EXAMTOPICS

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Question #1 *Topic 1*

A bank account is established for a new business customer. The business was established five years ago with an address in another state. The business website contains few details other than stating it is a real estate business.
One principal has an international telephone number and appears to be living in another country. The other principal works out of a recreational vehicle.
What warrants enhanced due diligence in this scenario?

A. Shell company

B. Human trafficker

C. Politically exposed person

D. Money laundering through real estate

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (100%)

Writingsoon_2021 Highly Voted 5 years, 2 months ago
A is the answer! **** I just want to tell everyone using this site; that it is a quality site! I just passed my CAMS today because of this site. I researched all the questions. The majority or similar questions from this site were on the exam! If you study each question and research it you should pass. I wish all of you the best of luck [2021-06-01] !!!! ****
upvoted 51 times

Neeti32 Highly Voted 1 year, 10 months ago
answer is A Took my exam today-- passed with a great score!!! what helped me was regular reading the study guide and practicing here. do refer to all the question - do your research to confirm the answers and you will be all set- to help out, i have marked the questions in the discussion section for the community. so look out for those - i did see many new and recently added questions, so pay more attention on questions from 300 - 479 here on examtopic wish everyone all the best :) - finally signing off!!!
upvoted 7 times

23c6d6d Most Recent 3 months, 4 weeks ago
A - customer lives out of the country
upvoted 1 times

23c6d6d 4 months ago
Due to one of the principals living out of th country and no other high risk indicator found
upvoted 1 times

ADOMM 5 months, 2 weeks ago
A is the answer
upvoted 1 times

Xuheb 10 months, 3 weeks ago
No indication that the business is human trafficking or PEP
upvoted 1 times

Sgegede 11 months ago
No fixed address and the other party is in another jurisdiction
upvoted 1 times

lebdin 1 year ago
A is the correct answer
upvoted 1 times

c2aa388 1 year, 1 month ago
Money laundering through real estate is also correct, but is encompassed by the term shell company in this scenario.
upvoted 2 times

Ahmed_Kory 1 year, 1 month ago

A is the answer

upvoted 1 times

Benita1 1 year, 3 months ago

shell company is a company with few or no details of asset.

upvoted 1 times

Benita1 1 year, 3 months ago

shell company has little or no detail

upvoted 1 times

Jp994 1 year, 3 months ago

answer is A

upvoted 1 times

Sony1993 1 year, 5 months ago

Answer is option A

upvoted 1 times

epicg700 1 year, 5 months ago

C: We don't have information on the business to declare ML.

upvoted 1 times

ranchyt 1 year, 10 months ago

Selected Answer: A

A is the answer

upvoted 1 times

erdickg 1 year, 7 months ago

A is the answer

upvoted 1 times

Whatacell 1 year, 10 months ago

Selected Answer: A

The correct answer is A. Options B and C are not logical as there is insufficient information, so they are eliminated. The real fight was between A and D; since the question "warrants enhanced due diligence," it is vital to review the corporate structure before pinning the ML tag. Hence, A is the correct answer.

upvoted 3 times

Sadiii 1 year, 7 months ago

The answer is A Shell Company

upvoted 1 times

Question #2 *Topic 1*

A branch manager for a small community bank has a new customer who deposits four EUR 50,000 checks into one account. Shortly thereafter, the customer goes to another branch and asks to transfer all but EUR 1,500 to three accounts in different foreign jurisdictions.
Which suspicious activity should be the focus of the suspicious transaction report?

A. The customer opened the account with four large checks

B. The customer goes to a different branch to make this transaction

C. The customer transfers almost all of the funds out of the account

D. The customer asks to transfer funds to accounts in three different foreign jurisdictions

Suggested Answer: *D*
Official Answer: D

Community vote distribution



madduck2 Highly Voted 5 years, 1 month ago
This customer dude is totally fishy. The answer should be ABCD, but that's not an option. So "A" we can disregard (even though there 4 checks with the same large amount) - we don't have enough information to proclaim it fishy. "B" is a red flag, but so are "C" and "D". Maybe we can disregard "C" ('large sums of money at the beginning but very little balance at the end') as the event is a one-time occurrence, and not a repeated activity. So we're left with "B" and "D". Can we disregard "B" because it is not on the same day? ('Shortly thereafter, the customer goes to another branch' vs 'conducts large cash transactions at different branches on the SAME day') I may be more inclined to "D" as the answer because of the "branch manager for a SMALL community bank". Folks at small banks don't send batches of cash around the planet. One thing is sure, this is a bastardly question, designed to eat up your time and drain your brain.
upvoted 47 times

deepavinod Highly Voted 5 years, 9 months ago
Answer is B• "Customer conducts large cash transactions at different branches on the same day, or coordinates others to do so on his or her behalf." page 188Question does not says the deposits were conducted at different Branches. It says all deposit at 1 Branch. So "B" is ruled out.the question says " a different branch" so B is incorrect. I agree with D - it is an unusual cross- border transactions which is a trigger for SAR.it should be B. I changed my opinion.
upvoted 17 times

deepavinod 5 years, 9 months ago
Answer is B• "Customer conducts large cash transactions at different branches on the same day, or coordinates others to do so on his or her behalf." page 188
upvoted 17 times

SureshK 5 years, 1 month ago
Question does not says the deposits were conducted at different Branches. It says all deposit at 1 Branch. So "B" is ruled out.
upvoted 1 times

Ozii07 5 years, 8 months ago
the question says " a different branch" so B is incorrect. I agree with D - it is an unusual cross- border transactions which is a trigger for SAR.
upvoted 3 times

Ozii07 5 years, 8 months ago
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upvoted 3 times

Ozii07 5 years, 8 months ago
it should be B. I changed my opinion.
upvoted 1 times

23c6d6d Most Recent 4 months ago
four different jurisdictions is a huge red flag

upvoted 1 times

ADOMM 5 months, 2 weeks ago

The customer asked to transfer almost all funds to three different foreign accounts, but has not actually transferred the funds yet according to the scenario. the request to make the transfer is a red flag and hence suspicious

upvoted 1 times

sam_adams 6 months, 3 weeks ago

A B C - options to explain not as suspicious. He might have received settlements, sale proceeds, lottery etc, and B & C can happen to a normal customer if it is not repeated. But D is definitely not most of the customers do. This demands investigation.

upvoted 1 times

532f3c9 10 months, 3 weeks ago

CAMS study guide 6.52 edition, page 192. CDD should be applied for transfer of funds exceeding euro 1,000 coupled with page 215..."...fund transfer to and from a foreign jurisdiction"

upvoted 2 times

Sgegede 11 months ago

This question really had me for a minute, the depositor was looking for an opportunity of being valued, hence the small bank, then not likely to be exposed to very advanced monitoring tools, hence small community bank.

upvoted 1 times

158e815 1 year, 1 month ago

It doesn't say the three transfers are to high-risk foreign jurisdictions. So if someone wires funds from the U.S. to accounts in the UK, Germany and France, that's suspicious activity warranting a SAR? Moreso than them driving to a different branch to request the transactions in the first place?

upvoted 2 times

Ahmed_Kory 1 year, 1 month ago

D is answer

upvoted 1 times

Benita1 1 year, 3 months ago

my answer is B, because, why couldn't he finish the transaction in one branch, why going to another branch if he wasn't hiding anything.

upvoted 4 times

jacenkilcap 1 year, 10 months ago

CAMS certification guide (6th edition) page 188 under Unusual Noncash Deposit red flags: "Funds deposited are moved quickly out of the account via payment methods inconsistent with the established purpose of the account" -- which leans toward C or D. A and B are not red flags on their own. C and D are similar in that they both involve transferring the funds out of the account, however D is more correct/higher risk as it involves the same transfer activity as C, but with the additional risk involving foreign jurisdictions (page 189, Unusual Wire Transfer Transactions red flags)

upvoted 5 times

AS01 2 years ago

D) Because its part of ML. Therefore, suspicious activity indicates that the customer asks to transfer funds to three different accounts in different foreign jurisdictions.

upvoted 2 times

Neeti32 2 years, 1 month ago

D is the correct answer

upvoted 2 times

XERSIKA 3 years, 3 months ago

correct answer should be B. Cams Version 6.47 topic - Unusual Cash Transactions - Customer conducts large cash transactions at different branches on the same day or coordinates other individuals to do so on his behalf (page 326)

upvoted 4 times

ShirazMaqbool 3 years ago

I think it's B because it says 'shortly thereafter' and that timeframe can mean anything from a few hours to a few days. Reason I don't think it is D is because it says foreign jurisdiction, not a high risk foreign jurisdiction. If it said 'high risk' I would've gone for 'D'.

upvoted 2 times

XERSIKA 3 years, 3 months ago

correct answer should be B. Cams Version 6.47 topic - Unusual Cash Transactions - Customer conducts large cash transactions at different branches on the same day or coordinates other individuals to do so on his behalf (page 326)Client deposited cheque and transferred funds so there is no cash transactions. I believe the answer is D as this information should be the focus and other information can supplement the STR.

upvoted 4 times

Raj_2703 3 years, 1 month ago

Client deposited cheque and transferred funds so there is no cash transactions. I believe the answer is D as this information should be the focus and other information can supplement the STR.

upvoted 1 times

ProCrypto 3 years, 5 months ago

Well yes all of the scenarios are suspicious and can be considered overall. But if we read the question it is asking for STR not SAR, if it would be SAR then for sure B is correct while for suspicious transaction report D answer is more likely to be correct.

upvoted 1 times

nexus_2510 3 years, 8 months ago

Selected Answer: C

money is moved out at high rate. not d as it does not mention if foreign jur. is high risk

upvoted 2 times

capri7 3 years, 6 months ago

What should be the correct answer ideally as per you tube tutorial it's D.

upvoted 1 times

Question #3 *Topic 1*

A government has instituted new anti-money laundering laws which require all financial institutions to obtain certain information from its customers.
Which step should an institution located in this jurisdiction take to ensure compliance?

A. Change procedures to require that the necessary information is obtained

B. Change procedures and systems as necessary and provide employee training

C. Send a notice to customers asking them to provide the necessary information

D. Change systems to ensure the required information is automatically obtained from all customers

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (76%) C (20%) (4

Alaa84 Highly Voted 5 years, 5 months ago
I think B is the correct answer, policies have to be changed according to the new law. systems and also they must train staff to capture this new information before they ask their customers
upvoted 43 times

Alaa84 Highly Voted 5 years, 5 months ago
I think B is the correct answer, policies have to be changed according to the new law. systems and also they must train staff to capture this new information before they ask their customersAgree. B is the answer. Study guide P152 - changes in law triggers changes in procedures The standard AML/CFT operating procedures should be drafted at the operational level in the financial institution. These procedures must be modified and updated, as needed, to reflect changes IN LAW AND REGULATION, PRODUCTS AND ORGANIZATIONAL CHANGES. Study Guide P162 – changes in procedures trigger training When to train Changes in software, systems, procedures or regulations are additional triggers for training sessions. Thus, B. Change procedures and systems as necessary and provide employee training IMO, C is one of the actions that B need to conduct per B.This is perhaps the most logical explanation for the option B.I mean, C is one of the actions that the institution need to conduct per B.
upvoted 43 times

junwangchloe 1 year, 10 months ago
Agree. B is the answer.

Study guide P152 - changes in law triggers changes in procedures

The standard AML/CFT operating procedures should be drafted at the operational level in the financial institution. These procedures must be modified and updated, as needed, to reflect changes IN LAW AND REGULATION, PRODUCTS AND ORGANIZATIONAL CHANGES.

Study Guide P162 – changes in procedures trigger training

When to train Changes in software, systems, procedures or regulations are additional triggers for training sessions.

Thus, B. Change procedures and systems as necessary and provide employee training

IMO, C is one of the actions that B need to conduct per B.
upvoted 7 times

junwangchloe 1 year, 10 months ago
Agree. B is the answer. Study guide P152 - changes in law triggers changes in procedures The standard AML/CFT operating procedures should be drafted at the operational level in the financial institution. These procedures must be modified and updated, as needed, to reflect changes IN LAW AND REGULATION, PRODUCTS AND ORGANIZATIONAL CHANGES. Study Guide P162 – changes in procedures trigger training When to train Changes in software, systems, procedures or regulations are additional triggers for training sessions. Thus, B. Change procedures and systems as necessary

and provide employee training IMO, C is one of the actions that B need to conduct per B.This is perhaps the most logical explanation for the option B.I mean, C is one of the actions that the institution need to conduct per B.

upvoted 7 times

Whatacell 2 years, 10 months ago

This is perhaps the most logical explanation for the option B.

upvoted 1 times

junwangchloe 4 years, 7 months ago

I mean, C is one of the actions that the institution need to conduct per B.

upvoted 2 times

Abby32 5 years, 7 months ago

C is correct. Kindly analyse the question. The new law i asking for information of the bank's customers which means both existing and new customers. Updating AML system to obtain such information is good but will only be effective for prospective new customers. The system cannot automatically tap the requested info from the existing customers. They rather have to be notified to submit the requested update within a period of time as required by the new regulation.This may not be necessarily asking to get the information from the existing customers. When Fincen came out with the CDD rule, it was affecting new customers as of a certain date. We did not have to send the BOC form to the existing customers.

upvoted 12 times

Abby32 5 years, 7 months ago

C is correct. Kindly analyse the question. The new law i asking for information of the bank's customers which means both existing and new customers. Updating AML system to obtain such information is good but will only be effective for prospective new customers. The system cannot automatically tap the requested info from the existing customers. They rather have to be notified to submit the requested update within a period of time as required by the new regulation.

upvoted 12 times

L_M666 5 years, 2 months ago

This may not be necessarily asking to get the information from the existing customers. When Fincen came out with the CDD rule, it was affecting new customers as of a certain date. We did not have to send the BOC form to the existing customers.

upvoted 4 times

ADOMM Most Recent 5 months, 2 weeks ago

A is the most appropriate response. The other responses are not feasible or cost effective. If the information needed does not require training staff, there is no need for that. Otherwise B would have my choice, if training was necessary.

upvoted 1 times

sam_adams 6 months, 3 weeks ago

if B is done, C will automatically happen and B is futuristic

upvoted 1 times

Sgegede 11 months ago

Change and procedures and systems, means putting in place the controls. Training is necessary to firstly explain the rationale for the change and for adequate customer information. This completes effectives with proper customer experience.

upvoted 1 times

c2aa388 1 year, 1 month ago

B is the answer and encompasses the other possibilities as well.

upvoted 1 times

Benita1 1 year, 3 months ago

the training is key for employees, so as to know what to cascade to their customers

upvoted 1 times

GD88 1 year, 3 months ago

To ensure full compliance with new anti-money laundering (AML) laws, a financial institution must take a comprehensive approach to change procedures, modify systems and train employees. C- Sending a notice to the customer does not provide full compliance; staff must understand and apply the changes correctly.

upvoted 1 times

BD92 1 year, 10 months ago

I think it's B. Without training to employees and systems updates how would the employees know what to collect? Additionally, taking a risk-based approach the organization would decide if they want the collection of these documents to be retrospective or can be on a go-forward basis.

upvoted 1 times

Koios 1 year, 10 months ago

I think B is the correct answer. Procedures will set out all the change management processes, staff and customer comms included(new and existing) and then systems enhancement along with EE training is critical. A is too limited, C only caters for existing customers as you cant send notices to

customers you don't have? D is right out the ball park.....lol

upvoted 1 times

NikkiB 1 year, 10 months ago

I believe B is the correct answer. When new AML laws are in place we would want to update procedure documents first in order to gather appropriate customer data and then update customer information for existing customers as they transact.

upvoted 1 times

Shady_Abul_Enin 1 year, 10 months ago

I agree with B. Study guide Version 6.47 Page 261 state that: "The standard AML/CFT operating procedures should be drafted at the operational level in the financial organization. These procedures must be modified and updated, as needed, to reflect changes in laws and regulations, products, and the organization itself. These procedures are more detailed than the corresponding AML/CFT policies; they translate policy into acceptable and workable practices. The procedures also form the basis of an important component of AML/CFT training, and the compliance monitoring programs. In addition to policies and procedures, organizations need a process to support and facilitate effective implementation of procedures, which should be reviewed and updated regularly."

upvoted 3 times

Sbl_89 1 year, 10 months ago

B. Change procedures and systems as necessary and provide employee training. To ensure compliance with new anti-money laundering laws, a financial institution should not only change its procedures but also adapt its systems as needed to collect the required information from customers. Additionally, providing employee training is crucial to ensure that staff members understand the new requirements and can effectively implement them. Compliance is a comprehensive process that involves both procedural and systemic changes, along with employee education and training.

upvoted 2 times

3c74722 1 year, 10 months ago

The question is what should they do to ensure compliance. It is possible to update your policies and procedures but still not be compliant if the external customer has no clue

upvoted 1 times

zahid6914 1 year, 11 months ago

B is the correct answer

upvoted 1 times

AS01 2 years ago

B) As it identifies gaps, any modifications in system and comprehensive training who interact with customers information.

upvoted 1 times

sammy21367707878 2 years, 8 months ago

100% B

upvoted 1 times

Question #4 *Topic 1*

An anti-money laundering audit identifies a significant weakness in how transaction monitoring alerts are cleared. Audit sampling identified potentially suspicious activity that was cleared as not suspicious. Management accepts the audit finding and develops a remediation plan.
What is the role of the auditor during the correction phase?

A. Directing the remediation of the deficiency in a timely manner

B. Developing procedures to provide sufficient risk-based documentation for clearing alerts

C. Providing training to the alert clearing department on the importance of effective alert clearing

D. Validating the successful remediation of the issue once management indicates the issue is resolved

Suggested Answer: *D*
Official Answer: D

Community vote distribution


jgallag11 Highly Voted 5 years, 10 months ago
I think D CAMS pg 163 "Track previously identified deficiencies and ensure management corrects them promptly"
upvoted 62 times

L_M666 Highly Voted 5 years, 3 months ago
It is not the auditor's job to do B. This is so wrong
upvoted 15 times

ADOMM Most Recent 5 months, 2 weeks ago
The role of the auditor is validating what the AML/CFT team put in place to mitigate financial crime risk. Therefore D is the most appropriate response
upvoted 1 times

Pratt242 5 months, 3 weeks ago
It's b I believe by provide the sampling the audit team clear help with risk clearing
upvoted 1 times

Sgegede 11 months ago
Audit although might recommend, along with management, possible remediation and tracks implementation of remedial action, finally, it must independently give assurance to the board or regulator.
upvoted 1 times

Tokksygold 1 year, 2 months ago
I THINK B
upvoted 1 times

Benita1 1 year, 3 months ago
i think D is the answer,, because auditors cant develop procedures, they audit the already developed procedures....this will be a self review issue
upvoted 2 times

ali1990 1 year, 10 months ago
TYPICAL JOB DUTIES AND RESPONSIBILITIES: An Internal Auditor's responsibilities will vary depending on the size and type of the organisation. Typical job duties and responsibilities may include, but are not limited to: *Audit assignment preparation and planning *Evaluation of the business's controls *Undertaking internal audits and test policies and processes *Analysis of risk frameworks *Analysing the potential for fraud in the company's systems and processes *Taking the lead in any fraud or other investigation that may be required *Conducting meetings with management and staff to understand processes and procedures *Writing reports on each internal audit assignment and making any recommendations to redesign processes and procedures that warrant changes. *Advising the client of the application of accounting standards and policies https://www.richardlloyd.com.au/disciplines/mid-level/auditor-internal-external Answer is B Writing reports on each internal audit assignment and making any recommendations to redesign processes and procedures that warrant changes.Your source is irrelevant and doesn't indicate that B is the answer to this question. Read the question properly.Making a recommendation is not the same as designing process and procedures

upvoted 2 times

ali1990 1 year, 10 months ago

TYPICAL JOB DUTIES AND RESPONSIBILITIES: An Internal Auditor's responsibilities will vary depending on the size and type of the organisation. Typical job duties and responsibilities may include, but are not limited to:

*Audit assignment preparation and planning *Evaluation of the business's controls *Undertaking internal audits and test policies and processes *Analysis of risk frameworks *Analysing the potential for fraud in the company's systems and processes *Taking the lead in any fraud or other investigation that may be required *Conducting meetings with management and staff to understand processes and procedures *Writing reports on each internal audit assignment and making any recommendations to redesign processes and procedures that warrant changes. *Advising the client of the application of accounting standards and policies

https://www.richardlloyd.com.au/disciplines/mid-level/auditor-internal-external

Answer is B

Writing reports on each internal audit assignment and making any recommendations to redesign processes and procedures that warrant changes.

upvoted 2 times

JayNR 5 years, 2 months ago

Your source is irrelevant and doesn't indicate that B is the answer to this question. Read the question properly.

upvoted 4 times

Locustkeke90 4 years, 7 months ago

Making a recommendation is not the same as designing process and procedures

upvoted 3 times

Sbl_89 1 year, 10 months ago

D. Validating the successful remediation of the issue once management indicates the issue is resolved. The role of the auditor during the correction phase is to validate and confirm that the issue identified in the audit has been successfully remediated once management indicates that it is resolved. This ensures that the remediation plan has been implemented effectively and that the weakness in transaction monitoring alert clearance has been addressed according to the agreed-upon plan.

upvoted 2 times

Rowest 1 year, 10 months ago

If audit did B, then at some point they would be coming back in to audit the procedures THEY developed. This answer also impacts their independence.

upvoted 1 times

Sali_13 1 year, 10 months ago

The audit function should report to the audit committee of the board of directors (or similar oversight body) and independently evaluate the risk management and controls of the entity through periodic assessments, including the adequacy of the entity's controls to mitigate the identified risks, the effectiveness of the entity's staff's execution of the controls, the effectiveness of the compliance oversight and quality controls and the effectiveness of the training.

upvoted 1 times

7a0a6db 1 year, 10 months ago

D is 100% correct. Developing procedures is part of the BSO/ CO function, and the approval of such is a Committee or Board responsibility. The auditor has to remain independent always, so he makes his recommendations and then validates the success of such implementation upon the agreed-upon timeline. I am a former AML Auditor for two of the BIG 4 companies and have been working in the industry for over 10 years.

upvoted 1 times

AS01 2 years ago

D) The auditor will perform testing to confirm that the remediation plan has been effectively implemented and that the issue has been resolved.

upvoted 1 times

Neeti32 2 years, 1 month ago

D 100% aligns with Auditor's duty in the situation.

upvoted 2 times

23e53b2 2 years, 5 months ago

Auditor doesn't remediate the program

upvoted 1 times

Horvat93 2 years, 5 months ago

It's D. It's absolutely NOT B. As someone who works in Internal Audit, it's our job to validate management's action plan (MAP), not to create It for them!I thought the same. So how helpful is this resource when studying for CAMS as they have wrong answers

upvoted 1 times

Horvat93 2 years, 5 months ago

It's D. It's absolutely NOT B. As someone who works in Internal Audit, it's our job to validate management's action plan (MAP), not to create It for them!

upvoted 1 times

Quirkypam 2 years, 3 months ago

I thought the same. So how helpful is this resource when studying for CAMS as they have wrong answers

upvoted 1 times

mego368 2 years, 6 months ago

Auditor is external so wouldn't assist with remediation.

upvoted 2 times

Question #5 *Topic 1*

Which method to launder money through deposit-taking institutions is closely associated with international trade?

