sanctions generally apply to sanctions violations, not standard AML program weaknesses.
* D: Regulatory actions can be public and do pose reputational risk.
* E: While transparency is sometimes required, this is not a universal regulatory response.
References:
CAMS 6th Edition, Regulatory Examinations and Remediation
FFIEC BSA/AML Manual, Enforcement Actions

NEW QUESTION: 75
A wealthy individual is using a complex corporate structure to facilitate illegal logging and then illegal mining of the resulting resources from that land.
Which category of predicate crime is taking place?
A. Trade-based money laundering
B. Corruption
C. Illicit resource trade
D. Environmental crime
Answer: D (LEAVE A REPLY)
The CAMS 6th Edition specifically lists environmental crime as a predicate offense for money laundering.

Environmental crimes include activities such as illegal logging, illegal mining, and illegal trade in wildlife.
"Environmental crime, including illegal logging and mining, is recognized as a predicate offense to money laundering. Such crimes often involve complex corporate structures to hide the illicit origin of the proceeds." (CAMS 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing; FATF Recommendations, Predicate Offenses)
Incorrect Options:
* A: Trade-based ML refers to manipulating trade transactions, not the underlying crime.
* B: Corruption may be involved, but the primary crime is environmental.
* C: Illicit resource trade describes the act, but the official predicate crime category is environmental crime.
References:
CAMS Study Guide 6th Edition, Predicate Crimes for Money Laundering
FATF Recommendation 3: Money laundering offense and predicate offenses

NEW QUESTION: 76
Which of the following accurately describes the economic, reputational and social consequences of money laundering (ML) and the risks and consequences of violating AFC regulations? (Choose two.)
A. ML undermines the integrity and stability of financial systems and makes them vulnerable to illegal activity. This can erode investor confidence and hinder economic growth.
B. When a financial institution (FI) is found to be promoting ML or violating AFC regulations, this can lead to a loss of confidence in the institution and a loss of customers. Interestingly, this scenario might sidestep any legal consequences for the FI.
C. When laundered funds flow into legitimate economies, they can be used for illegal purposes, such as funding terrorist activities or organized crime. This distorts resource allocation and undermines development.
D. Jurisdictions perceived as having insufficient ML measures might be identified as uncooperative or high-risk, potentially facing restricted access to international markets, though economic sanctions by other countries are an unlikely outcome.
Answer: (SHOW ANSWER)
Money laundering corrodes financial-system integrity, eroding investor confidence and impeding sustainable economic growth.
Illicit funds entering legitimate economies can finance terrorism and organized crime, skew resource allocation, and stifle development.

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NEW QUESTION: 77
A sound AML compliance program requires a comprehensive governance framework that addresses key elements to ensure the integrity of the financial system.
Which element forms the starting point of an effective AML compliance program?
A. Ongoing monitoring
B. Risk assessment
C. Policies and procedures
D. Suspicious activity reporting
E. Customer due diligence
Answer: B (LEAVE A REPLY)
Risk assessment is the foundation of an effective AML compliance program. It enables an organization to identify, understand, and prioritize its exposure to money laundering and terrorist financing risks, which in turn informs the development of appropriate controls, including policies, procedures, and customer due diligence measures.

NEW QUESTION: 78
What areas of laws and regulations have the greatest impact on AML/CFT applications? (Choose three.)
A. Information security, data privacy, and cybersecurity
B. Foreign exchange control, and precious gemstone and metal dealing
C. Ombudsman and anti-competition authority
D. Electronic contract and biological signature acceptance
E. Consumer protection, financial inclusion, and environmental, social and governance
Answer: (SHOW ANSWER)
AML/CFT (Anti-Money Laundering/Countering the Financing of Terrorism) applications are heavily influenced by various laws and regulations. The most impactful areas include:
Information security, data privacy, and cybersecurity - AML/CFT compliance relies on collecting and analyzing financial data. Data protection laws (e.g., GDPR) impact how financial institutions store, share, and protect sensitive customer information while ensuring that AML measures remain effective.
Foreign exchange control, and precious gemstone and metal dealing - Criminals often launder money through foreign currency transactions, gold, diamonds, and other high-value assets. Regulations governing these sectors help prevent financial crime.
Consumer protection, financial inclusion, and ESG - AML/CFT frameworks must balance risk mitigation with ensuring access to financial services (financial inclusion). Additionally, ESG policies play a growing role in identifying illicit financial.

