

# Certified Anti-Money Laundering Specialist

1. The branch manager calls the compliance officer and informs her that a law enforcement officer has just left the branch and was asking a lot of questions and left a business card.

A. File a suspicious transaction report

B. Follow up to verify that the officer received all necessary information

C. Verify that the reported officer was an actual authorized representative

D. Require the branch manager to write a detailed memo about the request

**Answer(s): C**

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2. Release of the EU's Fourth AML Directive resulted in what change to member state\*s procedures? (Select Two.)

A. The threshold for reporting suspicious transactions decreased from 15,000 EUR to 10,000 EUR.

B. All financial institutions were required to identify and verify the beneficial owner of legal entities.

C. Money laundering and terrorist financing were defined as separate crimes, expanding the directive's measures.

D. The scope of obliged entities was enlarged from casinos to all providers of gambling services.

E. Knowledge of criminal conduct could be inferred from objective factual circumstances.

**Answer(s): A,B**

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3. The Office of Foreign Assets Control requirements have an extraterritorial reach because compliance is required by:

A. US persons in the US.

B. intermediaries of a transaction with a US nexus.

C. entities registered in the US.

D. foreign financial intelligence units.

**Answer(s): B**

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4. According to the Financial Action Task Force, financial institutions should be required to implement:

A. special procedures for encryption of information to be exchanged with affiliates and branches.

B. independent AML programs to ensure privacy and safeguard confidential information.

C. a process to designate an officer at a senior level who ensures a safe exchange of information for AML and terrorism financing purposes.

D. group-wide programs, including policies and procedures regarding AML compliance.

**Answer(s): D**

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5. OFAC-issued regulations apply to which entities? (Choose two.)

A. Intermediaries transacting with US banks

B. Foreign banks with US customers

C. Foreign subsidiaries of US banks

D. US branches of a foreign bank

E. Foreign import-export companies

**Answer(s): C,D**

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6. Which of the following should an anti-money laundering specialist consider the most serious deficiency when detected during a regulatory audit of the anti-money laundering program?

A. The compliance officer fails to have on-going meetings with upper management to keep them apprised of current money laundering trends.

B. The company's anti-money laundering manual has not been updated to reflect a recent internal control enhancement.

C. The company has failed to download the most recent regulation from the Financial Intelligence Unit web site.

D. The company has not implemented an anti-money laundering training program.

**Answer(s): D**

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7. Which factor should a bank consider before sharing information about a customer with its broker-dealer affiliate in the case of an investigation?

A. Whether the broker-dealer affiliate can rely on the due diligence done by the bank

B. Whether there is a mutual legal assistance treaty in place between the two institutions

C. Whether privacy and data protection rules permit the bank to share the information with the affiliate

D. Whether both institutions have an account or are in the process of opening an account for the customer

**Answer(s): C**

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8. What are the European Union Directives on Money Laundering?

A. They are voluntary codes of best practice for the financial sector

B. They are written by the Wolfsberg Group

C. They require members to implement certain laws of prevent money laundering

D. They require financial institutions to report suspicious activity to the Egmont Group in Brussels

**Answer(s): C**

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**9.** What should a financial institution (FI) do in response to a formal law enforcement request to produce documents?

A. 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.

B. Designate a person responsible for the internal investigation in preparation of documents for the request.

C. Ask for an extension to review the FI's privacy policy and confidentiality policy before providing any information under the law enforcement request.

D. Keep senior management informed at all times to strategically organize a defense to terminate the law enforcement request.

**Answer(s): B**

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**10.** An internal review of anti-money laundering training documentation revealed only new agents employed by a financial institution that sells life insurance products were trained. Additionally, it typically took the institution 8 months to begin training for new actuaries. The compliance officer explained training was limited to actuaries because they perform the only high-risk function. The institution relied on e-learning techniques without follow-up assessment.

A. All staff, apart from the Board of Directors, must be trained.

B. Product-specific anti-money laundering training should be provided company-wide.

C. The institution must provide anti-money laundering training to actuaries within 6 months.

D. Continue using e-learning to emphasize anti-money laundering content during training.

**Answer(s): B**

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**11.** When an existing customer becomes a politically exposed person (PEP), what should the KYC analyst do during the review/refresh period?