A. Forming a shell company

B. Using Black Market Peso Exchange

C. Structuring cash deposits/withdrawals

D. Investing in legitimate businesses with illicit funds

Suggested Answer: *B*

Official Answer: B

Community vote distribution

B (100%)

lovesickboy Highly Voted 4 years, 10 months ago

have to focus on the word "international trade" hence the answer is B

upvoted 12 times

23c6d6d Most Recent 4 months ago

International trade gives it away to the most logical answer

upvoted 1 times

ADOMM 5 months, 2 weeks ago

B is the most appropriate response, because the money gotten from black market can then be transferred cross-border

upvoted 1 times

Sgegede 11 months ago

PESO trading does using deposit taking in foriegn currency and those funds are used for legitimate purposes, whereas backend the provide bulk cross border transfer.

upvoted 1 times

JEPT 1 year, 2 months ago

Key word "international"

upvoted 1 times

Benita1 1 year, 3 months ago

i think the correct answer is B, because it has to do with international trade.

upvoted 1 times

epicg700 1 year, 5 months ago

B is the answer

upvoted 1 times

Gee_29 2 years, 6 months ago

B is the correct answer

upvoted 1 times

Whatacell 2 years, 10 months ago

The correct answer is B. The keyword here is "international trade," as all other options can be implemented domestically too.

upvoted 2 times

Tam_3 4 years, 5 months ago

B - Using Black Market Peso Exchange

upvoted 1 times

Prosbonnie 4 years, 5 months ago

B. BMPE. is more related as a result of trade concept

upvoted 1 times

Hany_86 4 years, 6 months ago

B is the answer

upvoted 1 times

Noodyjooby 5 years ago

But the question is asking about methods using "deposit taking institutions" i.e. banks, trust companies, credit unions and mortgage loan companies. BMPE doesn't use any institutions.

upvoted 4 times

alreadyPassExam 4 years, 7 months ago

B B I think

upvoted 1 times

Noodyjooby 5 years ago

But the question is asking about methods using "deposit taking institutions" i.e. banks, trust companies, credit unions and mortgage loan companies. BMPE doesn't use any institutions.I hope you revisit BMPE soon! The drug money is deposited as cash into US bank accounts established by the Peso Broker as part of BMPE process

upvoted 4 times

bbb11 Highly Voted 4 years, 10 months ago

I hope you revisit BMPE soon! The drug money is deposited as cash into US bank accounts established by the Peso Broker as part of BMPE process

upvoted 6 times

KamranShahzad 5 years, 2 months ago

B is correct answer

upvoted 2 times

Writingsoon_2021 5 years, 3 months ago

B is correct. TBML includes BMPE. https://www.fatf-gafi.org/media/fatf/content/Trade-Based-Money-Laundering-Trends-and-Developments.pdf. P.27 - "Another traditional type of TBML is Black Market Peso Exchange, which Central and South American drug cartels have used to launder drug proceeds generated in the United States"

upvoted 4 times

bmb251 5 years, 6 months ago

B is correct

upvoted 2 times

Countingstar 5 years, 4 months ago

I think it is D.

upvoted 3 times

Question #6 *Topic 1*

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.

Which two red flags should prompt the firm's compliance officer to take action? (Choose two.)

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

Suggested Answer: *C, D*

Official Answer: CD

Community vote distribution



compliancelawyer Highly Voted 4 years, 8 months ago

With all due respect, your opinion does not reflect compliance rules. Practically, companies open accounts with large deposits all the time, and on behalf of multiple beneficial owners. The rules dictate that one must verify the identity of the owners, and the source of funds. Here, the call of the question asks to select two red flags. A & D are not red flags if the proper EDD is done. Queries and account activity not reflecting stated goals are unequivocally red flags. C & D are the correct answers.

upvoted 22 times

RuchSh Highly Voted 4 years, 8 months ago

CD is answer

upvoted 9 times

e18a244 Most Recent 1 month, 1 week ago

L'agent de conformité ayant reçu une question sur le mouvement de fond, cela doit l'inciter à agir. La réponse D est évidente. La réponse A en effet n'est pas la bonne réponse car cela ne présente pas forcément une anomalie et rien n'est indiqué comme tel dans l'énoncé.

upvoted 1 times

23c6d6d 3 months, 4 weeks ago

A and C are just stated facts and not actually concerns/red flags

upvoted 1 times

23c6d6d 4 months ago

C and D are the ONLY red flags, the other two are not unusual for a corporate account

upvoted 2 times

ADOMM 5 months, 2 weeks ago

BD is the answer

upvoted 1 times

Sgegede 11 months ago

Several beneficial Owners, who is in control? But mostly D, this is inconsistent with the intended purpose demonstrating deception.

upvoted 1 times

Sgegede 11 months ago

Totally inconsistent with stated intention, therefore the true intention is unknown. Why did they mislead?

upvoted 1 times

HuyPhan 1 year ago

I think A & D. With A as a sudden new account deposit of $25.5M is unusual, especially for a brand-new customer. Coupled with the rapid depletion, it strongly suggests suspicious activity

upvoted 1 times

a513174 1 year ago

A) could be a red flag B) normal situation for companies C) alert is not a red flag. Generally alert is generated due to red flags D) is a red flag

upvoted 2 times

smas2 1 year, 2 months ago

Selected Answer: BD

D is obviously a classic red flag as long-term goal was claimed by the customer, yet emptied the account within a month, made numerous foreign transactions (and even to overseas). Receiving a query isn't a red flag - the activity that triggered it is(so why C is not). Therefore, BD

upvoted 2 times

c2aa388 1 year, 1 month ago

I think it's CD. Neither A nor B on their own raise significant red flags. B raises more red flags in conjunction with the other items. Meanwhile, both C and D could clearly stand out on their own as red flags.

upvoted 2 times

SuhaniZaveri 1 year, 1 month ago

I think its C & D because having multiple beneficial owners is not a red flag if its verified and proper CDD is done. Abou option A - its completely normal to open accounts with large deposits for a corporate company.

upvoted 1 times

Tokksygold 1 year, 2 months ago

i think B&d

upvoted 1 times

smas2 1 year, 2 months ago

D is obviously a classic red flag as long-term goal was claimed by the customer, yet emptied the account within a month, made numerous foreign transactions (and even to overseas). Receiving a query isn't a red flag - the activity that triggered it is(so why C is not). Therefore, BDI have the same answer and rationale. What wait for the query? should they have identified the red flags early on

upvoted 2 times

JEPT 1 year, 2 months ago

I have the same answer and rationale. What wait for the query? should they have identified the red flags early on

upvoted 1 times

Neeti32 2 years, 1 month ago

Selected Answer: BD

to B,D are the biggest red flag

upvoted 3 times

0b70f32 1 year, 3 months ago

The others not red flag

upvoted 1 times

InRespect 2 years, 4 months ago

Agree with C & D

A corporate account can indeed be opened on behalf of several beneficial owners. In such cases, the account is typically established in the name of the corporation or the business entity, and the beneficial owners are identified according to their ownership stakes or interests in the corporation. This is common in businesses where there are multiple shareholders or stakeholders who have a beneficial interest in the company's assets and operations.

upvoted 4 times

Benita1 1 year, 3 months ago

they smelt rat on the movement of fund and the reason the compliance officer was given an query. the D is very obvious .

upvoted 1 times

Rowest 2 years, 5 months ago

Selected Answer: BD

the question asked for red flags. I thought certain activity was a red flag, not a report after the fact

upvoted 2 times

da8657a 1 year, 4 months ago

Chat GPT is for A and D. The D is pretty obvious. In regard to A it stated the following - An outsized deposit at onboarding—far above what the customer's stated long-term strategy would require—signals possible placement of illicit funds. The fact it's almost immediately siphoned off amplifies the risk.

upvoted 2 times

Question #7 *Topic 1*

What should countries do to help prevent non-profit organizations from being abused
for the financing of terrorism according to the Financial Action Task Force
40
Recommendations?

A. Allow for freezing assets of non-profit organizations

B. Require all non-profit organizations to register with the country's financial intelligence unit

C. Ensure non-profit organizations cannot be used to conceal or obscure the diversion of funds intended for legitimate purposes to terrorists' organizations

D. Create laws that forbid non-profit organizations from completing cross-border transactions without first running them through known terrorist data bases

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (94%)

SDBoss Highly Voted 5 years, 7 months ago
ans C study guide pg no:80 The objective of Recommendation 8 is to ensure that NPOs are not abused by: • Terrorist organizations posing as legitimate entities • Exploiting legitimate entities as conduits for terrorist financing • Concealing or obscuring the clandestine diversion of funds intended for legitimate purposes to terrorist organizations.
upvoted 14 times

ADOMM Most Recent 5 months, 2 weeks ago
i think i will go for C as well
upvoted 2 times

OldRoger 10 months ago
the question is asking what countries should do to enact answer C, so C cannot be the answer... C is the goal of the actions taken by countries, not the how to do it. This is likened to: "How do I pass the test?" "Don't get the answers wrong."
upvoted 1 times

Sgegede 11 months ago
this is basic application
upvoted 1 times

60c66d2 1 year, 1 month ago
c is the correct answer
upvoted 2 times

Benita1 1 year, 3 months ago
the ans is c, but how do you ensure such.
upvoted 3 times

Neeti32 2 years, 1 month ago
C is correct
upvoted 3 times

Jp994 2 years, 2 months ago
Although C is the correct answer. What would the question have to be if D was the correct answer?
upvoted 1 times

Whatacell 2 years, 10 months ago
The correct answer is C. It's a textbook question; refer to pg 140 (v6.48).
upvoted 1 times

zdrapka 2 years, 11 months ago
IMO the answer is : C
upvoted 1 times

GlitterBot 3 years, 8 months ago

Agree C

upvoted 1 times

Tam_3 4 years, 5 months ago

The answer is C - Ensure non-profit organizations cannot be used to conceal or obscure the diversion of funds intended for legitimate purposes to terrorists organizations

upvoted 1 times

SSS33 4 years, 5 months ago

C. Ensure non-profit organizations cannot be used to conceal or obscure the diversion of funds intended for legitimate purposes to terroristsز€™ organizations

upvoted 1 times

Hany_86 4 years, 6 months ago

c is ok

upvoted 1 times

Priyyyyy 5 years, 1 month ago

Agree C

upvoted 3 times

reds0529 5 years, 1 month ago

Agree C

upvoted 2 times

Majid2094 5 years, 9 months ago

Yes, correct answer is C. Ref: R8 of FATF 40 Recommendations

upvoted 3 times

Question #8 *Topic 1*

An employee hears a colleague on the telephone with a customer giving advice on how to ensure that a suspicious transaction report will not be filed as a result of a future transaction.
What action should the employee take?

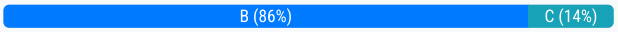
A. Report the conversation to the local police

B. Report the conversation to the compliance officer

C. Tell the colleague that it is against policy to give such advice

D. Ignore the situation because the colleague is the relationship manager for that customer

Suggested Answer: *B*
Official Answer: B

Community vote distribution


Casanovi Highly Voted 5 years, 11 months ago
C is considered as tipping off. This incident should be reported to the compliance officer, answer should be B.I also agreed. B is correct answerAgreed
upvoted 47 times

Casanovi Highly Voted 5 years, 11 months ago
C is considered as tipping off. This incident should be reported to the compliance officer, answer should be B.
upvoted 46 times

tRang1 5 years, 10 months ago
I also agreed. B is correct answer
upvoted 5 times

111VT 5 years, 10 months ago
Agreed
upvoted 3 times

L_M666 5 years, 2 months ago
Who comes up with these answers? Tipping off about tipping off. Absurd
upvoted 6 times

ADOMM Most Recent 5 months, 2 weeks ago
B is it
upvoted 1 times

Sgegede 11 months ago
Centralised suspicious activity reporting within an organisation under the MLCO
upvoted 1 times

SuhaniZaveri 1 year, 1 month ago
This is the same question given in the practice test of ACAMs Plan
upvoted 1 times

60c66d2 1 year, 1 month ago
reporting to the compliance officer is correct
upvoted 1 times

Benita1 1 year, 3 months ago
The employee should be corrected in case he is new.
upvoted 1 times

Neeti32 2 years, 1 month ago
B is correct
upvoted 2 times

roody_ 2 years, 3 months ago

answer is B

upvoted 1 times

Whatacell 2 years, 10 months ago

The correct answer is B. The option C is akin to tipping-off, whereas other options are grossly irrelevant.

upvoted 1 times

tporcher6168 3 years, 1 month ago

B is the correct answer

upvoted 1 times

Wonnie 3 years, 10 months ago

Similar question in CAMS practice exam

upvoted 1 times

MaazACAMS 3 years, 12 months ago

As per study guide and practice exam

upvoted 1 times

Minkky 4 years, 3 months ago

B 100%

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is B - Report the conversation to the Compliance Officer

upvoted 1 times

Prosbonnie 4 years, 5 months ago

B report the compliance officer

upvoted 1 times

SSS33 4 years, 5 months ago

B. Report the conversation to the compliance officer

upvoted 1 times

Question #9 *Topic 1*

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.
Which two pieces of information must a non-U.S. bank provide to its U.S. correspondent to enable them to comply with this requirement? (Choose two.)

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

Suggested Answer: *B, D*
Official Answer: BD

Community vote distribution
BD (96%) (4

Majid2094 Highly Voted 5 years, 11 months ago
The correct answer is BD. P/135 CAMS Study Guide v6.31 Additionally, the section also requires foreign banks to designate a registered agent in the United States to accept service of subpoenas pursuant to this section. Furthermore, U.S. banks and securi¬ties brokers and dealers that maintain correspondent accounts for foreign banks must keep records of the identity of the 25 percent owners of the foreign bank, unless it is publicly traded, as well as the name of the correspondent bank's registered agent in the U.S. This information is generally collected on the certification form used to comply with Section 313 and must be updated at least every 3 years or more frequently, if the information is no longer correct.you are referring to US banks/BDs, but the question is asking about NON US. Isnt that different?Yes, he's referring to US Banks being required to obtain information on foreign banks who they have correspondent accounts for. B and D are the correct answers.
upvoted 58 times

Majid2094 Highly Voted 5 years, 11 months ago
The correct answer is BD. P/135 CAMS Study Guide v6.31 Additionally, the section also requires foreign banks to designate a registered agent in the United States to accept service of subpoenas pursuant to this section. Furthermore, U.S. banks and securi¬ties brokers and dealers that maintain correspondent accounts for foreign banks must keep records of the identity of the 25 percent owners of the foreign bank, unless it is publicly traded, as well as the name of the correspondent bank's registered agent in the U.S. This information is generally collected on the certification form used to comply with Section 313 and must be updated at least every 3 years or more frequently, if the information is no longer correct.
upvoted 58 times

L_M666 5 years, 2 months ago
you are referring to US banks/BDs, but the question is asking about NON US. Isnt that different?
upvoted 1 times

L_M666 5 years, 2 months ago
you are referring to US banks/BDs, but the question is asking about NON US. Isnt that different?Yes, he's referring to US Banks being required to obtain information on foreign banks who they have correspondent accounts for. B and D are the correct answers.
upvoted 1 times

JayNR 5 years, 2 months ago
Yes, he's referring to US Banks being required to obtain information on foreign banks who they have correspondent accounts for. B and D are the correct answers.
upvoted 5 times

dinhgilbert 4 years, 4 months ago
B and D is 100% correct per CAMS6 practice exam
upvoted 15 times

ADOMM Most Recent 5 months, 2 weeks ago
B and D is the answer
upvoted 1 times

Sgegede 11 months ago

Names of the beneficial owners and legal correspondent / apostille for formal process

upvoted 1 times

imperialchicken 1 year, 10 months ago

Section 319(b): Records relating to correspondent accounts for foreign banks (31 U.S.C. 5318(k)). 1) Additionally, the section requires foreign banks to designate a registered agent in the United States to accept service of subpoenas pursuant to this section. - Option D in this question 2) Furthermore, US banks and securities brokers and dealers who maintain correspondent accounts for foreign banks must keep records of the identity of the 25 percent owners of the foreign bank, unless it is publicly traded, as well as the name of the correspondent bank's registered agent in the US. - Option B in this question. I am sick of the wrong and misleading answers.

upvoted 9 times

3592ea7 2 years, 1 month ago

CAMS Practice

upvoted 1 times

Dada971 2 years, 1 month ago

B and d as per cams study guide

upvoted 2 times

Neeti32 2 years, 1 month ago

B,D are correct answer

upvoted 1 times

Neeti32 2 years, 2 months ago

B and D is 100% correct per CAMS practice exam

upvoted 1 times

Cassia 2 years, 3 months ago

B e D - Pag 249 / CAMS Study Guide v6.48

upvoted 1 times

mmk0509 2 years, 8 months ago

As of November 30, 2023, the CAMS practice exam on the ACAMS website states the correct responses are B and D.

upvoted 2 times

Whatacell 2 years, 10 months ago

The correct answers are B and D. It's a textbook question; refer to pg 230 (v6.38).

upvoted 1 times

Sbl_89 2 years, 10 months ago

B. The name and address of all beneficial owners who own 25% or more of the bank. D. The name and address of a U.S. person who is authorized to receive service of legal process for the bank. These requirements help ensure transparency and accountability in financial transactions and help prevent illicit activities.

upvoted 1 times

MA1016 3 years, 3 months ago

According to ChatGPT AI, the correct answer is B/D Copy/paste the question to ChatGPT to get more details on why this is the correct answer. NOTE: ChatGPT AI is not 100% foolproof, use with discretion.

upvoted 1 times

Elcucy 3 years, 6 months ago

based on practice exam

upvoted 1 times

Elcucy 3 years, 6 months ago

based on ACAMS practice exam

upvoted 1 times

Dilara89 3 years, 7 months ago

BD is the correct answer as per CAMS study guide.

upvoted 1 times

Question #10 *Topic 1*

What are two legal risks of having inadequate privacy policies and procedures?
(Choose two.)