NEW QUESTION: 79
Section 319(a) of the USA PATRIOT Act:
A. Allows the appropriate federal banking agency to require a financial organization to produce, within
120 hours, records or information related to the organization's AML compliance or related to a customer of the organization or any account opened, maintained, administered, or managed in the U.S.
by the financial organization.
B. Permits the U.S. Government to seize funds from a correspondent bank account in the U.S. that has been opened and maintained for a foreign bank in the same amount as has been deposited with the foreign bank.
C. Provides the U.S. Department of Treasury with the authority to apply graduated, proportionate measures against a foreign jurisdiction, foreign financial organization, type of international transaction, or type of account.
D. Requires due diligence, and in certain situations enhanced due diligence (EDD), for foreign correspondent accounts, which includes virtually all account relationships that organizations can have with a foreign financial organization and private banking for non-citizens of the U.S.
Answer: B (LEAVE A REPLY)

NEW QUESTION: 80
A compliance officer at a financial institution has completed an investigation into a high-risk customer's activities and determined that there are strong indications of money laundering. The compliance officer has documented their findings and is ready to recommend offboarding the customer. However, the relationship manager responsible for the customer is resistant to the idea, citing the customer's significant revenue contribution to the institution.
What should the compliance officer do next to ensure the appropriate escalation and decision-making process is followed?
A. Escalate the matter to the institution's high-risk client committee, presenting the investigation findings and recommending offboarding while also acknowledging the relationship manager's concerns
B. Proceed with offboarding the customer unilaterally based on their investigation findings and anti-money laundering (AML) concerns
C. Attempt to persuade the relationship manager to agree with the offboarding recommendation by highlighting the potential reputational and regulatory risks associated with maintaining the relationship
D. Delay the offboarding decision and continue monitoring the customer's activities, waiting for further evidence to solidify the case for termination
Answer: (SHOW ANSWER)

In situations involving significant AML concerns, especially with high-risk clients, thecompliance officer must follow proper escalation procedureswithin the institution. The appropriate course of action is toescalate the matter to a senior governance body, such as ahigh-risk client committee, which is typically tasked with balancing AML risk against business considerations.
Unilateral offboarding (Option B)may violate internal protocols.
Persuading the relationship manager (Option C)bypasses formal governance.
Delaying action (Option D)risks further exposure to regulatory or reputational damage.
This escalation ensuresdocumented risk-based decision-makingand demonstrates to regulators that the institution appliesstructured and objective AML governance.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Compliance Governance and Risk Escalation Processes- Section:Governance Structures for High-Risk Customers

NEW QUESTION: 81
Which of the following best describes the use of fuzzy logic in customer screening systems?
A. It produces outputs that include a range of intermediate possibilities between "Yes" and "No"
B. It is an advanced analytics tool widely used to implement AFC controls
C. It allows for a greater number of exact matches, reducing the need for manual review
D. It is a new technique for enhancing the quality of alerts for review
Answer: (SHOW ANSWER)
Fuzzy logic in customer screening systems is used to handle uncertainty and variability in data by producing outputs that include a range of intermediate possibilities between "Yes" and "No." This enables the system to identify potential matches that are not exact but still relevant, improving the detection of name variations and misspellings.

NEW QUESTION: 82
Risks associated with real estate transactions include (Select Two.)
A. cross-border purchases.
B. purchases in the name of a natural person.
C. paying true market price for a property.
D. non-financed purchases.
Answer: A,D (LEAVE A REPLY)
Real estate transactions are vulnerable to ML/TF risks, particularly when there is limited transparency or unusual payment methods:
* Cross-border purchases (A):"Purchases by foreign buyers, especially from high-risk jurisdictions, are a red flag for money laundering in the real estate sector."(CAMS 6th Edition, Real Estate Money Laundering Risks; FATF, Money Laundering and Terrorist Financing through the Real Estate Sector,
2007)

* Non-financed purchases (D):"Non-financed (all-cash) purchases can indicate the introduction of illicit funds into the financial system, bypassing the controls of mortgage lenders."(CAMS 6th Edition, Real Estate ML/TF Risks) Incorrect Options:
* B: Purchasing in the name of a natural person is standard and not inherently risky.
* C: Paying the true market price does not raise ML/TF risk.