- A. Seek the compliance officer's advice before marking the authorized signatory as PEP.
- B. Update the new authorized signatories in the customer profile.
- C. Perform enhanced due diligence for the customer and update the KYC profile.
- D. Update the list of signatories and perform enhanced due diligence in the next periodic refresh cycle.

**Answer(s):** C

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**12.** Which three actions should employees be instructed to do during an internal investigation?

- A. Provide corporate documents directly to law enforcement
- B. Inform counsel of all request for documentation
- C. Make copies of all documents provided to law enforcement
- D. Keep a log of the documents requested

**Answer(s):** B,C,D

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**13.** A customer opens a corporate account with a broker-dealer on behalf of several beneficial owners, with a stated long-term investment goal. The customer deposits \$25.5 million into the account and three days later transfers \$5 million to an overseas bank. Shortly thereafter, the customer begins making numerous purchases of pesos. The compliance officer receives a query regarding the movement of funds. Within a month of account opening, the customer depletes the account.

- A. The new account deposit is \$25.5 million
- B. A corporate account is opened on behalf of several beneficial owners
- C. The compliance officer receives the query regarding the movement of funds

D. The customer's stated investment goal is not reflective of account activity

**Answer(s):** B,D

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**14.** A corporate services provider in a European Union (EU) country has a prospect from an African country who deals in oil and gas. The prospect intends to develop an oil terminal in his home country with a \$75 million dollar loan secured by a third party, which is a trust formed in a Caribbean island with a holding company based in a European secrecy haven. A young lady is presented as an ultimate beneficial owner who has gained her wealth through a fitness studio in her home country.

A. A loan worth \$75 million with a third-party guarantor

B. The guarantor company's ownership structure is overly complex

C. The prospect wishes to have a corporate structure with a holding company in EU country

D. The ultimate beneficial owner is young lady who has gained her wealth through a small business

**Answer(s):** B,D

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**15.** A well-developed anti-money laundering compliance program is unlikely to achieve institutional goals without

A. Screening all staff.

B. Training appropriate employees.

C. Verification of account owners.

D. Endorsement by a competent authority.

**Answer(s):** B

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**16.** a personal banking customer who simultaneously opens several accounts will most likely cause further inquiry in which of the following scenarios?

A. A personal account and a corporate account.

B. An individual account and a joint spousal account.

C. Accounts with almost identical names.

D. A checking and a savings account.

**Answer(s): C**

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**17.** Which is the first valid step in the Mutual Legal Assistance Treaties (MLAT) international cooperation process?

A. The central authority that receives the request sends it to a local judicial officer to find out if the information is available.

B. The central authority of the requesting country sends a commission letter of request to the central authority of the other country.

C. The investigator may remove the evidence collected without asking permission to do so.

D. An investigator from the requesting country visits the country where the information is sought and takes statements from the identified witnesses or suspects.

**Answer(s): B**

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**18.** To ensure the independence of an audit for an AML program those involved in the audit would best be described as being:

A. not involved in the organizations AML compliance program and having a reporting line to the organization's Chief Executive Officer

B. not involved in the organization's suspicious activity report filing process and having a reporting line to the board of directors or committee thereof.

C. not Involved in the organizations AML compliance program and having a reporting line to the board of directors or committee thereof

D. not involved in the organization's suspicious activity report filing process and having a reporting line to the organization's Chief Executive Officer

**Answer(s): C**

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**19.** An anti-money laundering specialist at a large institution is responsible for informing senior management about the status of the anti-money laundering program across the organization. The global institution handles retail banking, commercial banking, global markets, private banking and has an affiliated securities dealer.

A. The total credit exposure for non-cooperative countries and territories.

B. Results of related audits and examinations.

C. Details on inquiries received from law enforcement.

D. Notification of management changes in the different major divisions.

**Answer(s): B**

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**20.** The USA PATRIOT Act requires United States (U.S.) financial institutions to collect certain information from non-U.S. banks that hold a correspondent account.

A. The name and address of all shell banks the bank maintains accounts for

B. The name and address of all beneficial owners who own 25% or more of the bank

C. Prompt notice of any suspicious activity it detects on any customer who uses the correspondent account

D. The name and address of a U.S. person who is authorized to receive service of legal process for the bank

**Answer(s): A,D**

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