A. Diminished reputation

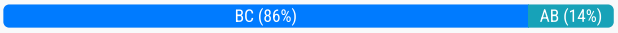
B. Industry of regulatory sanctions

C. Charges of deceptive business practices

D. Higher marketing and public relations costs

Suggested Answer: *B, C*
Official Answer: BC

Community vote distribution



NCT123 Highly Voted 5 years, 10 months ago
answer is B and C
upvoted 40 times

Joey2105 Highly Voted 5 years ago
B & C A talks about reputation risk, question was about legal risk
upvoted 21 times

Joey2105 5 years ago
B & C A talks about reputation risk, question was about legal risktotally agree with you. legal risk, so B&C
upvoted 21 times

EviMcK 4 years, 11 months ago
totally agree with you. legal risk, so B&C
upvoted 2 times

ADOMM Most Recent 5 months, 2 weeks ago
B and C are the legal risks
upvoted 1 times

Sgegede 11 months ago
Privacy will lead to both regulatory action and reputational damage
upvoted 1 times

c2aa388 1 year, 1 month ago
B and C because they directly reference legal repercussions
upvoted 1 times

60c66d2 1 year, 1 month ago
question is about legal risk so B and C is correct
upvoted 1 times

imperialchicken 1 year, 10 months ago
Reputational damage is certainly part of the consequences of having insufficient policies and procedures. However, I wouldn't deem it as a legal risk. I don't know if it can be related but Basel Committee mentioned legal, operational, and reputational risks separately: If step-in risk is related to reputational risk, it is distinct from operational risk. Operational risk is considered separately within the Basel framework, and its definition explicitly excludes reputational risk: “Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.” See BCBS, Principles for the Sound Management of Operational Risk, June 2011. Best Regards,
upvoted 1 times

Preethisrajan 2 years ago
legal risks
upvoted 1 times

Neeti32 2 years, 1 month ago
B,C are correct answer as they are the only legal risk.

upvoted 2 times

Cassia 2 years, 3 months ago

A e B estão corretas e constam no simulado online disponível no site da ACAMS

upvoted 1 times

RP1989 2 years, 9 months ago

Diminshed Reputation leads to legal risks. "Charges of deceptive practices" - The question has inadecquate, which is different from being deceptive. As such "A" and "B" are more closely associated with "Legal risks"

upvoted 3 times

Whatacell 2 years, 10 months ago

The correct answers are B and C. The question concerns legal risks; option A relates to reputational risk, whereas option D is more of an operational risk.

upvoted 2 times

Sbl_89 2 years, 10 months ago

As per cams exam

upvoted 3 times

GlitterBot 3 years, 8 months ago

As per the CAMS study questions.

upvoted 4 times

JACOBKO 3 years, 11 months ago

why here are lots of wrong anwers why..

upvoted 5 times

JACOBKO 3 years, 11 months ago

why here are lots of wrong anwers why..I was thinking the same honestly

upvoted 5 times

Dilara89 3 years, 7 months ago

I was thinking the same honestly

upvoted 2 times

LetheNiu 3 years, 12 months ago

reputation is not about legal risk

upvoted 1 times

Ira1 4 years ago

Per Cams Practice exam with correct answers JUL2022

upvoted 1 times

Question #11 *Topic 1*

The vice president of the foreign correspondent banking department at a large United States bank has been notified that a foreign bank with an offshore license wants to open a correspondent account.
Which two things must the vice president acquire under the USA PATRIOT Act? (Choose two.)

A. A list of all the customers of the correspondent bank

B. A list of the types of businesses served by the correspondent bank

C. Information relating to the foreign bank's anti-money laundering program

D. The identity of 10% owners of the correspondent bank, unless it is publicly traded

Suggested Answer: *C, D*
Official Answer: CD

Community vote distribution
CD (100%)

Priyyyyy Highly Voted 5 years, 1 month ago
Agree, C,D
upvoted 18 times

imperialchicken Highly Voted 3 years, 9 months ago
Under Section 312: Correspondent and Private Banking Accounts (31 U.S.C. 5318(i)), EDD procedures must be applied to a correspondent account established for a foreign bank operating under "An offshore banking license". EDD measure include: 1) Conducting enhanced scrutiny for possible money laundering and suspicious transactions; 2) Determining whether the correspondent account is being used by other foreign banks that have a correspondent relationship with the foreign bank for which the correspondent account was established, and taking reasonable steps to assess and mitigate the money laundering risks associated with such accounts; 3) Determining, for any such foreign bank whose shares are not publicly traded, the identity of each of the owners of the foreign bank with the power to vote 10 percent or more of any class of securities of the bank and the nature and extent of the ownership interest of each such owner. Best Regards,
upvoted 15 times

23c6d6d Most Recent 3 months, 4 weeks ago
C and D are the correct answers
upvoted 1 times

ADOMM 5 months, 2 weeks ago
I AGREE TOO CD
upvoted 1 times

Sgegede 11 months ago
C & D are correct
upvoted 1 times

60c66d2 1 year, 1 month ago
C and D are correct
upvoted 1 times

BonBon1991_ 1 year, 2 months ago
p. 229 Conducting enhanced scrutiny for possible money laundering and suspicious transactions, including: o Obtaining information relating to the foreign bank's AML program Determining, for any such foreign bank whose shares are not publicly traded, the identity of each of the owners of the foreign bank with the power to vote 10 percent or more of any class of securities of the bank and the nature and extent of the ownership interest of each such owner
upvoted 1 times

a2b71d5 2 years ago
C and D are correct
upvoted 1 times

Neeti32 2 years, 1 month ago

C,D are correct

upvoted 1 times

Sergiomv 2 years, 8 months ago

A & D Version 6.48 4. Identify and obtain information about customers permitted to use, or whose transactions are routed through, a foreign bank's correspondent account. pg 224 Determining, for any such foreign bank whose shares are not publicly traded, the identity of each of the owners of the foreign bank with the power to vote 10 percent or more of any class of securities of the bank and the nature and extent of the ownership interest of each such owner. pg 226

upvoted 1 times

Whatacell 2 years, 10 months ago

The correct answers are C and D. It's a textbook question; refer to pg 226 (v6.48).

upvoted 1 times

Avit11 3 years, 4 months ago

C and d agreed

upvoted 1 times

Vksh9 4 years, 5 months ago

Selected Answer: CD

Although it should be respondent bank instead of correspondent bank in option D

upvoted 3 times

Echww 3 years, 11 months ago

How about B?

upvoted 1 times

Vksh9 4 years, 5 months ago

Although it should be respondent bank instead of correspondent bank in option DOption D is actually very badly worded. It is about 10 percent owners instead of 10 percent rights

upvoted 3 times

Vksh9 4 years, 3 months ago

Option D is actually very badly worded. It is about 10 percent owners instead of 10 percent rights

upvoted 2 times

Tam_3 4 years, 5 months ago

Answer is C & D

upvoted 1 times

IbiH 4 years, 10 months ago

Is it me or is D incorrect because it should state 10% owners of the foreign bank and not the correspondent bank???

upvoted 3 times

joanp22 4 years, 7 months ago

Ans. CD see page 133 of the study manual

upvoted 2 times

IbiH 4 years, 10 months ago

Is it me or is D incorrect because it should state 10% owners of the foreign bank and not the correspondent bank???Agree. It should be 10% owners of the foreign bank. P13 CORRESPONDENT BANKING Correspondent banking is the provision of banking services by one bank (the correspondent bank) to another bank (the respondent bank). US bank - correspondent bank foreign bank - respondent bank Nothing should be needed from the US bank. I think all the correspondent bank in the options should be changed to respondent bank. Otherwise, only C is correct.or can be changed to correspondent bank client, which also mean the respondent bank.Hey IbiH, if you give the question another once over read you'll see that it's a foreign bank looking to open a correspondent account so D is correct :)

upvoted 3 times

junwangchloe 4 years, 7 months ago

Agree. It should be 10% owners of the foreign bank.

P13 CORRESPONDENT BANKING Correspondent banking is the provision of banking services by one bank (the correspondent bank) to another bank (the respondent bank).

US bank - correspondent bank foreign bank - respondent bank

Nothing should be needed from the US bank. I think all the correspondent bank in the options should be changed to respondent bank. Otherwise, only C is correct.

upvoted 1 times

junwangchloe 4 years, 7 months ago

Agree. It should be 10% owners of the foreign bank. P13 CORRESPONDENT BANKING Correspondent banking is the provision of banking services by one bank (the correspondent bank) to another bank (the respondent bank). US bank - correspondent bank foreign bank - respondent bank Nothing should be needed from the US bank. I think all the correspondent bank in the options should be changed to respondent bank. Otherwise, only C is correct.or can be changed to correspondent bank client, which also mean the respondent bank.

upvoted 1 times

junwangchloe 4 years, 7 months ago

or can be changed to correspondent bank client, which also mean the respondent bank.

upvoted 1 times

sgsg 5 years, 2 months ago

About time they provided a correct one!

upvoted 2 times

MC11 4 years, 10 months ago

Hey IbiH, if you give the question another once over read you'll see that it's a foreign bank looking to open a correspondent account so D is correct :)

upvoted 2 times

Question #12 *Topic 1*

What is an example of the integration stage of money laundering involving a bank or another deposit-taking institution?

A. Depositing illicit funds into an account set up for a front company

B. Directing third parties to exchange illicit cash for negotiable instruments

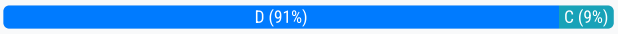
C. Wiring illicit funds from an account at one bank to an account at another bank

D. Using illicit funds that had previously been deposited to purchase a luxury vehicle

Suggested Answer: *D*

Official Answer: D

Community vote distribution



Writingsoon_2021 Highly Voted 5 years, 3 months ago

D is the answer

upvoted 16 times

bmb251 Highly Voted 5 years, 6 months ago

Definitely D

upvoted 6 times

c2aa388 Most Recent 1 year, 1 month ago

D because it is the least discrete activity

upvoted 2 times

60c66d2 1 year, 1 month ago

D is correct

upvoted 1 times

yutaquinho02 1 year, 7 months ago

Q says "involving deposit taking institution" so I would think C

upvoted 1 times

Neeti32 2 years, 1 month ago

D is a correct answer

upvoted 1 times

Whatacell 2 years, 10 months ago

The correct answer is D. Options A and B are examples of the placement stage. In contrast, option C is an example of the layering stage (this is because illicit funds are already "placed" in the financial system).

upvoted 4 times

Karaa 4 years ago

per CAMS practice test August 2022

upvoted 1 times

ArpitaKap 4 years, 2 months ago

In integration part high value goods or luxury items are purchased. So the answer is D.

upvoted 2 times

PCJA1980 4 years, 4 months ago

D is correct according to CAMS practice exam APRIL 2022.

upvoted 2 times

CTPC 4 years, 5 months ago

Only D is integration here..... others are not

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is D. All other answers involve placement/layering.

upvoted 1 times

compliancelawyer 4 years, 8 months ago

All other choices involve placement. Answer choice "D" is the only one where the money has already passed the placement/layering stage and are now being use to make a purchase and provide legitimacy to such funds.

upvoted 1 times

compliancelawyer 4 years, 8 months ago

All other choices involve placement. Answer choice "D" is the only one where the money has already passed the placement/layering stage and are now being use to make a purchase and provide legitimacy to such funds.I think A is placement. B and C are layering.I was actually wondering for B: placement or layering? Cash tends to let think about placement but negotiable instruments would be rather layering...just curious

upvoted 1 times

junwangchloe 4 years, 7 months ago

I think A is placement. B and C are layering.

upvoted 4 times

junwangchloe 4 years, 7 months ago

I think A is placement. B and C are layering.I was actually wondering for B: placement or layering? Cash tends to let think about placement but negotiable instruments would be rather layering...just curious

upvoted 4 times

Ju78 3 years, 9 months ago

I was actually wondering for B: placement or layering? Cash tends to let think about placement but negotiable instruments would be rather layering...just curious

upvoted 1 times

Question #13 *Topic 1*

Which aspect of the USA PATRIOT Act impacts foreign financial institutions?

A. Requiring enhanced due diligence for foreign shell banks

B. Expanding sanctions requirements to a U.S. financial institution's foreign branches

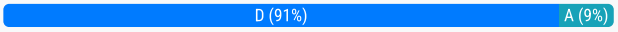
C. Expanding the anti-money laundering program requirements to all foreign financial institutions

D. Providing authority to impose special measures on institutions that are of primary money-laundering concern

Suggested Answer: *D*

Official Answer: D

Community vote distribution



Writingsoon_2021 Highly Voted 5 years, 3 months ago

D is the answer

upvoted 9 times

f8d4a91 Most Recent 1 year, 3 months ago

Section 311: Special measures for Primary ML concerns: This section provides the US Department of the Treasury with the authority to apply graduated, proportionate measures against a foreign jurisdiction, foreign financial organization, type of international transaction, and type of account that the Treasury Secretary determines to be a “primary money laundering concern.”

upvoted 4 times

Neeti32 2 years, 1 month ago

D is correct as per USA PATRIOT ACT section 311 (special measure)

upvoted 2 times

Sbl_89 2 years, 10 months ago

Shd be D

upvoted 1 times

imperialchicken 3 years, 9 months ago

The answer could be D, but the option A is also an aspect affects foreign players. The question would be more accurate if it added the "impacts most" to the wording. Because, under Section 312: Correspondent and Private Banking Accounts (31 U.S.C. 5318(i)), , EDD procedures must be applied to a correspondent account established for a foreign bank operating under: • AN OFFSHORE BANKING LICENSE. "Which aspect of the USA PATRIOT Act impacts foreign financial institutions the most?"I just realized the option A mentioned "'shell" bank but not "offshore bank"'. So this my comment should be disregarded.

upvoted 1 times

imperialchicken 3 years, 9 months ago

Selected Answer: A

The answer could be D, but the option A is also an aspect affects foreign players.

The question would be more accurate if it added the "impacts most" to the wording. Because, under Section 312: Correspondent and Private Banking Accounts (31 U.S.C. 5318(i)), , EDD procedures must be applied to a correspondent account established for a foreign bank operating under: • AN OFFSHORE BANKING LICENSE.

"Which aspect of the USA PATRIOT Act impacts foreign financial institutions the most?"

upvoted 1 times

imperialchicken Highly Voted 3 years, 9 months ago

I just realized the option A mentioned "'shell" bank but not "offshore bank"'. So this my comment should be disregarded.

upvoted 5 times

bombers 3 years, 9 months ago

D is the answer

upvoted 1 times

CTPC 4 years, 5 months ago

Surely it is

upvoted 2 times

Tam_3 4 years, 5 months ago

Answer is D. USA Patriot Act, Section 311 on Special Measures

upvoted 1 times

bmb251 5 years, 7 months ago

D is the answer

upvoted 3 times

SDBoss 5 years, 7 months ago

ans D PG 131. Section 311: Special Measures for Primary Money Laundering Concerns

upvoted 4 times

melmas 5 years, 8 months ago

PG 131. Section 311: Special Measures for Primary Money Laundering Concerns

upvoted 3 times

Question #14 *Topic 1*

The compliance officer at a crowdfunding website is in charge of monitoring new crowdfunding projects. Recently, the number of crowdfunding projects has significantly
increased.
Which red flag indicates the highest anti-money laundering risk?

A. Those with the largest number of donors

B. Projects that get funding within days of their start

C. Projects with the highest monetary success threshold

D. Projects that start and close and are fully funded within a very short period

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

c2aa388 Most Recent 1 year, 1 month ago
Definitely D
upvoted 1 times

60c66d2 1 year, 1 month ago
D is the definite answer
upvoted 1 times

Whatacell 1 year, 10 months ago
The correct answer is D. Having more donors implies that the project is actually being "crowdfunded," so option A is ruled out. Also, receiving funds at the start of the project is not uncommon, so option B is eliminated. Moreover, having a high monetary threshold is no reason to be suspicious (if anything, it will attract attention, which money launderers do not want), so no to option C.
upvoted 2 times

bombers 2 years, 9 months ago
D is the answer
upvoted 1 times

CTPC 3 years, 5 months ago
No doubt
upvoted 2 times

Tam_3 3 years, 5 months ago
I believe the answer is D
upvoted 1 times

joanp22 3 years, 7 months ago
AD for more information see Wolfsberg Statement on the Suppression of Terrorist Financing
upvoted 1 times

lovesickboy 3 years, 10 months ago
I can't get the difference between B and D.
upvoted 1 times

lovesickboy 3 years, 10 months ago
I can't get the difference between B and D.Answer choice "B" simply provides that projects are funded quickly. This happens all the time. Answer choice "D" indicates money laundering because the project is funded quickly, and then closed. What kind of fundraising will stop accepting money?
upvoted 1 times

compliancelawyer Highly Voted 3 years, 8 months ago
Answer choice "B" simply provides that projects are funded quickly. This happens all the time. Answer choice "D" indicates money laundering because the project is funded quickly, and then closed. What kind of fundraising will stop accepting money?
upvoted 6 times

IbiH 3 years, 10 months ago

Answer is D. 100%

upvoted 2 times

rktcams 3 years, 11 months ago

Please confirm, is D correct?

upvoted 2 times

rktcams 3 years, 11 months ago

Please share with reference material

upvoted 1 times

bmb251 4 years, 7 months ago

Answer is D

upvoted 3 times

Question #15 *Topic 1*

Which two statements in the Wolfsberg Group's `Suppression of the Financing of Terrorism` define the role financial institutions should play in the fight against terrorism? (Choose two.)

A. Financial institutions need to assist competent authorities in fighting terrorist financing through prevention, detection and information sharing.

B. Financial institutions need to continuously analyze the types of activity related to terrorist financing and develop models that in the long term will drive down terrorism.

C. Financial institutions should have financial intelligence units dedicated to the investigation of activity that would lead to the detection of terrorist financing as a means to decrease global terrorism.

D. Financial institutions should apply extra due diligence whenever they see suspicious or irregular activities, especially when customers are engaged in sectors or activities that have been identified by competent authorities as being used for the financing of terrorism.

Suggested Answer: *A, D*
Official Answer: AD

Community vote distribution
AD (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
A & D is the answer
upvoted 16 times

PCJA1980 Highly Voted 4 years, 4 months ago
A D is correct according to CAMS practice exam APRIL 2022.
upvoted 5 times

imperialchicken Most Recent 1 year, 10 months ago
You can see how option A and D is complying with the reccommendations: The Wolfsberg recommendations included: Page 218 • Protecting financial institutions with safe harbor immunity to encourage them to share information and to report to authorities - THIS PART IS D • Performing enhanced due diligence for “business relationships with remittance businesses, exchange houses, casas de cambio, bureaux de change, and money transfer agents” and other high-risk customers or those in high-risk sectors and activities “such as underground banking businesses or alternative remittance systems - THIS PART IS DThe first point is actually option A but everything else is correctly stated. It's a textbook question; refer to pg 217 (v6.48).
upvoted 4 times

imperialchicken 1 year, 10 months ago
You can see how option A and D is complying with the reccommendations:

The Wolfsberg recommendations included: Page 218

• Protecting financial institutions with safe harbor immunity to encourage them to share information and to report to authorities - THIS PART IS D • Performing enhanced due diligence for “business relationships with remittance businesses, exchange houses, casas de cambio, bureaux de change, and money transfer agents” and other high-risk customers or those in high-risk sectors and activities “such as underground banking businesses or alternative remittance systems - THIS PART IS D
upvoted 4 times

Whatacell 2 years, 10 months ago
The first point is actually option A but everything else is correctly stated. It's a textbook question; refer to pg 217 (v6.48).
upvoted 1 times

Neeti32 2 years, 1 month ago
agree with A,D
upvoted 1 times

OfficerRayCharles 4 years, 4 months ago
Really wish they would change the "extra" to "enhanced" to stop confusing people
upvoted 1 times

CTPC 4 years, 5 months ago

AD are correct

upvoted 3 times

Tam_3 4 years, 5 months ago

Correct answers are A & D

upvoted 1 times

Beish 5 years, 1 month ago

does anyone have any tips on how to memorise all the legislation and different papers?Learn by heart

upvoted 2 times

Beish 5 years, 1 month ago

does anyone have any tips on how to memorise all the legislation and different papers?

upvoted 2 times

EviMcK 4 years, 11 months ago

Learn by heart

upvoted 4 times

bmb251 5 years, 7 months ago

Agreed A,D

upvoted 3 times

SDBoss 5 years, 7 months ago

ans is A,D

upvoted 2 times

Jolei 5 years, 9 months ago

Yes! AD - https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/16.%20Wolfsberg_Statement_on_the_Suppression_of_the_Financing_of_Terrorism_%282002%29.pdf

upvoted 3 times

Majid2094 5 years, 11 months ago

Yes, correct answer is AD,

upvoted 2 times

Question #16 *Topic 1*

What is the appropriate compliance control for identifying politically exposed persons (PEPs) according to the Basel Committee's paper on Customer Due Diligence for Banks?