References:
CAMS 6th Edition, Chapter: ML/TF Risks in Real Estate
FATF, Money Laundering and Terrorist Financing through the Real Estate Sector (2007)

NEW QUESTION: 83

When applying new technologies to AML, application programming interfaces (APIs) allow for:

A. Digital identification on mobile devices
B. Different applications to connect and communicate
C. Authentication via artificial intelligence (AI) and biometrics
D. Quick CDD and client traits analysis during onboarding

Answer: (SHOW ANSWER)

Application Programming Interfaces (APIs)are tools that enableinterconnectivity and data exchangebetween different software applications. In AML contexts, APIs are commonly used tointegrate third-party systems, such as screening tools, customer databases, and transaction monitoring platforms, ensuring real-time and accurate flow of information.
This technological capability supports enhancedautomation, agility, and efficiencyin AML processes.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Technology and AML-Section:Emerging Technologies and APIs in Compliance

NEW QUESTION: 84

The compliance officer at a casino in Taiwan discovers that the casino received multiple cash deposits from a customer just below the Large-Amount Transaction Report (LTR) limit on consecutive days. The customer used three different betting accounts.
What is the appropriate next step?

A. Inform the customer their activity Is suspicious and request an explanation
B. Make a note in the customer's account that the customer's gambling activities are frequently conducted below the reporting limit
C. Contact law enforcement to launch an Investigation into the customer's financial activities
D. Follow internal reporting procedures to escalate the activity as suspicious and report to appropriate authorities

Answer: D (LEAVE A REPLY)

NEW QUESTION: 85

The recently appointed senior money laundering reporting officer (MLRO) at a newly opened small digital bank has been instructed by the group chief compliance officer to implement an effective AML transaction monitoring system that can identify unusual and suspicious transactions.

What are important considerations for the project to select and implement the AML transaction monitoring system at the digital bank? (Select Two.)

A. Whether the vendor has documented appropriate internal controls for designing system and data integration schema

B. Whether the permissions and user access settings for reviewing, investigating, and reporting details of alerts generated by the system are commensurate with those in use at other banks

C. Whether the monitoring system is adequate with respect to the bank's size, activities, complexity, and risks

D. Whether the monitoring system can be configured to enable the bank to execute trend analysis of transaction activity and to identify unusual business relationships and transactions

Answer: C,D (LEAVE A REPLY)

* C: "The system must be adequate and proportionate to the bank's size, activities, complexity, and risk profile. A one-size-fits-all solution is not appropriate."

* D: "Effective monitoring systems should support the detection of unusual trends and business relationships, facilitating meaningful analysis and alerts."(CAMS 6th Edition, Transaction Monitoring System Requirements) Incorrect:

* A: Vendor internal controls are important, but not a top selection criterion for AML system effectiveness.

* B: Permissions should be appropriate for the bank's structure, not just compared to other banks.

References:

CAMS 6th Edition, Selecting and Implementing Monitoring Systems

NEW QUESTION: 86

Interactions between the compliance department and other functions or departments within an organization contribute to making the anti-financial crime (AFC) compliance program more robust by addressing specific risk areas.

Which departments play a crucial role in enhancing the AFC compliance program of an organization? (Select Two.)

A. Information security office (ISO)

B. Marketing and sales

C. Human resources (HR)

D. Data privacy office (DPO)

Answer: A,D (LEAVE A REPLY)

* A (ISO): Ensures information security controls are aligned with AFC efforts, protecting sensitive data and reducing the risk of cyber-enabled financial crime.
* D (DPO): Helps ensure compliance with data privacy laws and enables secure, lawful information- sharing for AML purposes.
* "Collaboration with the ISO and DPO is critical to maintaining data security and privacy within AFC compliance frameworks."(CAMS 6th Edition, Governance and Cross-Functional Collaboration) References:
CAMS 6th Edition, Governance and Controls
FATF Guidance on Data Protection and Information Sharing