A. Determining that a local figure is a PEP

B. Reviewing when a relationship is established

C. Reviewing relationships at account opening and on a periodic basis

D. Requiring that the customer discloses that they are a PEP or an associate of a PEP

Suggested Answer: *C*

Official Answer: C

Community vote distribution



Writingsoon_2021 Highly Voted 5 years, 3 months ago

C is the answer

upvoted 9 times

c2aa388 Most Recent 1 year, 1 month ago

Definitely C

upvoted 1 times

Neeti32 2 years, 1 month ago

C is correct

upvoted 2 times

Whatacell 2 years, 10 months ago

The correct answer is C. Option A explicitly talks about domestic PEPs, whereas PEPs can be foreign and international organizations. Regarding option B, when compared with option C, it seems like the latter option encapsulates the former, so option B is eliminated. Relying on PEPs to disclose that they are PEPs is a recipe for disaster, so no to option D.

upvoted 3 times

imperialchicken 3 years, 9 months ago

I have checked Basel Committee Publications - Customer due diligence for banks and couldn't find a basis for any of the options including option C which is given as a correct answer

upvoted 2 times

Cj1995 4 years, 5 months ago

Show me "C" under the Basel Committee's Paper "Customer Due Diligence For Banks"

upvoted 2 times

CTPC 4 years, 5 months ago

C is definitely the answer

upvoted 2 times

Tam_3 4 years, 5 months ago

C - Reviewing relationships at account opening and on a periodic basis

upvoted 1 times

velummayilumthunai 4 years, 6 months ago

BD strongly since FATF and OFAC are intergovt bodies to impose sanctions

upvoted 1 times

joanp22 4 years, 7 months ago

C on-going monitoring is an important element for these high-risk accounts

upvoted 1 times

Eveej 5 years, 1 month ago

I am inclined to think that the answer is D because during the establishment of an account the bank would require the customer to disclose if they are a PEP as part of its identification procedures.

upvoted 3 times

SureshK 5 years, 1 month ago

Answer is C: I believe oversight in question was written as identifying instead of IDENTIFIED.

upvoted 2 times

Polcos 5 years, 1 month ago

Hi, can someone explain why C is the right answer please ? I don't understand the link with the question being about "how to identify a PEP?".

upvoted 3 times

Polcos 5 years, 1 month ago

Hi, can someone explain why C is the right answer please ? I don't understand the link with the question being about "how to identify a PEP?".I think it means reviewing the relationship the customer may have to any PEPS, 1. when they open the account and 2. on an ongoing basis to ensure this hasn't changed.Thank you, according to basel document (p.13) : "As all PEPs may not be identified initially and since existing customers may subsequently acquire PEP status, regular reviews of at least the more important customers should be undertaken."

upvoted 3 times

ninablypieterson 5 years, 1 month ago

I think it means reviewing the relationship the customer may have to any PEPS, 1. when they open the account and 2. on an ongoing basis to ensure this hasn't changed.

upvoted 3 times

ninablypieterson 5 years, 1 month ago

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upvoted 3 times

Polcos 5 years ago

Thank you, according to basel document (p.13) : "As all PEPs may not be identified initially and since existing customers may subsequently acquire PEP status, regular reviews of at least the more important customers should be undertaken."

upvoted 4 times

bmb251 5 years, 7 months ago

Agreed... answer is C

upvoted 2 times

Question #17 *Topic 1*

What are two sources for maintaining up-to-date sanctions information? (Choose two.)

A. U.S. Federal Bureau of Investigation's National Security Letters

B. U.S. Department of the Treasury Office of Foreign Assets Control

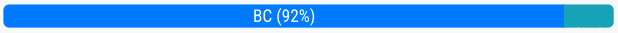
C. U.S. Department of the Treasury ג€" Section 311 ג€" Special Measures

D. Financial Action Task Force's list of High Risk and Non-Cooperative Jurisdictions

Suggested Answer: *B, C*

Official Answer: BC

Community vote distribution



Writingsoon_2021 Highly Voted 5 years, 3 months ago

BD - Cams P7. "Targeted sanctions prohibit transactions with specified industries, entities, or individuals listed on OFAC's Specially Designated Nationals and Blocked Parties List. Failure to comply may result in criminal and civil penalties. FATF also maintains a list of jurisdictions identified as high-risk and non-cooperative, whose AML/CFT regimes have strategic deficiencies and are not at international standards."OFAC and US treasury are the only ones with enforceable powers. FATF is not. Correct answer is B and C (I work in transactions screening)Agree, FATF provide guidelines.agree. BD.Agree with BD. 1. The questions asks about "sanctions info", not specifically the sanctions list. 2. The study guide mentioned FATF in the same section with OFAC. 3. US Department of Treasury does have authority to designate entity/individual pursuant to Section 311. But the "special measures" particularly means the 5 measures in Cams page 132. So C is not terribly wrong just the wording is off 4. A lot of financial institutions use FATF as their sanctioned country reference.

upvoted 32 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago

BD - Cams P7. "Targeted sanctions prohibit transactions with specified industries, entities, or individuals listed on OFAC's Specially Designated Nationals and Blocked Parties List. Failure to comply may result in criminal and civil penalties. FATF also maintains a list of jurisdictions identified as high-risk and non-cooperative, whose AML/CFT regimes have strategic deficiencies and are not at international standards."

upvoted 31 times

Art_G92 4 years, 2 months ago

OFAC and US treasury are the only ones with enforceable powers. FATF is not. Correct answer is B and C (I work in transactions screening)Agree, FATF provide guidelines.

upvoted 21 times

totopopo84 1 year, 3 months ago

Agree, FATF provide guidelines.

upvoted 1 times

Hayley666 5 years ago

agree. BD.

upvoted 3 times

Art_G92 4 years, 2 months ago

OFAC and US treasury are the only ones with enforceable powers. FATF is not. Correct answer is B and C (I work in transactions screening)

upvoted 20 times

BrandonSun 4 years, 11 months ago

Agree with BD. 1. The questions asks about "sanctions info", not specifically the sanctions list. 2. The study guide mentioned FATF in the same section with OFAC. 3. US Department of Treasury does have authority to designate entity/individual pursuant to Section 311. But the "special measures" particularly means the 5 measures in Cams page 132. So C is not terribly wrong just the wording is off 4. A lot of financial institutions use FATF as their sanctioned country reference.

upvoted 5 times

RajAML 5 years, 10 months ago

Answer should be BC

upvoted 20 times

4186660 Most Recent 7 months, 1 week ago

-OFAC Sanctions List The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) provides the primary list of specially designated nationals and blocked persons, updated regularly for compliance screening. _

upvoted 1 times

4186660 7 months, 1 week ago

OFAC Sanctions List: The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) provides the primary list of specially designated nationals and blocked persons, updated regularly for compliance screening. - FATF High-Risk List: The Financial Action Task Force (FATF) publishes lists of high-risk and non-cooperative jurisdictions, serving as a critical source for global sanctions and risk assessments

upvoted 1 times

DERRIC 10 months, 1 week ago

- B. OFAC: This is the primary U.S. government source for sanctions lists, including the Specially Designated Nationals (SDN) list and other targeted sanctions programs. - D. FATF: The FATF publishes lists of jurisdictions with strategic deficiencies in anti-money laundering and counter-terrorist financing frameworks, which are critical for assessing sanctions risk. Answer B and D

upvoted 1 times

67d27bf 1 year, 10 months ago

According to Practice Exam with study guide version 6.5 correct answer is B and C.

upvoted 3 times

Sbl_89 1 year, 10 months ago

Per cams exam The correct answers for sources of maintaining up-to-date sanctions information are: B. U.S. Department of the Treasury Office of Foreign Assets Control (OFAC): OFAC maintains and publishes lists of individuals, entities, and countries subject to sanctions, and it regularly updates this information. C. U.S. Department of the Treasury - Section 311 - Special Measures: This program allows the U.S. Department of the Treasury to impose special measures on financial institutions and jurisdictions that pose a money laundering or terrorist financing risk, providing information relevant to sanctions and regulatory actions.for U.S. Department of the Treasury - Section 311-could you please indicate the relevant page(s) of the study guide? many thanks I'm in doubt between C and D

upvoted 5 times

Sbl_89 1 year, 10 months ago

Selected Answer: BC

Per cams exam The correct answers for sources of maintaining up-to-date sanctions information are:

B. U.S. Department of the Treasury Office of Foreign Assets Control (OFAC): OFAC maintains and publishes lists of individuals, entities, and countries subject to sanctions, and it regularly updates this information.

C. U.S. Department of the Treasury - Section 311 - Special Measures: This program allows the U.S. Department of the Treasury to impose special measures on financial institutions and jurisdictions that pose a money laundering or terrorist financing risk, providing information relevant to sanctions and regulatory actions.

upvoted 5 times

41e1466 1 year, 7 months ago

for U.S. Department of the Treasury - Section 311-could you please indicate the relevant page(s) of the study guide? many thanks I'm in doubt between C and D

upvoted 1 times

992753e 1 year, 11 months ago

B and C - per CAMS Practice Exam

upvoted 2 times

Preethisrajan 2 years ago

B C As per practice CAMS exam

upvoted 3 times

Neeti32 2 years, 2 months ago

B & C as per the ACAMS practice test

upvoted 2 times

39c5b0b 2 years, 4 months ago

BC as per cams website

upvoted 1 times

Jaffar_95 2 years, 7 months ago

B & C are the correct answers. Question is the same as the ACAMS website practice exam question

upvoted 3 times

Whatacell 2 years, 10 months ago

The correct answers are B and C. While option A is an obvious elimination, the dogged fight is between C and D. Since the question relates to 'sanctions,' option C is a better choice as FATF doesn't prohibit any jurisdiction but rather highlights its risks.

upvoted 1 times

LovetteBDA 2 years, 10 months ago

OFAC Sanctions List is here: https://ofac.treasury.gov/sanctions-list-search-tool FATF's black and grey lists are here: https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions.html

upvoted 1 times

Edoli93 3 years ago

Section 311: Special Measures for Primary Money Laundering Concerns .. The last paragraf: Section 311 actions are distinct from designations brought by Treasury's Office of Foreign Assets Control (OFAC), which are applied more broadly and can also trigger asset freezing obligations. So.. The correct answer : BD

upvoted 1 times

Edoli93 3 years ago

Section 311: Special Measures for Primary Money Laundering Concerns .. The last paragraf: Section 311 actions are distinct from designations brought by Treasury's Office of Foreign Assets Control (OFAC), which are applied more broadly and can also trigger asset freezing obligations. So.. The correct answer : BDAlso, Financial Action Task Force's list of High Risk and Non-Cooperative Jurisdictions include FATF Black and Gri Lists. The current black list include ; Iran, Mynmar,Democratic People's Republic of Korea.. These are applyed SANCTION currently..

upvoted 1 times

Edoli93 3 years ago

Also, Financial Action Task Force's list of High Risk and Non-Cooperative Jurisdictions include FATF Black and Gri Lists. The current black list include ; Iran, Mynmar,Democratic People's Republic of Korea.. These are applyed SANCTION currently..

upvoted 1 times

Dzuku 3 years, 1 month ago

ITS B AND C as PER ACAM PRACTICE EXAM 2023 July'

upvoted 2 times

ALEXNICE 3 years, 3 months ago

BC examen blanc officiel CAMS Avril 2023

upvoted 4 times

Question #18 *Topic 1*

A bank has maintained an account for a European charity for several years. The charity provides clothing to persons in need in various countries with active terrorists'
cells.
Which action by the charity indicates possible terrorist financing?

A. The charity frequently withdraws cash from the bank

B. The charity has branch locations located in various countries

C. The charity receives cash donations primarily from European countries

D. The charity maintains a bank account for non-business-related expenses

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (67%) D (33%)

Usmon Highly Voted 5 years, 8 months ago
A is the right answer
upvoted 25 times

Usmon Highly Voted 5 years, 8 months ago
A is the right answerAgreed. A is the right answer. Think of it this way- the Taliban currently occupies several different places including Iraq, Pakistan, and Afghanistan. Given the presence of terrorism in all of these various places, frequent cash withdrawals to procure or transport these clothes given the multitude of payment options available, would be a lot more suspicious than a charity providing clothing to people and therefore having branches in the various places where the terrorists occupy. If their mission is to "provides clothing to persons in need in various countries with active terrorists' cells" that would inherently mean they are in multiple countries.That's a very sound analysis.
upvoted 25 times

AlvinS77 4 years, 10 months ago
Agreed. A is the right answer. Think of it this way- the Taliban currently occupies several different places including Iraq, Pakistan, and Afghanistan. Given the presence of terrorism in all of these various places, frequent cash withdrawals to procure or transport these clothes given the multitude of payment options available, would be a lot more suspicious than a charity providing clothing to people and therefore having branches in the various places where the terrorists occupy. If their mission is to "provides clothing to persons in need in various countries with active terrorists' cells" that would inherently mean they are in multiple countries.That's a very sound analysis.
upvoted 11 times

AlvinS77 4 years, 10 months ago
Agreed. A is the right answer. Think of it this way- the Taliban currently occupies several different places including Iraq, Pakistan, and Afghanistan. Given the presence of terrorism in all of these various places, frequent cash withdrawals to procure or transport these clothes given the multitude of payment options available, would be a lot more suspicious than a charity providing clothing to people and therefore having branches in the various places where the terrorists occupy. If their mission is to "provides clothing to persons in need in various countries with active terrorists' cells" that would inherently mean they are in multiple countries.
upvoted 11 times

Oba1_ 4 years, 10 months ago
That's a very sound analysis.
upvoted 4 times

Writingsoon_2021 5 years, 3 months ago
A is the answer - Cams P.80 - "Being cash-intensive" - Frequent withdrawals regardless of where the charity is located is a higher risk - IMOHi, i believe A its fine, i opened the link for reference " https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf" and it stated in the first case of study "The transactions on this account consisted of multiple cash deposits made by several different people for a large total amount. These funds were then withdrawn in cash.". -
upvoted 11 times

Writingsoon_2021 5 years, 3 months ago

A is the answer - Cams P.80 - "Being cash-intensive" - Frequent withdrawals regardless of where the charity is located is a higher risk - IMO

upvoted 11 times

timbarr 5 years, 3 months ago

Hi, i believe A its fine, i opened the link for reference " https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf" and it stated in the first case of study "The transactions on this account consisted of multiple cash deposits made by several different people for a large total amount. These funds were then withdrawn in cash.". -

upvoted 3 times

76007a1 Most Recent 3 months, 4 weeks ago

Why D is correct: Maintaining a bank account for non-business-related expenses is a significant red flag for potential terrorist financing. This indicates funds may be diverted away from the charity's stated charitable purpose to potentially fund illicit activities. Legitimate charities should only have accounts and expenses directly related to their charitable mission.

upvoted 1 times

PravPrabhu 11 months ago

Charities are often allowed to withdraw cash but they are expected to keep it minimal such accounts are generally put under continues scrutiny and if the pattern of withdrawing cash at a large sum continues only then its a red flag... However maintaining a non-business expense account seems like the charity account and funds being used for other purposes... If anybody can provide any link that throws more light on this is appreciated...

upvoted 1 times

60c66d2 1 year, 1 month ago

A makes the most sense and is the correct answer

upvoted 1 times

draken1107 1 year, 10 months ago

The cash withdrawals cannot be tracked to ensure the money is being used for the intended purpose (i.e., clothing). Having a bank account for non-business expenses is sketchy at best but there is somewhat of a trail as compared to frequent cash withdrawals.

upvoted 4 times

jacenkilcap 1 year, 10 months ago

A -- Per CAMS study guide (6th edition) on page 199 under Unusual Activity Indicative of Potential Terrorist Financing, there are a couple red flags that make A the correct answer: Unusual cash activity in foreign bank accounts, and the use of funds by nonprofit organization is not consistent with the purpose for which it was established. Since the purpose of the non-profit is to provide clothing, seeing cash withdrawals instead of clothing purchases would be high risk. (Yes, I know you can buy clothing with cash, often at a discount -- however that doesn't reduce the risk of the cash transaction from an examiners viewpoint)

upvoted 3 times

Neeti32 2 years, 1 month ago

A is correct always remember, terrorism concern and cash related transaction will go hand in hand.

upvoted 1 times

Whatacell 2 years, 10 months ago

The correct answer is A. The frequent withdrawal of cash is always a red flag unless there is a more significant red flag.

upvoted 1 times

JDomar8128 3 years, 10 months ago

It is A

upvoted 1 times

PCJA1980 4 years, 4 months ago

A is correct according to CAMS practice exam APRIL 2022.

upvoted 4 times

Vksh9 4 years, 5 months ago

What is a non business related expense in an NPO ?

upvoted 3 times

krishnadevaj 4 years, 5 months ago

In FATF recommendation 8, they have mentioned it is alright for an NPO to withdraw the cash. For me D is the most suspicious one? Can anyone validate ?

upvoted 4 times

Tam_3 4 years, 5 months ago

I think the answer may be B as their proximity to these various countries with active terrorists' cells would be a cause of concern. A would be suspicious but the charity provides clothing to people in need, so the cash could be used towards the purpose of buying clothing. While the risk of the

cash involvement means a loss of trail, as long as the charity is also able to show receipts for the purchases (proper record keeping is needed for the audit process), that would eliminate the concern over the cash withdrawals.

upvoted 1 times

Dakhar 4 years, 7 months ago

IMO the correct answer is A as the question specifically refers to the action taken by the charity. B refers only to one of the characteristics of the charities which make them vulnerable for terrorists abuse. C and D are not relevant as they are common for charities.

upvoted 2 times

junebug6 4 years, 9 months ago

The correct answer is B. By reading the question, B only applies and also global presence. Thus B

upvoted 1 times

MC11 4 years, 10 months ago

This is a toughie... A) I think the mention of cash here is to throw you off the scent - Being cash intensive is a red flag yes, but I think the inference there is cash donations being anonymous. Think about it, if you're a charity giving out clothes to people, chances are they use cash in that country right - I doubt very much they have card readers wherever there are terrorist cells. So that's A ruled out for me. B) Having a global presence makes charities susceptible yes however only in areas near or in terrorist activity, not branches (for example Oxfam stores in UK). B ruled out. C) This is a red flag as I touched upon in A (cash donation) but 'from Europe' would be more reassuring I would say. So I do not think it is C either. D) Now this one corresponds with a note I made from the study guide ' FATF recommends that NPOs maintain and be able to present full program budgets that account for all expenses. Conduct independent internal audits + external dielf audits, the latter to ensure funds are being used for intended purposes. The answer is D in my opinion.

upvoted 8 times

Kallabell 4 years, 9 months ago

I'm not sure if A is the correct answer. From my understanding, cash intensive means they receive a lot of cash donation into their bank account, not about making cash withdrawals. Any opinion?

upvoted 1 times

junwangchloe 4 years, 7 months ago

Agree with the analysis for A, B, and C. For me, D is the most suspicious.

Red flags: Why does the charity need a separate account for non-business-related expense? Why are non-business-related expense under the charity's account instead of personal account? What possibly could be the non-business-related expense for a charity?

FATF recommendation 8 further proves that the action is suspicious. It seems like that the charity's fund is not spent in a manner that is consistent with the purpose and objective of its stated activities.

According to FATF recommendation – interpretive note to Recommendation 8 (NPO).

https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf

P62 (iv) NPOs could be required to have appropriate controls in place to ensure that all funds are fully accounted for, and are spent in a manner that is consistent with the purpose and objectives of the NPO's stated activities.

upvoted 1 times

junwangchloe 4 years, 7 months ago

On a second thought, A is also suspicious because if it is cash, then it is hard to account for what is spent on.

upvoted 2 times

Question #19 *Topic 1*

A politically exposed person (PEP) maintains an account at a bank. Last month a money laundering analyst filed a suspicious transaction report about unusual wire deposits originated by unknown individuals in the home country of the official. Recently a negative news search revealed political corruption in the home country of the official.
To whom should this situation be escalated?

A. The board of directors

B. The line of business executive

C. The bank's anti-money laundering officer

D. The Financial Action Task Force's PEP Hotline

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

dld93 Highly Voted 4 years, 2 months ago
Correct answer is C
upvoted 7 times

60c66d2 Most Recent 1 year, 1 month ago
Definitely C
upvoted 1 times

Puniisher93 1 year, 4 months ago
Is is the correct answer
upvoted 1 times

khnu 1 year, 8 months ago
Correct answer C
upvoted 1 times

Whatacell 2 years, 3 months ago
The correct answer is C. The thumb rule is to report/escalate any suspicious activity to MLRO as s/he is the designated (and accountable) individual for such affairs under the Senior Managers and Certification Regime (SM&CR).
upvoted 1 times

PCJA1980 3 years, 10 months ago
C is correct according to CAMS practice exam APRIL 2022.
upvoted 4 times

Tam_3 3 years, 11 months ago
C - The bank's anti-money laundering officer
upvoted 1 times

Prosbonnie 3 years, 12 months ago
C is the correct answer
upvoted 1 times

genahaw 4 years ago
c is 100% correct
upvoted 2 times

Question #20 *Topic 1*

Which two individuals are ordinarily beneficial owners of a private banking account according to the Wolfsberg Anti-Money Laundering Principles for Private Banking? (Choose two.)

A. Those who are authorized signers on the account

B. Those who have legal title to a controlling share interest in the customer

C. Those who generally have ultimate control through ownership or other means over the funds in the account

D. Those who are the ultimate source of funds for the account and whose source of wealth should be subject to due diligence

Suggested Answer: *C, D*

Official Answer: CD

Community vote distribution

CD (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago

C and D - Beneficial owners will ordinarily include the individuals (i) who generally have ultimate control through ownership or other means over the funds in the account and/or (ii) who are the ultimate source of funds for the account and whose source of wealth should be subject to due diligence

upvoted 18 times

Joannali Highly Voted 5 years, 8 months ago

correct BD https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/10.%20Wolfsberg-Private-Banking-Prinicples-May-2012.pdf Beneficial ownership, for AML purposes, must be established for all accounts. Beneficial owners will ordinarily include the individuals (i) who generally have ultimate control hrough ownership or other means over the funds in the account and/or (ii) who are the ultimate source of funds for the account and whose source of wealth should be subject to due diligence

upvoted 5 times

Joannali 5 years, 8 months ago

correct BD https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/10.%20Wolfsberg-Private-Banking-Prinicples-May-2012.pdf Beneficial ownership, for AML purposes, must be established for all accounts. Beneficial owners will ordinarily include the individuals (i) who generally have ultimate control hrough ownership or other means over the funds in the account and/or (ii) who are the ultimate source of funds for the account and whose source of wealth should be subject to due diligenceYes and as per your reference , the answer is C and D.

upvoted 5 times

balaji_j 5 years, 8 months ago

Yes and as per your reference , the answer is C and D.

upvoted 5 times

60c66d2 Most Recent 1 year, 1 month ago

C and D are correct

upvoted 1 times

Avetter149 1 year, 10 months ago

pg 217 - study guide The Principles state that banks must “endeavor to accept only those clients whose source of wealth and funds can be reasonably established to be legitimate.” They highlight the need to identify the beneficial owner of funds “for all accounts” when that person is someone other than the client and urge private bankers to perform due diligence on “money managers and similar intermediaries” to determine that the middlemen have a satisfactory due diligence process for their clients or a regulatory obligation to conduct such due diligence.

upvoted 1 times

LovetteBDA 2 years, 10 months ago

C & D is correct: those with ultimate control through ownership and who are the ultimate source of funds. https://db.wolfsberg-group.org/assets/7d384fb4-8c82-4669-acb8-621aed03e928/10.%20Wolfsberg-Private-Banking-Prinicples-May-2012.pdf

upvoted 2 times

Whatacell 2 years, 10 months ago

The correct answers are C and D. Authorized signers or legal title to controlling interest are no indicators of ultimate beneficial ownership (if that were the case, then why do EDD?!), so no to options A and B.

upvoted 2 times

StellJerry 2 years, 11 months ago

Answer is C & D - Refer to Page 2 of https://www.cbr.ru/Content/Document/File/124085/Wolfsberg-Private-Banking-Prinicples-May-2012.pdf 1.2.3 Beneficial Owner Beneficial ownership, for AML purposes, must be established for all accounts. Beneficial owners will ordinarily include the individuals (i) who generally have ultimate control through ownership or other means over the funds in the account and/or (ii) who are the ultimate source of funds for the account and whose source of wealth should be subject to due diligence.

upvoted 1 times

ftj_acams 4 years, 1 month ago

Shouldn't it B and C? You can be the source of fund for your kids to open a bank account but that doesn't mean you are the beneficial owner of that account..

upvoted 1 times

jaythomp 4 years, 3 months ago

c and d

upvoted 1 times

PCJA1980 4 years, 4 months ago

CD are correct according to CAMS practice exam APRIL 2022.

upvoted 3 times

Tam_3 4 years, 5 months ago

C & D are correct

upvoted 3 times

Hany_86 4 years, 6 months ago

C D ARE OK

upvoted 2 times

bmb251 5 years, 6 months ago

Guys the answer is C,D. Joannali your reference is correct however look back at the answer, paying attention to the wording... :those who have....in the customer" not in the customer.. trick

upvoted 4 times

Usmon 5 years, 8 months ago

I think the right answer is B and C.In what world is an account signer considered the indicator for ownership? Come on guys...Sometimes I think people purposely post the wrong answers here to try and confuse othersMere signature authority does not necessarily constitute control for these purposes.

upvoted 1 times

Usmon 5 years, 8 months ago

I think the right answer is B and C.

upvoted 1 times

Willyz89 5 years, 4 months ago

In what world is an account signer considered the indicator for ownership? Come on guys...

upvoted 3 times

Willyz89 5 years, 4 months ago

In what world is an account signer considered the indicator for ownership? Come on guys...Sometimes I think people purposely post the wrong answers here to try and confuse othersMere signature authority does not necessarily constitute control for these purposes.

upvoted 3 times

JayNR 5 years, 2 months ago

Sometimes I think people purposely post the wrong answers here to try and confuse others

upvoted 1 times

Sipi 4 years, 5 months ago

Mere signature authority does not necessarily constitute control for these purposes.

upvoted 1 times

Question #21 *Topic 1*

What are two requirements for monitoring and reporting suspicious activity for correspondent banking according to the Wolfsberg Principles? (Choose two.)

A. Incorporate suspicious activity monitoring into periodic reviews

B. Incorporate due diligence results such as customer risk ratings

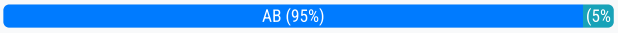
C. Utilize downstream correspondents to investigate and report suspicious activity

D. Investigate and report suspicious activity only for the correspondent bank's clients

Suggested Answer: *A, B*

Official Answer: AB

Community vote distribution



Majid2094 Highly Voted 5 years, 9 months ago

Correct answer is AB. Ref: Article 6, Page-6 of Wolfsberg Principle on Correspondent Bankingagreed AB 'https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf - page 6 Monitoring and Reporting of Suspicious Activities The institution shall implement bank-wide policies and procedures to detect and investigate unusual or suspicious activity and report any such activity as required by applicable law. These will include guidance on what is considered to be unusual or suspicious and give examples thereof. The policies and procedures shall include appropriate monitoring of the Correspondent Bank's activity, incorporating due diligence results such as customer risk rating and other factors considered meaningful in the assessment of transaction activity risk. In turn, the results of suspicious activity monitoring shall be factored into the periodic review of the client's file, particularly when the results of transaction monitoring indicate elevated risk levels.

upvoted 32 times

Majid2094 Highly Voted 5 years, 9 months ago

Correct answer is AB. Ref: Article 6, Page-6 of Wolfsberg Principle on Correspondent Banking

upvoted 31 times

evann159 5 years, 9 months ago

agreed AB 'https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf - page 6 Monitoring and Reporting of Suspicious Activities The institution shall implement bank-wide policies and procedures to detect and investigate unusual or suspicious activity and report any such activity as required by applicable law. These will include guidance on what is considered to be unusual or suspicious and give examples thereof. The policies and procedures shall include appropriate monitoring of the Correspondent Bank's activity, incorporating due diligence results such as customer risk rating and other factors considered meaningful in the assessment of transaction activity risk. In turn, the results of suspicious activity monitoring shall be factored into the periodic review of the client's file, particularly when the results of transaction monitoring indicate elevated risk levels.

upvoted 17 times

h_fouad 3 years, 8 months ago

I am getting worried about answers provided here

upvoted 11 times

23c6d6d Most Recent 3 months, 3 weeks ago

AB and seem the most logical

upvoted 1 times

cliffcn79 7 months, 2 weeks ago

answer is AB

upvoted 1 times

beezkneez1 1 year, 11 months ago

Why are there so many wrong answers on this test..

upvoted 1 times

Neeti32 2 years, 1 month ago

A,B are correct

upvoted 1 times

m_atty123 2 years, 5 months ago

ab is correct

upvoted 1 times

Jaffar_95 2 years, 7 months ago

According to the website practice exam, the answer is A & B

upvoted 1 times

mmk0509 2 years, 8 months ago

As of November 30, 2023, the answer to this question on the practice exam available on the ACAMS website is A and B.

upvoted 5 times

Sbl_89 2 years, 10 months ago

As per Cams exam

upvoted 3 times

Dilara89 3 years, 3 months ago

I agree with AB

upvoted 1 times

ALEXNICE 3 years, 3 months ago

Réponse AB EXAMEN BLANC avril 2023

upvoted 2 times

study6660 3 years, 4 months ago

Agree with A and B

upvoted 1 times

Ish_acams 3 years, 5 months ago

As per ACAMS practice test

upvoted 1 times

Rex90 3 years, 8 months ago

AB Cams practice qs

upvoted 2 times

swthaha 3 years, 8 months ago

A/B answer from the study guide, now I am getting worried about answers provided here

upvoted 2 times

Pizzolj 3 years, 11 months ago

Selected Answer: AB

AB is correct as per p6.6 https://www.wolfsberg-principles.com/sites/default/files/wb/Wolfsberg-Correspondent-Banking-Principles-2014.pdf

upvoted 1 times

imperialchicken 3 years, 9 months ago

Article 6 Monitoring and Reporting of Suspicious Activities: The institution shall implement bank-wide policies and procedures to detect and investigate unusual or suspicious activity and report any such activity as required by applicable law. These will include guidance on what is considered to be unusual or suspicious and give examples thereof. The policies and procedures shall include appropriate monitoring of the Correspondent Bank's activity, INCORPORATING DUE DILIGENCE RESULTS SUCH AS CUSTOMER RISK RATING and other factors considered meaningful in the assessment of transaction activity risk. IN TURN, THE RESULTS OF SUSPICIOUS ACTIVITY MONITORING SHALL BE FACTORED INTO THE PERIODIC REVIEW OF THE CLIENT'S FILE, particularly when the results of transaction monitoring indicate elevated risk levels. I wonder if this info was given in the study guide.

upvoted 1 times

Question #22 *Topic 1*

When should the anti-money laundering risk assessment be updated?

A. Every two years

B. After a merger or acquisition

C. When the board of directors changes

D. When instructed to by the Financial Action Task Force

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (100%)

SDBoss Highly Voted 5 years, 7 months ago
ans is B pg no:145 Evaluating the risk scoring model and conducting the risk assessment itself may need to be performed annually, every eighteen to twenty-four months, before the launch of a new product, or when an acquisition of another financial institution occurs.
upvoted 12 times

SDBoss Highly Voted 5 years, 7 months ago
ans is B pg no:145 Evaluating the risk scoring model and conducting the risk assessment itself may need to be performed annually, every eighteen to twenty-four months, before the launch of a new product, or when an acquisition of another financial institution occurs.'"every eighteen to twenty-four months" makes the option A - every two years correct though. lol
upvoted 12 times

imperialchicken 3 years, 9 months ago
'"every eighteen to twenty-four months" makes the option A - every two years correct though. lol
upvoted 3 times

Neeti32 Most Recent 2 years, 1 month ago
B is correct
upvoted 1 times

Whatacell 2 years, 10 months ago
The correct answer is B. It's a textbook question; refer to pg 249/250 (v6.48). In this edition of the CAMS Study Guide, "every eighteen to twenty-four months" has been removed.
upvoted 3 times

LovetteBDA 2 years, 10 months ago
pg. 249-250 (study guide version 6.48) '. Although there is generally no requirement to update a risk assessment on a continuous or specified periodic basis, risk assessments should be updated before the launch of a new product, an acquisition of another financial organization, and whenever there are significant risk environment changes."
upvoted 1 times

V2222 4 years ago
Definitely B.
upvoted 1 times

TOVI33 4 years, 2 months ago
B is the correct answer. It is stated that the reason for not A should be evaluated every 18-24 months.
upvoted 1 times

PCJA1980 4 years, 4 months ago
B is correct according to CAMS practice exam APRIL 2022.
upvoted 2 times

CTPC 4 years, 5 months ago
Sure it is
upvoted 1 times

Tam_3 4 years, 5 months ago
B is the correct answer

upvoted 1 times

Koios 4 years, 7 months ago

Agree with (B) as being a correct answer, but as pointed out by bmb251, (A) also holds full merit. (Every eighteen to twenty-four months) means that any time frame from 18 to 24months is a correct option. So 2 years(24months) is certainly an option. If option A was stated as "ONLY" every 2 years, I'd agree it can be ruled out. The answer should be reviewed to AB, and the question should indicate "choose two".

upvoted 2 times

Koios 4 years, 7 months ago

Agree with (B) as being a correct answer, but as pointed out by bmb251, (A) also holds full merit. (Every eighteen to twenty-four months) means that any time frame from 18 to 24months is a correct option. So 2 years(24months) is certainly an option. If option A was stated as "ONLY" every 2 years, I'd agree it can be ruled out. The answer should be reviewed to AB, and the question should indicate "choose two".This is a well-explained POV of why A is also correct.

upvoted 2 times

Whatacell 2 years, 10 months ago

This is a well-explained POV of why A is also correct.

upvoted 1 times

CBSingh 5 years, 6 months ago

Agreed B is correct.

upvoted 1 times

bmb251 5 years, 6 months ago

Agreed B.. however what about A?

upvoted 2 times

Question #23 *Topic 1*

A customer brings $15,000 worth of chips into a casino and plays various games. The customer redeems all the remaining chips and requests a wire transfer of the proceeds to an unrelated third party.
What are two red flags that indicate money laundering? (Choose two.)

A. Customer redeeming all remaining chips

B. Playing various games before cashing out

C. Bringing $15,000 worth of chips into the casino

D. Requesting a wire transfer to an unrelated third party

Suggested Answer: *C, D*
Official Answer: CD

Community vote distribution



Writingsoon_2021 Highly Voted 5 years, 3 months ago

C & D is the answer ... Cams P.38 - A customer frequently purchases chips with currency under a reportable threshold, engages in minimal play, and walks away without cashing out the chips. and., Money Laundering Reporting (https://tier1fin.com/alessa/blog/money-laundering-casinos-red-flag-indicators/) In terms of suspicious activity being reported to FinCEN in 2019, “Minimal Gaming with Large Transactions” was the highest reported activity with more than 5,000 Suspicious Activity Reports (“SAR”). Other frequently cited suspicious activities include: Transactions below CTR Threshold ***"Unknown Source of Chips" *** Two or More Individuals Working Together Alteration or Cancelation of Transactions to Avoid CTR Requirement Suspicion Concerns on the Source of FundsI do not agree with you as there was no wording on minimum but several, hence will not be applicable A& D would be applicableAgree CD. Cashing out the chip is not a problem, the amount is the problem. FATF's threshold seems to be $10,000.Exactly. It's a lot more suspicious that he brought in 15K in chips as opposed to someone redeeming their chips after gambling. Doesn't everyone that gambles, cash their chips out at the end of the night? It may help to put yourself in this situation. Would you be more likely to A) cash out your chips after gambling, or C) Bring 15K in chips with you to gamble with? Sure people can take casino chips home and redeem them later but the likelihood of that happening is probably lower than someone who redeems chips after gameplay, which is commonplace. CD is correctThe questions says that the client played various games not minimal games. There is no point of avoiding CTR threshold as client came with already purchased chips.

upvoted 41 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago

C & D is the answer ... Cams P.38 - A customer frequently purchases chips with currency under a reportable threshold, engages in minimal play, and walks away without cashing out the chips. and., Money Laundering Reporting (https://tier1fin.com/alessa/blog/money-laundering-casinos-red-flag-indicators/) In terms of suspicious activity being reported to FinCEN in 2019, “Minimal Gaming with Large Transactions” was the highest reported activity with more than 5,000 Suspicious Activity Reports (“SAR”). Other frequently cited suspicious activities include: Transactions below CTR Threshold ***"Unknown Source of Chips" *** Two or More Individuals Working Together Alteration or Cancelation of Transactions to Avoid CTR Requirement Suspicion Concerns on the Source of Funds

upvoted 40 times

Roba254 3 years, 7 months ago

I do not agree with you as there was no wording on minimum but several, hence will not be applicable A& D would be applicable

upvoted 6 times

BrandonSun 4 years, 11 months ago

Agree CD. Cashing out the chip is not a problem, the amount is the problem. FATF's threshold seems to be $10,000.Exactly. It's a lot more suspicious that he brought in 15K in chips as opposed to someone redeeming their chips after gambling. Doesn't everyone that gambles, cash their chips out at the end of the night? It may help to put yourself in this situation. Would you be more likely to A) cash out your chips after gambling, or C) Bring 15K in chips with you to gamble with? Sure people can take casino chips home and redeem them later but the likelihood of that happening is probably lower than someone who redeems chips after gameplay, which is commonplace. CD is correct

upvoted 6 times

BrandonSun 4 years, 11 months ago

Agree CD. Cashing out the chip is not a problem, the amount is the problem. FATF's threshold seems to be $10,000.

upvoted 6 times

AlvinS77 4 years, 10 months ago

Exactly. It's a lot more suspicious that he brought in 15K in chips as opposed to someone redeeming their chips after gambling. Doesn't everyone that gambles, cash their chips out at the end of the night? It may help to put yourself in this situation. Would you be more likely to A) cash out your chips after gambling, or C) Bring 15K in chips with you to gamble with? Sure people can take casino chips home and redeem them later but the likelihood of that happening is probably lower than someone who redeems chips after gameplay, which is commonplace. CD is correct

upvoted 8 times

Raj_2703 3 years, 1 month ago

The questions says that the client played various games not minimal games. There is no point of avoiding CTR threshold as client came with already purchased chips.

upvoted 2 times

Jim999 5 years, 3 months ago

A & D. FATF also designated specific thresholds that trigger AML scrutiny. For example, the threshold that financial institutions should monitor for occasional customers is $15,000; for casinos, including internet casinos, it is $3,000; and for dealers in precious metals, when engaged in any cash transaction, it is $15,000. (Study Guide P.96)Redeeming chips is what a gambler is supposed to do whether its 15k or 150k. But you should not bring chips from outside, specially a high amount such as 15k

upvoted 10 times

Jim999 5 years, 3 months ago

A & D.