NEW QUESTION: 87
Which principle about safeguarding privacy and data should an auditor adhere to when performing an AML investigation?
A. During evidence gathering, privacy laws are less important than local AML laws.
B. Countries should clarify where AML and Data Protection Privacy laws are not balanced.
C. AML and Data Protection Privacy laws should not be mutually exclusive.
D. Terrorist financing is more relevant in the context of data protection and supersedes laws.
Answer: C (LEAVE A REPLY)

NEW QUESTION: 88
A large international bank is conducting a comprehensive review of its risk management framework to ensure it effectively addresses various financial crime risks, including AML, CFT, sanctions, fraud, anti-bribery and corruption (ABC), and tax evasion.
The bank's compliance team is responsible for evaluating the current risk assessment processes, identifying potential gaps, and recommending enhancements to better mitigate these risks. During this review, the team needs to consider the different types of risk assessments and how to integrate findings into the overall risk management strategy.
Which approach should the compliance team prioritize to enhance the bank's ability to identify, assess, and mitigate the identified risks?
A. Use a static risk assessment model that remains unchanged until a significant regulatory update occurs to ensure consistency in the evaluation process over time
B. Delegate the risk assessment process to individual business units to conduct independently and allow for specialized assessments tailored to each unit's specific activities
C. Conduct a periodic enterprise-wide risk assessment that includes identifying inherent risks, evaluating the effectiveness of existing controls, and determining residual risks
D. Focus primarily on AML risk assessments, as these are typically the most scrutinized by regulators, while addressing other financial crime risks only when issues are identified
Answer: (SHOW ANSWER)

Conducting a periodic enterprise-wide risk assessment (EWRA) is the most effective approach to identifying, assessing, and mitigating financial crime risks. It ensures all inherent risks across areas like AML, CFT, sanctions, fraud, ABC, and tax evasion are evaluated, existing controls are assessed, and residual risks are identified. This comprehensive view enables a cohesive and proactive risk management strategy aligned with regulatory expectations.

NEW QUESTION: 89

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

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

B. Subscribe to commercial databases to assist in the detection of PEPs

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. Require approval from the prudential regulator for entering into or continuing the business relationship

Answer: A (LEAVE A REPLY)

NEW QUESTION: 90

An employee at a financial institution (FI) suspects that one of their co-workers is involved in a financial investment scam syndicate. Which step should be taken next by the employee who has the suspicion?

A. Warn colleagues and customers of the F1 that the employee's suspicious financial investment proposals could be a scam

B. Report the suspected employee to the line manager of the F1 to take the required action

C. Conduct an open-source intelligence investigation using artificial intelligence tools to gain more information on the activities of the suspected employee

D. Question their co-worker to determine If their suspicions are correct before reporting to the FI's Human Resources department

E. Use the FI's whistle blowing channel to report the suspected employee

Answer: E (LEAVE A REPLY)

NEW QUESTION: 91

The EU's 6th Anti-Money Laundering Directive (6AMLD):

A. Created a central EU watchdog to combat money laundering

B. Eliminated the requirement for the European Commission to conduct a risk assessment

C. Strengthened provisions relating to the accuracy of data submitted to central beneficial ownership registries
D. Extended AML oversight to crowdfunding platforms and professional football clubs
Answer: (SHOW ANSWER)

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NEW QUESTION: 92
Which ML/TF risks are associated with cryptoassets? (Select Three.)
A. Devaluation
B. Smart contract vulnerabilities
C. Potential for anonymity
D. Global reach
E. High transaction fees
F. Use to layer illicit funds
Answer: C,D,F (LEAVE A REPLY)
Cryptoassets, such as cryptocurrencies, pose specific ML/TF risks due to their technological characteristics and usage patterns:
* Potential for anonymity (C): Cryptoassets allow users to make transactions without revealing their true identities, which hinders law enforcement from tracking illicit activity.
The CAMS 6th Edition states:
"Cryptoassets can be transferred or exchanged between users without the need for identification, presenting a significant risk due to the potential for anonymity."(CAMS 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing, Virtual Assets section)
* Global reach (D): Cryptoassets operate on a global scale, enabling rapid cross-border transfers without the limitations of traditional financial systems. This increases the complexity of monitoring and controlling illicit transactions."The global nature of virtual assets makes it easy for criminals to move value across borders quickly, evading jurisdictional controls."(CAMS 6th Edition; FATF Guidance on Virtual Assets 2019)
* Use to layer illicit funds (F): The ability to move cryptoassets between numerous wallets and exchanges allows criminals to obscure the source of funds through layering, a key stage of money laundering.

"Layering can be achieved by rapidly moving cryptoassets between wallets, exchanges, and across different jurisdictions, making tracing more difficult."(CAMS 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing) References: ACAMS Study Guide 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing, Virtual Assets/Virtual Currencies FATF Guidance for a Risk-Based Approach to Virtual Assets (2019) EU 5th AML Directive (2018/843)

NEW QUESTION: 93

A financial institution is conducting an enterprise-wide risk assessment (EWRA) and has identified a high inherent risk of money laundering associated with its private banking division due to the clientele's high net worth and complex financial structures. However, the institution has implemented robust customer due diligence (CDD) and enhanced due diligence (EDD) procedures, along with sophisticated transaction monitoring systems.
How would these controls impact the assessment of residual risk?

A. The residual risk would be eliminated entirely because the controls are sufficient to mitigate all potential risks

B. The residual risk would be significantly reduced due to the effectiveness of the controls in place

C. The residual risk would remain high due to the inherent nature of the private banking business

D. The residual risk would be moderately reduced, but further controls may be necessary to achieve an acceptable level

Answer: B (LEAVE A REPLY)

Strong CDD, EDD, and advanced transaction monitoring can significantly reduce residual risk in high-risk areas like private banking. While no control fully eliminates risk, effective implementation and ongoing oversight can bring the residual risk down to an acceptable level from its initially high inherent risk.

NEW QUESTION: 94

In a large US bank, an individual leads a team in charge of overseeing the governance and effectiveness of the bank's transaction monitoring approach.
Which strategies should the team implement? (Select Two.)

A. Periodic and ad hoc cooperation with the legal team to appropriately investigate and monitor the transactions of subjects of subpoenas or government inquiries

B. Periodic review of client profiles to ensure that the most up-to-date information is on file for high-risk clients in line with the bank's internal policies and procedures

C. Periodic review of suspicious activity reports (SARs) filed with FinCEN to determine whether any should be withdrawn

D. Periodic review of the transaction monitoring scenarios and their productivity to ensure that appropriate AML typologies are reflected

Answer: B,D (LEAVE A REPLY)

Effective oversight of transaction monitoring includes:
* Periodic review of client profiles to ensure up-to-date information for high-risk clients (B):"Reviewing and updating customer profiles is essential to ensure that monitoring scenarios are based on current risk data."(CAMS 6th Edition, Transaction Monitoring and Customer Due Diligence)
* Periodic review of transaction monitoring scenarios and productivity to ensure appropriate AML typologies are reflected (D):"Firms should periodically review the parameters and output of transaction monitoring systems to ensure they continue to identify relevant ML/TF risks and typologies."(CAMS
6th Edition, Monitoring and Surveillance)
Incorrect Options:
* A: Cooperation with the legal team is important, but not a core strategy for monitoring governance.
* C: SARs filed with FinCEN should not be withdrawn unless new evidence requires it; review should focus on process, not withdrawal.
References:
CAMS 6th Edition, Transaction Monitoring
FFIEC BSA/AML Manual, Transaction Monitoring Section

NEW QUESTION: 95
Which changes at a financial institution (FI) should trigger an enterprise-wide reassessment of its inherent AML risk exposure? (Select Three.)
A. Mergers or acquisitions
B. Changes in the individuals overseeing the FI's product lines and sales strategies
C. Introduction of new products or services
D. Restructuring of the FI's risk and compliance functions
E. Use of new technologies for delivering existing products
Answer: (SHOW ANSWER)

NEW QUESTION: 96
How canawareness be raisedwithincountries that do not have sanctions regulatory regimes? (Select Two.)
A. Restrict trade between countries that have robust AML/CFT and sanctions regulatory regimes and those that do not.
B. AFC (Anti-Financial Crime) and sanctions-related seminars, webinars, and training within these countries.
C. Enforcement and pecuniary fines against these countries.
D. Bilateral conversations and cooperation between governments.
Answer: B,D (LEAVE A REPLY)
Many jurisdictions lack robust sanctions frameworks, requiring international cooperation and education to improve compliance.