FATF also designated specific thresholds that trigger AML scrutiny. For example, the threshold that financial institutions should monitor for occasional customers is $15,000; for casinos, including internet casinos, it is $3,000; and for dealers in precious metals, when engaged in any cash transaction, it is $15,000. (Study Guide P.96)

upvoted 10 times

Rex90 3 years, 8 months ago

Redeeming chips is what a gambler is supposed to do whether its 15k or 150k. But you should not bring chips from outside, specially a high amount such as 15k

upvoted 2 times

60c66d2 Most Recent 1 year, 1 month ago

C and D are correct

upvoted 1 times

96a3dc3 1 year, 2 months ago

VOTE FOR C AND D

upvoted 1 times

a2b71d5 2 years ago

redeeming all your chips at the end of the night is not atypical in my suspision. If he would redeem 9,990 USD in chips to stay under the threshold that would be sus. So answer is CD IMO

upvoted 1 times

Preethisrajan 2 years ago

vote for C D

upvoted 1 times

Neeti32 2 years, 1 month ago

Definately C, D are the answer C- because, we don't know the source of funds D- because , the customer is using casino as an intermediary to transport funds to 3rd party.

upvoted 2 times

InRespect 2 years, 4 months ago

A & D should be correct, Why it should be suspicious bringing 15k or over 15k worth chips to casino? if you have hundred thousands you may want to go over 15k. But if you don't wanna leave any evidence behind (redeeming all leftover chips) seems like you don't wanna come back to play after bringing 15k, this is suspicious. Please check study guide and FATF https://www.fatf-gafi.org/en/publications/Methodsandtrends/Vulnerabilitiesofcasinosandgamingsector.html

upvoted 1 times

Horvat93 2 years, 5 months ago

It's CD, requesting wire transfer to foreign party is suspicious, and no one walks into a casino with already holding 15k in chips.

upvoted 3 times

kaypahadi 2 years, 6 months ago

While I selected C & D... the only logic I see on why A could be a potential answer is because the customer walked in with $15K worth of chips... played various games... and then cashed out all the remaining chips. A less suspicious action would be if they left with the remaining chips to come back and play another time.

upvoted 3 times

5ee4022 2 years, 8 months ago

CD is correct. Requesting a wire transfer to an unrelated third party: This is a red flag because it involves a request for a casino check to be issued payable to third parties. This behavior can indicate an attempt to move funds in a manner that obscures their origin or intended recipient, which is a common money laundering tactic. Bringing $15,000 worth of chips into the casino: This could be seen as a red flag, particularly if the chips were purchased with currency under a reportable threshold and the customer engages in minimal play before redeeming them. This kind of activity can be indicative of an attempt to legitimize funds through casino play, a method often used in money laundering. The other options, while potentially suspicious in certain contexts, are not specifically highlighted as red flags in the study guide material provided.

upvoted 1 times

EllabellaD 2 years, 9 months ago

C and D. It is normal to redeem all remaining chips. But customer arrived with existing chips

upvoted 2 times

Whatacell 2 years, 10 months ago

The correct answers are C and D. Redeeming chips is what a gambler is likely to do, so option A is not valid per se, whereas option B is no crime either. On the contrary, bringing $15K worth of chips is too much (red flag), and wiring the proceeds thereafter to an unrelated third party (another red flag).

upvoted 1 times

Sbl_89 2 years, 10 months ago

C. Bringing $15,000 worth of chips into the casino: The large amount of chips brought into the casino can be an indicator of an attempt to introduce a large amount of cash into the legitimate financial system through gambling. D. Requesting a wire transfer to an unrelated third party: The request to transfer the proceeds to an unrelated third party can be a suspicious activity, as it may be an attempt to obscure the true source or destination of the funds.

upvoted 1 times

pinkmoon 2 years, 12 months ago

Redeem all remaining chips are normal, bring 15k, not buying — unknown of source of fund

upvoted 1 times

ashishmehtaji 3 years ago

The ANS is A and D

upvoted 1 times

Raj_2703 3 years, 1 month ago

AD is correct. Rationale - The customer came with $15k worth casino chips indicates the customer did not redeem chips at the end of the game previously or someone else gave the chips to client. Is there anyone who would first buy the chips and than go back home and come again to play?. The suspicion is why the client did not earlier redeemed if played previously and this time redeemed all the chips rather than someone came with already purchased 15k worth chips which is not even falls under reporting threshold as those are already with customer.

upvoted 1 times

Question #24 *Topic 1*

A United States (U.S.) bank was recently alerted by law enforcement of an increase in sale of large denomination U.S. bank notes to casas de cambio. They suspect that a Mexican syndicate is operating a money laundering scheme in the bank's jurisdiction.
Which two steps should be taken to trace funds through the bank to assist law enforcement in their investigation? (Choose two.)

A. Identify the money laundering scheme and submit a suspicious transaction report

B. Identify if there is a decrease in the sale of large denomination U.S. bank notes to casas de cambio by the bank

C. Identify deposits by casas de cambio that include third-party items including sequentially numbered monetary instruments

D. Identify multiple wire transfers initiated by casas de cambio to jurisdictions outside of Mexico that bear no apparent business relationship with that casa de cambio

Suggested Answer: *C, D*
Official Answer: CD

Community vote distribution
CD (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
https://www.fincen.gov/resources/statutes-regulations/guidance/guidance-financial-institutions-repatriation-currency

• Multiple wire transfers initiated by casas de cambio that direct U.S. financial institutions to remit funds to jurisdictions outside of Mexico that bear no apparent business relationship with that casa de cambio (recipients include individuals, businesses, and other entities in free trade zones and other locations associated with Black Market Peso Exchange-type activities);1 • Deposits by casas de cambio to their accounts at U.S. financial institutions that include third-party items (including sequentially numbered monetary instruments)
upvoted 21 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago
https://www.fincen.gov/resources/statutes-regulations/guidance/guidance-financial-institutions-repatriation-currency • Multiple wire transfers initiated by casas de cambio that direct U.S. financial institutions to remit funds to jurisdictions outside of Mexico that bear no apparent business relationship with that casa de cambio (recipients include individuals, businesses, and other entities in free trade zones and other locations associated with Black Market Peso Exchange-type activities);1 • Deposits by casas de cambio to their accounts at U.S. financial institutions that include third-party items (including sequentially numbered monetary instruments)C & D. Thank you. This is right on point.
upvoted 22 times

junwangchloe 4 years, 7 months ago
C & D. Thank you. This is right on point.
upvoted 1 times

Writingsoon_2021 5 years, 3 months ago
Agree C and D
upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED for C/D
upvoted 1 times

968217c 1 year, 3 months ago
identify and detect before filing SAR; decrease? question reads increase
upvoted 1 times

Neeti32 2 years, 1 month ago
agree with C,D - reading the references below
upvoted 1 times

Fransun 3 years ago
C and D is correct answer https://www.fincen.gov/resources/statutes-regulations/guidance/guidance-financial-institutions-repatriation-currency
upvoted 1 times

olatwint 3 years, 1 month ago

THE ANSWER IS A & D

upvoted 4 times

TusharEnbd 3 years, 5 months ago

Redeeming all remaining chips could indicate an attempt to convert illicit funds into legitimate-looking winnings. Requesting a wire transfer to an unrelated third party could be an attempt to obscure the ultimate beneficiary of the funds.

upvoted 1 times

Pizzolj 3 years, 11 months ago

I think the big thing here is the "trace" part of the question - you can trace C and D

upvoted 2 times

CTPC 4 years, 5 months ago

Correct answer

upvoted 1 times

Tam_3 4 years, 5 months ago

C & D seem to be the correct answer.

upvoted 1 times

ridwanbd 4 years, 9 months ago

answer seems B D

upvoted 1 times

bmb251 5 years, 6 months ago

I think it is C,D

upvoted 3 times

Kveer 5 years, 7 months ago

this que is having ref to Bank notes, accordingly answer should be B and D

upvoted 2 times

Kveer 5 years, 7 months ago

this que is having ref to Bank notes, accordingly answer should be B and DThe question is asking about 'how to trace funds' B cannot be answer cause it is not the way trace funds it self.

upvoted 2 times

lovesickboy 4 years, 9 months ago

The question is asking about 'how to trace funds' B cannot be answer cause it is not the way trace funds it self.

upvoted 1 times

Question #25 *Topic 1*

Which two factors assist a money laundering investigation that involves multiple countries? (Choose two.)

A. Law enforcement and other authorities should have access to financial information that is pertinent to the investigation.

B. Every country should share all their information with foreign law enforcement and government authorities to facilitate rapid investigations.

C. Law enforcement and other authorities should be allowed to establish and utilize joint investigative teams with law enforcement in other countries.

D. Law enforcement and other authorities should not expedite information sharing between countries to ensure that all information is provided at the same time to avoid premature conclusions.

Suggested Answer: *A, C*
Official Answer: AC

Community vote distribution
AC (92%)

gnohz Highly Voted 5 years, 2 months ago
I think AC make better sense
upvoted 31 times

Writingsoon_2021 Highly Voted 4 years, 9 months ago
A and C is the answer - B is simply not realistic. Countries are not going to share "all" their information with foreign law enforcement and/or Governments either informally (MOU's) or formally (MLAT's). Information needs to be specific (or proximity) to the investigation and laws pertaining to the particular countries legislation in sharing prosecutorial evidence may only allow certain evidence to be shared in a specific manner.
upvoted 18 times

Writingsoon_2021 4 years, 9 months ago
A and C is the answer - B is simply not realistic. Countries are not going to share "all" their information with foreign law enforcement and/or Governments either informally (MOU's) or formally (MLAT's). Information needs to be specific (or proximity) to the investigation and laws pertaining to the particular countries legislation in sharing prosecutorial evidence may only allow certain evidence to be shared in a specific manner.B is wrong: Information protected by legal privilege or legal professional secrecy doesn't have to be shared. Here is the proof: FATF recommendation (2012) https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf P112 – content in brackets Unduly restrictive measures 2. Countries should not prohibit or place unreasonable or unduly restrictive conditions on the provision of exchange of information or assistance. In particular competent authorities should not refuse a request for assistance on the grounds that: (b) laws require financial institutions or DNFBPs **** (except where the relevant information that is sought is held in circumstances where legal privilege or legal professional secrecy applies)**** to maintain secrecy or confidentiality; and/or
upvoted 18 times

junwangchloe 4 years, 1 month ago
B is wrong: Information protected by legal privilege or legal professional secrecy doesn't have to be shared. Here is the proof: FATF recommendation (2012) https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf P112 – content in brackets Unduly restrictive measures 2. Countries should not prohibit or place unreasonable or unduly restrictive conditions on the provision of exchange of information or assistance. In particular competent authorities should not refuse a request for assistance on the grounds that: (b) laws require financial institutions or DNFBPs **** (except where the relevant information that is sought is held in circumstances where legal privilege or legal professional secrecy applies)**** to maintain secrecy or confidentiality; and/or
upvoted 2 times

Neeti32 Most Recent 1 year, 8 months ago
A & C as per the ACAMS practice test
upvoted 4 times

Sudar89 2 years, 4 months ago
As per cams site
upvoted 2 times

Sbl_89 2 years, 4 months ago
Per cams exam

upvoted 2 times

Dilara89 2 years, 9 months ago

A & C make the most sense. B is definitely incorrect, as countries should not be sharing all their information. Doesnt make sense.

upvoted 1 times

study6660 2 years, 10 months ago

A and c is correct

upvoted 2 times

TusharEnbd 2 years, 11 months ago

A. Law enforcement and other authorities should have access to financial information that is pertinent to the investigation. C. Law enforcement and other authorities should be allowed to establish and utilize joint investigative teams with law enforcement in other countries. Access to relevant financial information is critical in a money laundering investigation involving multiple countries, as it can help trace the flow of funds across borders. Establishing and utilizing joint investigative teams with law enforcement in other countries can also facilitate information sharing and collaboration, which can be crucial in complex investigations. B is incorrect because not all countries may be willing to share all their information with foreign law enforcement and government authorities. D is also incorrect because delaying or withholding information sharing can impede the investigation and make it harder to identify and stop illicit activities.

upvoted 1 times

imperialchicken 3 years, 3 months ago

Requring to share '"ALL the INFORMATION" just doesn't make sense.

upvoted 2 times

bombers 3 years, 3 months ago

A didn't say anything about other countries

upvoted 2 times

naomika123 3 years, 4 months ago

It is AC

upvoted 2 times

CHAR_S 3 years, 5 months ago

A,C is correct per CAMS

upvoted 2 times

LetheNiu 3 years, 5 months ago

AC are correct according to CAMS practice exam APRIL 2022.

upvoted 2 times

Ira1 3 years, 6 months ago

PER ACAMS

upvoted 3 times

kakarotSalada 3 years, 7 months ago

easy question

upvoted 2 times

PCJA1980 3 years, 10 months ago

AC are correct according to CAMS practice exam APRIL 2022.PCJA1980: THANK YOU!

upvoted 6 times

PCJA1980 3 years, 10 months ago

AC are correct according to CAMS practice exam APRIL 2022.

upvoted 6 times

KUNAL1022 3 years, 9 months ago

PCJA1980: THANK YOU!

upvoted 2 times

Welee 3 years, 11 months ago

The correct answer according to Acams is AC

upvoted 3 times

Question #26 *Topic 1*

A popular restaurant in town has begun depositing less cash than it has in prior years. In a review of the customer's accounts, you notice that credit card receipts have increased with no explanation.
The account officer discovers that the restaurant has installed a privately-owned automated teller machine (ATM) onsite and has begun construction of a patio dining area.
Which red flag should trigger additional investigation?

A. Privately-owned ATM

B. Lower cash deposits

C. Increased credit card receipts

D. Construction of the new patio dining area

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (72%) C (28%)

rach_225 Highly Voted 5 years, 9 months ago
The only reason I am thinking C is because it states - "credit card receipts have increased with no explanation" - the no explanation part would warrant further investigation versus the private ATM
upvoted 25 times

rach_225 Highly Voted 5 years, 9 months ago
The only reason I am thinking C is because it states - "credit card receipts have increased with no explanation" - the no explanation part would warrant further investigation versus the private ATMI agree. Having privately-owned ATM itself does not trigger a red flag. But despite having the ATM if the credit card receipts increase instead of cash, then it becomes a red flag.
upvoted 25 times

JYU 5 years, 3 months ago
I agree. Having privately-owned ATM itself does not trigger a red flag. But despite having the ATM if the credit card receipts increase instead of cash, then it becomes a red flag.
upvoted 5 times

forced2signup 4 years, 11 months ago
Money laundering can occur through privately owned ATMs when an ATM is replenished with illicit currency that is subsequently withdrawn by legitimate customers. This process results in ACH deposits to the ISO's account that appear as legitimate business transactions. Privately Owned Automated Teller Machines - FFIEC BSA/AML
upvoted 6 times

Oreemz Most Recent 1 week ago
C shows a deviation from established customer transaction pattern. It is a cause for account/KYC review. Private ATM is not in any way linked to the business. Why should the bank worry about a private ATM that does not put them at risk? Ok, it is loaded with dirty money and people withdraw. How does the bank report it to FIU when they have no way to link it to any layering or placement activity of their customer? This is a poorly worded question. ACAMS needs to do better. Setting questions for the "gotcha" effect at this level is ridiculous.
upvoted 1 times

60c66d2 1 year, 1 month ago
A - privately owned ATM is a high risk
upvoted 1 times

96a3dc3 1 year, 2 months ago
VOTED A
upvoted 1 times

96a3dc3 1 year, 2 months ago
VOTED C

upvoted 1 times

lynise 2 years ago

A sudden increase in CC receipts with no explanation in this scenario is a deviation from the customer's normal activity, and that in itself is cause for further investigation.

upvoted 1 times

Neeti32 2 years, 1 month ago

A is correct

upvoted 2 times

TaylorGrace 2 years, 4 months ago

FWIW I do AML investigations, and having a privately owned ATM is an automatic high-risk flag for us.

upvoted 5 times

717c3e9 2 years, 2 months ago

Private ATM's allow for laundering cash possibly

upvoted 2 times

TaylorGrace 2 years, 4 months ago

FWIW I do AML investigations, and having a privately owned ATM is an automatic high-risk flag for us.Can you tell more? why privately owned ATM can be high-risk? any reference?

upvoted 5 times

InRespect 2 years, 4 months ago

Can you tell more? why privately owned ATM can be high-risk? any reference?

upvoted 1 times

mego368 2 years, 6 months ago

Selected Answer: A

I'm guessing A, because you'd expect to see more cash deposited with an atm on site, not less.

upvoted 1 times

kaypahadi 2 years, 6 months ago

I selected C... as the potential risk with unexplained increase in cc transactions could be that the restaurant owner is over charging customers credit cards and then returning cash to them...thus legitimizing criminal proceeds

upvoted 2 times

mego368 2 years, 6 months ago

I'm guessing A, because you'd expect to see more cash deposited with an atm on site, not less.Unless they are the owner/operator of the ATM and are using cash on hand to fund it

upvoted 1 times

TaylorGrace 2 years, 4 months ago

Unless they are the owner/operator of the ATM and are using cash on hand to fund it

upvoted 2 times

5ee4022 2 years, 8 months ago

Based on the information provided and the ACAMS study guide, the red flag that should trigger additional investigation in this scenario is: A. Privately-owned ATM: The installation of a privately-owned automated teller machine (ATM) on-site at the restaurant could be a red flag for potential money laundering. This is because privately-owned ATMs can be used as a tool for laundering money, especially if they are not properly monitored and regulated. The other options, while they could be noteworthy in certain contexts, are not as directly indicative of potential money laundering as the privately-owned ATM in this scenario.

upvoted 2 times

Whatacell 2 years, 10 months ago

This is a tricky one, but I think the correct answer is A. Lower cash deposits are likely a result of an increase in credit card receipts as less cash is used to pay for the meals, so no to option B. Regarding the patio, the construction/renovation of an incremental unit cannot, in itself, require additional investigation -- option D is ruled out. Between options A and C, it seems like a privately-owned ATM (and not a financial organization-related one) is more of a suspect than just merely increased credit card receipts, as it could be solely because of the proliferation of cashless technology -- remember the transition is over the years.

upvoted 1 times

Sudar89 2 years, 10 months ago

CC increase

upvoted 2 times

Sbl_89 2 years, 10 months ago

A. Privately-owned ATM The installation of a privately-owned ATM onsite at the restaurant should trigger additional investigation. Privately-owned ATMs can be used for various purposes, including potentially facilitating cash-based money laundering activities. Therefore, it's a red flag that warrants further scrutiny to ensure compliance with anti-money laundering (AML) regulations and to assess whether the ATM's use aligns with legitimate business activities. Option C, "Increased credit card receipts," could also be a red flag that triggers additional investigation. An unexplained increase in credit card receipts, especially if it doesn't align with the restaurant's historical patterns or business activities, can indicate potential suspicious activity such as credit card fraud or money laundering.

upvoted 1 times

ashishmehtaji 3 years, 1 month ago

Correct Ans is C

upvoted 1 times

michaelkhan 2 years, 12 months ago

what do they mean by credit card receipts

upvoted 2 times

Question #27 *Topic 1*

An organization's automated surveillance system identifies large fluctuations in customer activity. As a result of an audit, the compliance officer is informed that the system is not generating alerts when activity is consistently abnormal over a long period of time. Currently the organization is evaluating new alert scenarios in an attempt to address this
problem.
Which type of scenario is helpful in mitigating this weakness?

A. Peer

B. Income

C. Mapping

D. Below-the-line

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (97%) (3

jgallag11 Highly Voted 5 years, 9 months ago
This one was tough to find, but I think it's D, Below-The-Line. CAMS pg 204 "Transaction monitoring rules should be reviewed at a regular cadence and tuned accordingly to ensure that they continue to operate as designed. Tuning practices may include...above and below-the-line testing to determine whether rules adjustments are necessary." I couldn't find anything in the book about "mapping" for transaction monitoring, so pretty sure it's D
upvoted 23 times

jgallag11 Highly Voted 5 years, 9 months ago
This one was tough to find, but I think it's D, Below-The-Line. CAMS pg 204 "Transaction monitoring rules should be reviewed at a regular cadence and tuned accordingly to ensure that they continue to operate as designed. Tuning practices may include...above and below-the-line testing to determine whether rules adjustments are necessary." I couldn't find anything in the book about "mapping" for transaction monitoring, so pretty sure it's DD is a reassessment method for dynamic risk evaluation. C is correct to identify the gaps and ensure full coverage of aml risk assessment on the institutions products and services.
upvoted 23 times

Abby32 5 years, 7 months ago
D is a reassessment method for dynamic risk evaluation. C is correct to identify the gaps and ensure full coverage of aml risk assessment on the institutions products and services.
upvoted 6 times

prasadthanganathan 5 years, 8 months ago
"C" is the correct answer "Mapping aids in identifying gaps in the current monitoring controls and the scenarios which are necessary to ensure adequate coverage of products/services, and mitigation of money laundering risks" Ref :https://www.acamstoday.org/anti-money-laundering-transaction-monitoring-system-implementation-considerations/Agree it is C. We are looking for new scenarios here. Below (or above) the line is for tuning current rules. Not applicable in this case.CAMS practice indicates A. As a bank regulator, it is common to compare with the peers info.
upvoted 20 times

prasadthanganathan 5 years, 8 months ago
"C" is the correct answer "Mapping aids in identifying gaps in the current monitoring controls and the scenarios which are necessary to ensure adequate coverage of products/services, and mitigation of money laundering risks" Ref :https://www.acamstoday.org/anti-money-laundering-transaction-monitoring-system-implementation-considerations/
upvoted 20 times

JC_Cams 5 years ago
Agree it is C. We are looking for new scenarios here. Below (or above) the line is for tuning current rules. Not applicable in this case.
upvoted 2 times

YuShaw 3 years, 10 months ago
CAMS practice indicates A. As a bank regulator, it is common to compare with the peers info.

upvoted 14 times

FMGA Most Recent 1 year ago

D Is in the CAMS material for tuning practices.

upvoted 1 times

60c66d2 1 year, 1 month ago

A is the correct answer

upvoted 2 times

BonBon1991_ 1 year, 2 months ago

A because Peer Analysis is for Compare customer to similar customers. It is specifically designed to identify consistently abnormal activity over time by comparing a customer's behavior to that of similar customers. B. Below-the-line . Best for catch transactions just below alert thresholds.

upvoted 1 times

49afb6a 1 year, 3 months ago

A is the correct answer as per CAMs practice test and Study Guide V 6.52, pg 318: "Ability to conduct advanced evaluation and analysis of suspicious and unusual transactions identified by the monitoring system in the context of each customer's risk profile and that of his peer group"

upvoted 3 times

04c7fdd 1 year, 8 months ago

Selected Answer: A

Answer is definitely A. D is incorrect because below-the-line scenario refers to evaluating all bank activity to determine whether any transactions that should have been flagged were missed so you can mitigate. This is what already happened and we know things were missed. Peer scenario is analyzing individual customer behavior in comparison to their peers group norms. So it focuses in on the customers behavior. It's a better way.

upvoted 2 times

04c7fdd 1 year, 8 months ago

Answer is definitely A. D is incorrect because below-the-line scenario refers to evaluating all bank activity to determine whether any transactions that should have been flagged were missed so you can mitigate. This is what already happened and we know things were missed. Peer scenario is analyzing individual customer behavior in comparison to their peers group norms. So it focuses in on the customers behavior. It's a better way.I agree A is the answer (this exact question was in the CAMS practice exam and also said Peer was the correct answer). Thank you for your explanation - I was unable to find an adequate definition or explanation of what exactly "below-the-line" testing was anywhere in the study guide.

upvoted 2 times

DirtyDollarDetective 1 year, 6 months ago

I agree A is the answer (this exact question was in the CAMS practice exam and also said Peer was the correct answer). Thank you for your explanation - I was unable to find an adequate definition or explanation of what exactly "below-the-line" testing was anywhere in the study guide.

upvoted 1 times

Preethisrajan 2 years ago

As per practice exam

upvoted 4 times

Binokku 2 years, 1 month ago

D , Transaction monitoring rules should be regularly reviewed and tuned accordingly to ensure that they continue to operate as designed. Tuning practices may include evaluating the output of monitoring rules, examining specific thresholds and conducting above and below-the-line testing to determine whether rule adjustments are necessary

upvoted 2 times

Neeti32 2 years, 2 months ago

As per CAMS practice questions, the answer is A (Peer)

upvoted 7 times

kaypahadi 2 years, 6 months ago

I thought it was D as well... but then some researched indicated otherwise... there is however no reference for mapping in the study guide. https://www.acamstoday.org/anti-money-laundering-transaction-monitoring-system-implementation-considerations/#:~:text=Scenario%20Identification%3A%20This,money%20laundering%20risks.

upvoted 1 times

Aris145 2 years, 6 months ago

the same question is literally in acams practice exam

upvoted 2 times

Jaffar_95 2 years, 7 months ago

As per CAMS practice questions, the answer is A (Peer)

upvoted 4 times

billnugz1 2 years, 8 months ago

correct answer is A per CAMS practice exam.

upvoted 5 times

5ee4022 2 years, 8 months ago

To mitigate the weakness of an automated surveillance system not generating alerts for consistently abnormal activity over a long period of time, the type of scenario that would be helpful is "Below-the-line" testing. This type of testing involves evaluating the output of monitoring rules, examining specific thresholds, and conducting tests to determine whether rule adjustments are necessary. Below-the-line testing helps in identifying patterns of activity that may not initially trigger alerts but are nonetheless indicative of potential risks or issues that require attention. Therefore, the correct answer is D. "Below-the-line."

upvoted 1 times

mgflash 2 years, 12 months ago

This question was on a self-study test by ACAMS. The correct answer was D, below-the-line. I selected A (Peer), but according to ACAMS it was D.

upvoted 2 times

LotusLearner 3 years ago

"A" -- See CAMS Study Guide, pg. 184 (last bullet point)

upvoted 2 times

Question #28 *Topic 1*

Upon a routine account review a money laundering investigator identified a number of large round dollar wire transfer deposits into a business account owned by a local auto repair shop. The wire transfers all originated from a country that is a known financial secrecy haven with poor anti-money laundering controls. The investigator concludes there appears to be no legitimate business purpose for the wire transfers and files a suspicious transaction report. The owner of the auto repair shop is popular in the community and is a well-known philanthropist.
To whom should the investigator escalate these concerns?

A. Audit committee

B. Chairman of the Board

C. The owner of the auto repair shop

D. The bank anti-money laundering officer

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

jgallag11 Highly Voted 5 years, 4 months ago
Anyone else agree with D?
upvoted 43 times

Polcos Highly Voted 4 years, 6 months ago
D is correct according to study guide p.212 : "Properly trained personnel in charge of investigating and reporting suspicious activities should have a clear and concise procedure for escalating their findings to a compliance officer, manager or other staff member with authority to make the filing decision."
upvoted 6 times

Polcos 4 years, 6 months ago
D is correct according to study guide p.212 : "Properly trained personnel in charge of investigating and reporting suspicious activities should have a clear and concise procedure for escalating their findings to a compliance officer, manager or other staff member with authority to make the filing decision."D. Study Guide p215. "Following the filing of the STR, the responsible compliance officer or designee may decide to contact a particular law enforcement division to notify it of the recent filing to make it aware of activity relevant to its area of coverage or geographical location".
upvoted 6 times

BrandonSun 4 years, 5 months ago
D. Study Guide p215. "Following the filing of the STR, the responsible compliance officer or designee may decide to contact a particular law enforcement division to notify it of the recent filing to make it aware of activity relevant to its area of coverage or geographical location".
upvoted 1 times

60c66d2 Most Recent 1 year, 1 month ago
D is the definite answer
upvoted 1 times

96a3dc3 1 year, 2 months ago
AGREE WITH D
upvoted 1 times

Neeti32 1 year, 8 months ago
as per the ACAMS practice test the answer is D
upvoted 1 times

Whatacell 2 years, 3 months ago
The correct answer is D. Almost always escalate SARs/STRs to MLRO -- think of it as a thumb-rule.
upvoted 1 times

Dilara89 2 years, 9 months ago

Answer is D

upvoted 1 times

PCJA1980 3 years, 10 months ago

D is correct according to CAMS practice exam APRIL 2022.

upvoted 4 times

Tam_3 3 years, 11 months ago

D is the answer.

upvoted 3 times

Kallabell 4 years, 3 months ago

D is correct, sometimes an AML investigator isn't a compliance officer.

upvoted 3 times

YKay 4 years, 3 months ago

The answer is A. The AML Officer is aware at the point of filling SAR. If further escalation is required cos the customer is well known, then it is to the audit commitee.

upvoted 2 times

forced2signup 4 years, 5 months ago

D is the correct answer. It especially shows Chairman of the Board, and not Board of Directors.

upvoted 3 times

Jazib 4 years, 6 months ago

D is the correct answer. AUDIT has nothing to do with escalations.

upvoted 1 times

seans 4 years, 6 months ago

D without question. I have never heard of a bank client being investigated by an " audit comittee" that language is never used in that capacity anywhere through out the course

upvoted 2 times

Ash1004 4 years, 8 months ago

D is correct.

upvoted 2 times

Writingsoon_2021 4 years, 9 months ago

I agree with D. The key here in this question, IMO, is the action of the "money laundering investigator ". In the question he "files" the STR; the STR has not yet been filed. So the money laundering investigator, IMO, reports to the Bank Anti-money laundering officer, and as such is notifying the individual in the Bank anti-money laundering officer position that the STR is about to be filed. Audit has nothing to do with the filing of STR's, in terms of initially filing them. Audits commitment to STR's is from the perspective of their hierarchy within the organizations structure, and that is to "report to the board on a quarterly or more frequent basis on things such as audit plans, audit findings and other items deemed to be significant" such as "Compliance with the entity's code of business conduct and legal and regulatory requirements". Audit is not in play yet.

upvoted 5 times

vijaysshanker 4 years, 10 months ago

i think D is the correct answer

upvoted 1 times

Question #29 *Topic 1*

A compliance officer learns from an Information Technology (IT) source of a potential new financial service being discussed by the new product approval committee.
What is the correct next course of action?

A. Request that the new product approval committee include the compliance officer.

B. Go to the board of directors and try to shut the new service down immediately because the committee did not communicate with the compliance officer.

C. Get as much information as possible from the source so that potential risks can be researched and a report prepared and presented to the head of marketing.

D. Start initial research into potential risks but wait until notified that the service has been approved by the committee before initiating extensive research.

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (100%)

ALBARTA Highly Voted 5 years, 6 months ago
CORRECT ANSWER IS A -- SEE PAGE 149 OF STUDY GUIDE-- IT STATES THE COMPLIANCE OFFICER SHOULD BE AN ACTIVE PARTICIPANT IN PROJECT TEAMS INDENTIYING APPROPRIATE CONTROL FRAMEWORKS FOR NEW PRODUCTS AND SYSTEMS.
upvoted 28 times

60c66d2 Most Recent 1 year, 1 month ago
A is correct
upvoted 1 times

96a3dc3 1 year, 2 months ago
VOTED A
upvoted 1 times

Neeti32 2 years, 1 month ago
A is the answer as per the CAMS practice test
upvoted 2 times

Whatacell 2 years, 10 months ago
The correct answer is A. Option C and D are voluntary actions on the part of an individual (and not the 'next course of action,' whereas option B is just hostile.
upvoted 1 times

Sudar89 2 years, 10 months ago
easy one
upvoted 1 times

HeatherT46 3 years, 11 months ago
A is correct as per CAMS practice exam August 2022
upvoted 2 times

PCJA1980 4 years, 4 months ago
A is correct according to CAMS practice exam APRIL 2022.
upvoted 3 times

Surya86 4 years, 5 months ago
Compliance officer should be an active participant
upvoted 1 times

Tam_3 4 years, 5 months ago
A - Request that the new product approval committee include the compliance officer. The compliance officer needs to be involved in the process of a new product to evaluate the potential risk prior to the launch.

upvoted 1 times

Jazib 5 years ago

A is the correct answer.

upvoted 3 times

Joey2105 5 years ago

A is the correct answer

upvoted 1 times

seans 5 years ago

D is correct. They will run it by him when it is time for his involvement. They will not just launch a product without running it by compliance.

upvoted 1 times

madduck2 5 years, 1 month ago

BC are not the answer, I think it is between A and D. page149 The compliance officer should be an active participant in project teams identifying appropriate control frameworks for new products and systems. If it is the approval committee, then a product should not be approved without taking AML/CFT into account. Therefore, CO should be included, so the answer is A.

upvoted 2 times

check1 5 years, 1 month ago

As part of new product launch process, CO must be informed and actively participated. Here, this product is still under discussion. CO has just happened to come to know about it.

upvoted 1 times

LHH 5 years, 4 months ago

Page 149- Study guide. The compliance officer should be an active participant in project teams identifying appropriate control frameworks for new products and systems.

upvoted 4 times

bmb251 5 years, 6 months ago

I think the answer is A... Compliance should be on the committee

upvoted 2 times

Question #30 *Topic 1*

What is the goal of the Egmont Group in providing a forum for Financial Intelligence Units (FIUs) around the world?

A. To improve international laws to combat money laundering and the financing of terrorism and foster the implementation of domestic programs.

B. To provide a forum for FIUs to improve cooperation in the fight against money laundering and the financing of terrorism and to foster the implementation of domestic programs in this field.

C. To improve communication with law enforcement in the fight against money laundering and the financing of terrorism and to foster the implementation of domestic programs in this field.

D. To improve cooperation with state and federal governments in the fight against money laundering and the financing of terrorism and to foster the implementation of domestic programs in this field.

Suggested Answer: *B*

Official Answer: B

Community vote distribution



bmb251 Highly Voted 5 years, 6 months ago

Correct answer is B

upvoted 10 times

PCJA1980 Highly Voted 4 years, 4 months ago

B is correct according to CAMS practice exam APRIL 2022.CAMS Study Guide p122 "In 1995, a number of national financial intelligence units (FIUs) began working together in an informal organization known as the Egmont Group (named for the location of the first meeting, the Egmont-Arenberg Palace in Brussels). The goal of the group is to provide a forum for FIUs around the world to improve cooperation in the fight against money laundering and financing of terrorism and to foster the implementation of domestic programs in this field. "

upvoted 5 times

PCJA1980 4 years, 4 months ago

B is correct according to CAMS practice exam APRIL 2022.

upvoted 5 times

Bach999 4 years, 2 months ago

CAMS Study Guide p122 "In 1995, a number of national financial intelligence units (FIUs) began working together in an informal organization known as the Egmont Group (named for the location of the first meeting, the Egmont-Arenberg Palace in Brussels). The goal of the group is to provide a forum for FIUs around the world to improve cooperation in the fight against money laundering and financing of terrorism and to foster the implementation of domestic programs in this field. "

upvoted 3 times

60c66d2 Most Recent 1 year, 1 month ago

B IS THE CORRECT ANSWER

upvoted 1 times

96a3dc3 1 year, 2 months ago

VOTED B

upvoted 1 times

Mirko72 1 year, 3 months ago

B is correct answer

upvoted 1 times

CallumChan 1 year, 3 months ago

B for sure

upvoted 1 times

Neeti32 2 years, 1 month ago

B is correct

upvoted 1 times

Sergiomv 2 years, 8 months ago

answer B -Version 6.48 ACAMs pg 408 "The goal of the group is to provide a forum for FIUs to improve cooperation in the fight against money laundering and the financing of terrorism, and to foster the implementation of domestic programs in this field."

upvoted 1 times

Whatacell 2 years, 10 months ago

The correct answer is B. It's a textbook question; refer to pg 213 (v6.48).

upvoted 1 times

LotusLearner 3 years ago

"B" -- See CAMS Study Guide, pg 122.

upvoted 1 times

Sarahxay 3 years, 10 months ago

B - As per ACAMS study guide, "the goal of the group is to provide a forum for FIUs around the world to improve cooperation and establish the environment needed to foster trust among countries to securely share sensitive information in the fight against money laundering and the financing of terrorism".

upvoted 2 times

HeatherT46 3 years, 11 months ago

Correct answer is B as per CAMS practice exam August 2022

upvoted 1 times

Tam_3 4 years, 5 months ago

B is the correct answer.

upvoted 2 times

Ozii07 5 years, 8 months ago

B is the answer. "he goal of the Egmont Group is to provide a forum for FIUs around the world to improve support to their respective governments in the fight against money laundering, terrorist financing and other financial crimes. This support includes expanding and systematizing the exchange of financial intelligence information, improving expertise and capabilities of personnel employed by such organizations, and fostering better and more secure communication among FIUs through the application of technology." https://www.fincen.gov/resources/international/egmont-group-financial-intelligence-units

upvoted 4 times

prasadthanganathan 5 years, 8 months ago

'B' Correct "Egmont Group of Financial Intelligence Units The Egmont Group consists of numerous national financial intelligence units (FIUs) that meet regularly to find ways to promote the development of FIUs and to cooperate, especially in the area of information exchange, training and the sharing of expertise. The goal of the group is to provide a forum for FIUs to improve cooperation in the fight against money laundering and the financing of terrorism, and to foster the implementation of domestic programs in this field"

upvoted 4 times

jgallag11 5 years, 9 months ago

This one was tough to find, but I think it's D, Below-The-Line. CAMS pg 204 "Transaction monitoring rules should be reviewed at a regular cadence and tuned accordingly to ensure that they continue to operate as designed. Tuning practices may include...above and below-the-line testing to determine whether rules adjustments are necessary." I couldn't find anything in the book about "mapping" for transaction monitoring, so pretty sure it's Dsorry if this can be deleted it's for another question

upvoted 2 times

jgallag11 5 years, 9 months ago

This one was tough to find, but I think it's D, Below-The-Line. CAMS pg 204 "Transaction monitoring rules should be reviewed at a regular cadence and tuned accordingly to ensure that they continue to operate as designed. Tuning practices may include...above and below-the-line testing to determine whether rules adjustments are necessary." I couldn't find anything in the book about "mapping" for transaction monitoring, so pretty sure it's D

upvoted 2 times

jgallag11 5 years, 9 months ago

sorry if this can be deleted it's for another question

upvoted 1 times

Question #31 *Topic 1*

A compliance officer at an insurance company has been reviewing the transaction
activity of several
clients.
Which transaction is considered a red flag for potential money laundering?

A. A client paid the quarterly life insurance premium using money orders from two different banks.

B. A client from a high-risk jurisdiction recently purchased property insurance for a real-estate development.

C. A corporation owns several affiliates and recently opened separate group life insurance policies for each of the affiliates.

D. A client established a $100,000 charitable annuity with a non-profit organization that provides health and safety assistance internationally.

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (81%) D (19%)

Ozii07 Highly Voted 5 years, 8 months ago
It should be A. Because the client is using "money orders"- unusual payment methods for payment of the life insurance product. D can not be the answer- because charitable annuities pose a lower risk for money laundering. Please refer to https://www.naic.org/documents/committees_d_antifraud_meetingcc_faqsinsurance_103105.pdfI agree with your answer.
upvoted 28 times

Ozii07 Highly Voted 5 years, 8 months ago
It should be A. Because the client is using "money orders"- unusual payment methods for payment of the life insurance product. D can not be the answer- because charitable annuities pose a lower risk for money laundering. Please refer to https://www.naic.org/documents/committees_d_antifraud_meetingcc_faqsinsurance_103105.pdf
upvoted 28 times

gangmo09 4 years, 9 months ago
I agree with your answer.
upvoted 1 times

evann159 5 years, 9 months ago
D page 30 Annuities are another type of insurance policy with cash value. An annuity is an investment that provides a defined series of payments in the future in exchange for an up-front sum of money. Annuity contracts may allow criminals to exchange illicit funds for an immediate or deferred income stream, which usually arrives in the form of monthly payments starting on a specified date.
upvoted 26 times

60c66d2 Most Recent 1 year, 1 month ago
A IS CORRECT
upvoted 1 times

96a3dc3 1 year, 2 months ago
VOTED A
upvoted 1 times

Neeti32 2 years, 1 month ago
Correct answer is A as per the study guide V.6.49 pg 331 "Customer uses multiple currency equivalents (e.g., cashier's checks and money orders) from different sources to make insurance policy or annuity payments."
upvoted 4 times

djunta 2 years, 7 months ago
Cash or cash equivalents ("money orders") are considered unusual payment methods for life insurance.
upvoted 2 times

5ee4022 2 years, 8 months ago
Based on the ACAMS study guide, the transaction that is considered a red flag for potential money laundering in an insurance company setting is: A. A client paid the quarterly life insurance premium using money orders from two different banks: This is a red flag because the use of multiple

currency equivalents, such as money orders, from different sources to make insurance policy payments can indicate an attempt to obscure the source of the funds, which is a common tactic in money laundering. Therefore, the correct answer is A.

upvoted 6 times

Sorak 2 years, 9 months ago

Customer uses multiple currency equivalents (e.g., cashier's checks and money orders) from different sources to make insurance policy or annuity payments. - page 331 of Study book v 6.48

upvoted 3 times

Whatacell 2 years, 10 months ago

The correct answer is A. As per FinCEN, charitable annuities are not part of "covered products," i.e., they constitute low-risk.

upvoted 3 times

Sbl_89 2 years, 10 months ago

https://www.fincen.gov/resources/statutes-regulations/guidance/anti-money-laundering-program-and-suspicious-activity Charitable annuities is low risk

upvoted 2 times

pinkmoon 2 years, 11 months ago

A is normal & possibility transaction

upvoted 1 times

JoeJas 2 years, 11 months ago

A because as the study guide (p. 344) explains, unusual activity in an nsrance company setting includes cases when customers use multiple currency equivalents (e.g. cashier's check and money orders) from different sources to make an insurance policy. D is not the righ answer because a charitable annuity is an arrangement between a donor and a nonprofit organization in which the donor receives a regular payment for life based on the value of assets transferred to the organization. After the donor's death, the assets are retained by the organization. The charitable annuity is a type of planned giving. Such annuities are set up by an agreement between the charity and the individual annuitant or couple. The annuities simultaneously provide a charitable donation, a partial income tax deduction for the donation, and a guaranteed lifetime income stream to the annuitant and sometimes a spouse or other beneficiary (source: https://www.investopedia.com/terms/c/charitable-gift-annuity.asp)

upvoted 2 times

Rjones 2 years, 12 months ago

D is my option as certain sectors of the insurance industry, such as life insurance and annuities, are a primary target of criminals who engage in money laundering and terrorist financing.

upvoted 1 times

LotusLearner 3 years ago

"D" -- See CAMS Study Guide, pg 30 (annuities) and 79-80 (NPOs).

upvoted 1 times

Shaheera 3 years ago

D is correct as D Talks about annuity, NPO, and cross border..highest risk while A is only high risk.

upvoted 1 times

Dilara89 3 years, 3 months ago

I am unsure of the answer, whether its A or D, but I selected A.

upvoted 1 times

kenmjacob 3 years, 3 months ago

The answer is D. Money orders are safe payment methods and is issued to one person. Yes a customer can have money orders from multiple banks. But 100k to an NGO that provides aid and assistance internationally is highly suspicious.

upvoted 1 times

Question #32 *Topic 1*

The branch manager notices that a number of customers come in weekly and always use the same teller to process their deposits. The manager notices that the customers and the teller, who are from the same ethnic group, are speaking in a foreign language and every once in a while the customers from local ethnic restaurants will bring the teller lunch. The commercial customers that visit the teller generally deposit the same amount of cash each time they come in.