Option B (Correct):Educational initiatives such as AML/sanctions training and workshops help raise awareness and build capacity.
Option D (Correct):Bilateral cooperation allows knowledge-sharing and technical assistance between regulatory authorities.
Why Other Options Are Incorrect:
Option A (Incorrect):Trade restrictions may pressure non-compliant nations, but they do not directly improve sanctions awareness.
Option C (Incorrect):Enforcing fines without prior education or assistance is ineffective and may create diplomatic tensions.
Best Practices for Sanctions Awareness & Compliance:
Develop international AML/sanctions training programs for emerging markets.
Encourage diplomatic engagement to strengthen legal frameworks.
Leverage FATF's Mutual Evaluation process to assess progress.
Reference:
FATF Recommendation 6 (Sanctions & International Cooperation)
OFAC Guidance on Sanctions Compliance for Emerging Jurisdictions
Egmont Group Guidelines on Information Sharing & Capacity Building

NEW QUESTION: 97
The Wolfsberg Group's AML Principles on Private Banking:
A. Assist financial institutions conducting business in jurisdictions with high data privacy standards in working with industries susceptible to money laundering
B. Require banks to better manage reputational risk and protect the privacy of wealthy clients
C. Advise banks to accept only those clients whose source of funds and beneficial ownership is understood
D. Establish rules for private bankers on how to deal with politically exposed persons (PEPs) and persons residing in high-risk countries
Answer: (SHOW ANSWER)

NEW QUESTION: 98
Which of the following are best practices to raise awareness and train staff regarding the risks related to financial crime? (Select Three.)
A. Tailor training and offer regular training to all employees
B. Train outside of daily operations and promote awareness of Compliance
C. Train core AML topics once per year, at a minimum, to relevant employees
D. Use a variety of training methods and provide necessary resources to employees
E. Communicate regularly and measure effectiveness of training
Answer: A,D,E (LEAVE A REPLY)
A robust AML training program should incorporate the followingbest practicesto ensure awareness and ongoing engagement:

Option A - Tailored and regular training:
Training should berisk-based and role-specific, ensuring employees understand how AML applies to their function.
Option D - Variety and resources:
Use ofinteractive, digital, live, and scenario-based methodskeeps training effective and adaptable. Providing materials and resources supports continued learning.
Option E - Communication and measurement:
Ongoing AML awareness campaigns andfeedback mechanismshelp assess theeffectivenessof training and reinforce its importance.
Option Bis too vague and not recognized as a best practice.
Option C, while helpful, isnot sufficient alone-annual frequency without contextual or tailored content is inadequate.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:AML Program Components-Section:
Training and Awareness Best Practices

NEW QUESTION: 99
Which of the options below is an indicator of potential insider activity that may warrant escalation For further investigation?
A. A relationship manager makes an exception to company policy and proceeds with onboarding a customer without documenting a passport for customer identification
B. An investigator does not complete the automated transaction monitoring system alerts assigned to them before the time required by company procedures.
C. An If employee shares information about a firm's risk management framework with employees of other firms at an industry convention.
D. A relationship manager advocates for overriding the results of the company's client risk rating model that resulted in a client's high-risk rating.
Answer: D (LEAVE A REPLY)

NEW QUESTION: 100
Which red flags could indicate increased terror financing and money laundering risks related to cultural objects? (Select Three.)
A. Engagement of third-party art advisors as representatives at art auctions
B. Paying fair market value or premium prices for valuable art, gems, or precious metals at auction
C. Use of art and antiquity experts to verify an item's authenticity
D. Use of art storage facilities located in tax-free zones
E. High-quality single pieces of significant value sold on social media platforms
Answer: A,D,E (LEAVE A REPLY)

NEW QUESTION: 101

An oil exploration company based in France does business with oil refineries in Iran, which is subject to comprehensive Office of Foreign Assets Control (OFAC) sanctions.
What type of OFAC sanctions should be imposed against the French company?
A. Secondary
B. Country-based
C. Sectoral
D. List-based
Answer: A (LEAVE A REPLY)

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