How should the branch manager respond to this activity?

A. Transfer the teller to another branch

B. Conduct further investigation before taking any other action

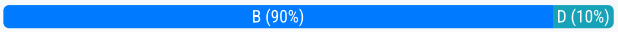
C. Encourage the teller to bring in more business from the ethnic community

D. Suggest to the teller to send the customers to other tellers to avoid the opportunity for collusion

Suggested Answer: *B*

Official Answer: B

Community vote distribution



bmb251 Highly Voted 5 years, 6 months ago

The answer is B

upvoted 23 times

HeatherT46 Highly Voted 3 years, 11 months ago

B per CAMS practice exam August 2022

upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED B

upvoted 1 times

Neeti32 2 years, 1 month ago

B is correct

upvoted 1 times

Whatacell 2 years, 10 months ago

The correct answer is B. While there is no evidence to conclude collusion by the teller, it would be sensible to conduct further investigation before jumping to conclusions.

upvoted 2 times

JoeJas 2 years, 11 months ago

Only further investigation would enable the branch manager to understand if there is a misconduct. The situation as described does not show show that there is a collusion whatoever.

upvoted 1 times

AXYCL 3 years, 1 month ago

The answer is B

upvoted 1 times

gauravlal22 3 years, 4 months ago

MANAGER SHOULD ENCOURAGE TELLER TO BRING MORE BUSINESS

upvoted 2 times

Wonnie 3 years, 10 months ago

Per CAMS practice exam

upvoted 2 times

Jscaped 4 years, 2 months ago

B, but should also refer to Compliance Officer

upvoted 2 times

eurekaCAMS 4 years, 3 months ago

Correct answer is B. I'm pretty sure D would become a public relations nightmare for the institution.

upvoted 1 times

PCJA1980 4 years, 4 months ago

B is correct according to CAMS practice exam APRIL 2022.

upvoted 3 times

passitapril 4 years, 5 months ago

b is the anser

upvoted 2 times

SherifJamal 4 years, 5 months ago

should be.

upvoted 1 times

SherifJamal 4 years, 5 months ago

Why it is B, Branch manager is not responsible to conduct any kind of investigations, if he suspect any suspicious activity then he need to report it only.

upvoted 3 times

Tam_3 4 years, 5 months ago

B - Conduct further investigation before taking any other action.

upvoted 2 times

Kingor123 4 years, 11 months ago

D is correct thanks

upvoted 3 times

Kingor123 4 years, 11 months ago

D is correct thanksThis is tipping off, in case teller is actually engaged in ML. So not the answer

upvoted 3 times

Rex90 3 years, 8 months ago

This is tipping off, in case teller is actually engaged in ML. So not the answer

upvoted 1 times

Question #33 *Topic 1*

A law enforcement official calls a bank inquiring about a customer who is currently under investigation. The law enforcement official requests information about the customer.
How should the bank respond?

A. Confirm the customer is either a current or former customer

B. Inform the board of directors before responding to the request

C. Provide the requested information to help aid in the investigation

D. Request a formal letter be submitted to verify the validity of the request

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (91%) C (9%)

IcyValor Highly Voted 4 years, 10 months ago
Agree D
upvoted 12 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED D
upvoted 1 times

ACAMS1 2 years ago
Practice exam
upvoted 1 times

Neeti32 2 years, 1 month ago
D is correct key word in the question "law enforcement official CALLS a bank" -making this an informal request. where a request can only be fulfilled, when it's in a written form on an official letterhead.
upvoted 1 times

AXYCL 3 years, 1 month ago
Agree D
upvoted 1 times

Mr_Gits 3 years, 4 months ago
The catch here is on "calls" hence the need to have the call verified and authenticated: D
upvoted 1 times

MIA74 3 years, 6 months ago
Agree D
upvoted 1 times

matovu 3 years, 9 months ago
D is the correct answer.
upvoted 1 times

Wonnie 3 years, 10 months ago
Per CAMS practice exam
upvoted 4 times

JDomar8128 3 years, 10 months ago
D per CAMs practice exam. Don't think into it. This is verbatim.
upvoted 4 times

FinanceFal 3 years, 11 months ago
D- provide information only after formal request that has been verified for authenticity
upvoted 2 times

shiku1921 3 years, 11 months ago

D is correct going by the elimination method, anyone including bad actors could make the phone call.

upvoted 1 times

HeatherT46 3 years, 11 months ago

D as per CAMS practice exam August 2022

upvoted 1 times

Nininim 4 years, 1 month ago

D for sure

upvoted 1 times

Nawo 4 years, 1 month ago

Customer who is currently investigation Answer is C

upvoted 1 times

Jscaped 4 years, 2 months ago

D, definitely

upvoted 2 times

Question #34 *Topic 1*

A bank compliance officer has implemented enhanced monitoring rules that have identified some unusual activity that may be indicative of human trafficking.
Which red flag should prompt additional transactional review?

A. Wire transfer activity from countries with significant migrant populations

B. Cash deposits that occur in cities where the customer resides and conducts business

C. Cash deposits that occur in cities where the customer does not reside or conduct business

D. Cash deposits that occur in cities where the customer does not reside or conduct business followed by same-day withdrawals

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (78%) C (22%)

jgallag11 Highly Voted 5 years, 10 months ago
I agree with D, CAMS page 198 "A customer's account appears to function as a funnel account whereby cash deposits occur in cities/states where the customer does not reside or conduct business. Frequently, in the case of funnel accounts, the funds are quickly withdrawn (same day) after the deposits are made. Answer A refers to "human smuggling" on page 196"A" is incorrect as per study guide says "Wire transfers that originate from countries with high migrant populations" its High migrant populationFrequently,funds are quickly withdrawn.Not necessarily.So answer ic cD is wrong. C is correct. Frequently, not always. "A bank compliance officer has implemented enhanced monitoring rules...", it basically asks: what triggers additional transaction review? C itself is suspicious enough. With "the fund quickly withdrawn (same day) after the deposits are made." it is more suspicious. If D is the trigger, C, the suspicious activity would be left out for investigation, the goal of enhanced monitoring would be defeated.While concerning, this does not indicate HT activityA is wrong. Guide says wire transfers TO countries with high migrant populations, but A says FROM
upvoted 60 times

jgallag11 Highly Voted 5 years, 10 months ago
I agree with D, CAMS page 198 "A customer's account appears to function as a funnel account whereby cash deposits occur in cities/states where the customer does not reside or conduct business. Frequently, in the case of funnel accounts, the funds are quickly withdrawn (same day) after the deposits are made.

Answer A refers to "human smuggling" on page 196
upvoted 60 times

prasadthanganathan 5 years, 9 months ago
"A" is incorrect as per study guide says "Wire transfers that originate from countries with high migrant populations" its High migrant population
upvoted 2 times

deepavinod 5 years, 10 months ago
Frequently,funds are quickly withdrawn.Not necessarily.So answer ic c
upvoted 4 times

junwangchloe 4 years, 7 months ago
D is wrong. C is correct. Frequently, not always. "A bank compliance officer has implemented enhanced monitoring rules...", it basically asks: what triggers additional transaction review? C itself is suspicious enough. With "the fund quickly withdrawn (same day) after the deposits are made." it is more suspicious. If D is the trigger, C, the suspicious activity would be left out for investigation, the goal of enhanced monitoring would be defeated.While concerning, this does not indicate HT activity
upvoted 5 times

junwangchloe 4 years, 7 months ago
D is wrong. C is correct. Frequently, not always. "A bank compliance officer has implemented enhanced monitoring rules...", it basically asks: what triggers additional transaction review? C itself is suspicious enough. With "the fund quickly withdrawn (same day) after the deposits are made." it is more suspicious. If D is the trigger, C, the suspicious activity would be left out for investigation, the goal of enhanced monitoring would be defeated.
upvoted 5 times

Rex90 3 years, 8 months ago

While concerning, this does not indicate HT activity

upvoted 1 times

ccz 5 years, 4 months ago

A is wrong. Guide says wire transfers TO countries with high migrant populations, but A says FROM

upvoted 6 times

timbarr 5 years, 3 months ago

The answer is D, study guide 6, page 198, first bullet point: "A customer's account appears to function as a funnel account whereby cash deposits occur in cities/states where the customer does not reside or conduct business"

upvoted 9 times

60c66d2 Most Recent 1 year, 1 month ago

THE ANSWER IS D

upvoted 1 times

96a3dc3 1 year, 2 months ago

VOTED D

upvoted 1 times

Mirko72 1 year, 3 months ago

Do not confuse human trafficking with human smuggling, A is smuggling red flag

upvoted 2 times

67d27bf 1 year, 10 months ago

Page 340 of version 6.5 of study guide. D is the most correct as a red flag of money laundering. "A customer's account appears to function as a funnel account, whereby cash deposits occur in cities/states where the customer does not reside or conduct business. Frequently, in the case of funnel accounts, the funds are quickly withdrawn (same day) after the deposits are made. Question states that "transaction monitoring rules identified unusual activity that may be indicative of human trafficking. Therefore, although C is correct in being suspicious, D is more correct and in line with human trafficking.

upvoted 1 times

Neeti32 2 years, 1 month ago

D is correct

upvoted 1 times

Cassia 2 years, 3 months ago

Alternativa C está correta, CAMS página 363 V6.48. A informação de retirada dos fundos no mesmo dia está relacionada a contas fantasma e não é o que a questão está perguntando.

upvoted 1 times

mhandoo 2 years, 4 months ago

C C because same day withdrawal or not, cash deposit that occur in cities where the customer does not reside or conduct business is itself a red flag.

upvoted 2 times

marykate1 2 years, 8 months ago

The question is "Which red flag should prompt additional transactional review?" I believe C is correct, because per ACAMS guide cash deposits in a locations where the client does not reside is already a red flag, thus require additional review.

upvoted 2 times

Sbl_89 2 years, 10 months ago

D. Cash deposits that occur in cities where the customer does not reside or conduct business followed by same-day withdrawals. This red flag, involving cash deposits in cities where the customer does not reside or conduct business, followed by same-day withdrawals, is indicative of suspicious activity. It could suggest an attempt to structure transactions to evade reporting requirements or may be linked to illegal activities, such as human trafficking. Therefore, it should prompt additional transactional review to determine if further investigation is warranted.

upvoted 1 times

JoeJas 2 years, 11 months ago

As per CAMS study guide, unusual activity indicative of Human Trafficking includes cases when a customer's account appears to function as a funnel account, whereby cash deposits occur in cities/states where the customer does not reside or conduct business. Frequently, in the case of funnel accounts, the funds are quickly withdrawn (same day) after the deposits are made.

upvoted 1 times

Temitope101 3 years ago

D is correct

upvoted 1 times

Shaheera 3 years ago

D has one more risk vs option C same day withdrawal.

upvoted 1 times

AXYCL 3 years, 1 month ago

CHANGE ANSWER FROM C TO D

upvoted 3 times

AXYCL 3 years, 1 month ago

Agree C

upvoted 1 times

Dilara89 3 years, 3 months ago

D should be the answer "A customer’s account appears to function as a funnel account, whereby cash deposits occur in cities/states where the customer does not reside or conduct business. Frequently, in the case of funnel accounts, the funds are quickly withdrawn (same day) after the deposits are made"

upvoted 1 times

Question #35 *Topic 1*

The compliance officer for a private bank has been tasked with writing a policy on
how the bank will deal with
intermediaries.
Which two aspects should be included in the policy in respect of intermediaries to align it with the Wolfsberg Anti-Money Laundering Principles for Private
Banking? (Choose two.)

A. When an intermediary introduces clients to the bank, it is not necessary for the bank to perform due diligence on the intermediary's clients.

B. Where an intermediary introduces clients to the bank, the bank must obtain the same type of information with respect to an introduced client that would otherwise be obtained by the bank, absent the involvement of the intermediary.

C. Where an intermediary manages assets on behalf of a number of clients and is the account holder with the bank, but that intermediary does not conduct the same level of due diligence as the bank, it is necessary for the bank to undertake due diligence on the intermediary's clients.

D. Where an intermediary manages assets on behalf of a number of clients and arranges for the opening of accounts for its clients with the bank, and that intermediary is a financial institution subject to similar regulations, it is necessary for the bank to perform due diligence on the intermediary's clients.

Suggested Answer: *B, C*
Official Answer: BC

Community vote distribution
BC (61%) BD (39%)

jgallag11 5 years, 4 months ago
I think BD is correct? Because from Wolfsberg: "The private banker will perform due diligence on the introducing or managing intermediary and establish, as appropriate, that the intermediary has relevant due diligence procedures for its clients, or a regulatory obligation to conduct such due diligence, that is satisfactory to the bank." where C says "...but that intermediary does not conduct the same level of due diligence as the bank..." so they shouldn't approve that intermediary if they don't conduct a satisfactory level of DD. Does that make sense to anyone else?i think B and C, For B, we can understand from options. C, states " but that intermediary does not conduct the same level of due diligence as the bank, it is necessary for the bank to undertake due diligence on the intermediary's clients." - Since, it is not same, therefore it becomes necessary to conduct. Why D is not apt ? it states " and that intermediary is a financial institution subject to similar regulations, it is necessary for the bank to perform due diligence on the intermediary's clients" - For similar regulations, why to perform due diligence again? I have picked reference to support this " The Intermediary is a financial institution subject to similar AML laws, due diligence standards and regulatory supervision as the bank. In such a case, it would generally not be necessary for a bank to perform due diligence on the Intermediary's clients." source from wolfsberg " The Wolfsberg AML Principles Frequently Asked Questions with Regard to Intermediaries and Holders of Powers of Attorney / Authorised Signers in the Context of Private Banking"I think B,C is correct.Agree BC. It is all about if the intermediary has adequate due diligence (that aligned with private bank's standard) on it's clients or not. C means the intermediary does not have adequate due diligence on it's client, that's why the private bank need to conduct extra. D is just redundant work and unnecessary.
upvoted 29 times

jgallag11 5 years, 4 months ago
I think BD is correct?

Because from Wolfsberg: "The private banker will perform due diligence on the introducing or managing intermediary and establish, as appropriate, that the intermediary has relevant due diligence procedures for its clients, or a regulatory obligation to conduct such due diligence, that is satisfactory to the bank."

where C says "...but that intermediary does not conduct the same level of due diligence as the bank..." so they shouldn't approve that intermediary if they don't conduct a satisfactory level of DD. Does that make sense to anyone else?
upvoted 29 times

balaji_j Highly Voted 5 years, 2 months ago
i think B and C, For B, we can understand from options. C, states " but that intermediary does not conduct the same level of due diligence as the bank, it is necessary for the bank to undertake due diligence on the intermediary's clients." - Since, it is not same, therefore it becomes necessary to

conduct.

Why D is not apt ? it states " and that intermediary is a financial institution subject to similar regulations, it is necessary for the bank to perform due diligence on the intermediary's clients" - For similar regulations, why to perform due diligence again? I have picked reference to support this " The Intermediary is a financial institution subject to similar AML laws, due diligence standards and regulatory supervision as the bank. In such a case, it would generally not be necessary for a bank to perform due diligence on the Intermediary's clients." source from wolfsberg " The Wolfsberg AML Principles Frequently Asked Questions with Regard to Intermediaries and Holders of Powers of Attorney / Authorised Signers in the Context of Private Banking"

upvoted 35 times

balaji_j Highly Voted 5 years, 2 months ago

i think B and C, For B, we can understand from options. C, states " but that intermediary does not conduct the same level of due diligence as the bank, it is necessary for the bank to undertake due diligence on the intermediary's clients." - Since, it is not same, therefore it becomes necessary to conduct. Why D is not apt ? it states " and that intermediary is a financial institution subject to similar regulations, it is necessary for the bank to perform due diligence on the intermediary's clients" - For similar regulations, why to perform due diligence again? I have picked reference to support this " The Intermediary is a financial institution subject to similar AML laws, due diligence standards and regulatory supervision as the bank. In such a case, it would generally not be necessary for a bank to perform due diligence on the Intermediary's clients." source from wolfsberg " The Wolfsberg AML Principles Frequently Asked Questions with Regard to Intermediaries and Holders of Powers of Attorney / Authorised Signers in the Context of Private Banking"I think B,C is correct.Agree BC. It is all about if the intermediary has adequate due diligence (that aligned with private bank's standard) on it's clients or not. C means the intermediary does not have adequate due diligence on it's client, that's why the private bank need to conduct extra. D is just redundant work and unnecessary.

upvoted 35 times

fatrapb1t 4 years, 4 months ago

I think B,C is correct.

upvoted 2 times

BrandonSun 4 years, 5 months ago

Agree BC. It is all about if the intermediary has adequate due diligence (that aligned with private bank's standard) on it's clients or not. C means the intermediary does not have adequate due diligence on it's client, that's why the private bank need to conduct extra. D is just redundant work and unnecessary.

upvoted 5 times

Reenee 4 years, 8 months ago

The right answer is BD. This one is a bit tricky Reference: "The role of the Managing Intermediary is to manage assets on behalf of one or more clients. In a typical situation, the Managing Intermediary arranges for the opening of accounts for its clients with the bank. The bank has a direct account relationship with such clients and typically also has a direct contractual relationship with the Intermediary setting out the responsibilities of the bank and the Intermediary regarding due diligence. This type of Intermediary will hereafter be referred to as a Type 1 Managing Intermediary. There may also be situations in which the Managing Intermediary becomes the accountholder with the bank. The Intermediary's clients, in this situation, remain clients of the Intermediary and do not become the clients of the bank and should not somehow be deemed to be clients of the bank. This type of Intermediary will hereafter be referred to as a Type 2 Managing Intermediary."

upvoted 10 times

Reenee 4 years, 8 months ago

The right answer is BD. This one is a bit tricky Reference: "The role of the Managing Intermediary is to manage assets on behalf of one or more clients. In a typical situation, the Managing Intermediary arranges for the opening of accounts for its clients with the bank. The bank has a direct account relationship with such clients and typically also has a direct contractual relationship with the Intermediary setting out the responsibilities of the bank and the Intermediary regarding due diligence. This type of Intermediary will hereafter be referred to as a Type 1 Managing Intermediary. There may also be situations in which the Managing Intermediary becomes the accountholder with the bank. The Intermediary's clients, in this situation, remain clients of the Intermediary and do not become the clients of the bank and should not somehow be deemed to be clients of the bank. This type of Intermediary will hereafter be referred to as a Type 2 Managing Intermediary."Agree with this!B and D. Having a key wording of intermediary manages assets on behalf of a number of clients and arranges for the "opening of accounts" for its clients with the bank. The CDD process should be perform.Just to add: "Since the situation involving a Type 2 Managing Intermediary is to be distinguished from that of a Type 1 Managing Intermediary or an Introducing Intermediary, the bank need not obtain client specific data from such (Type 2) Intermediary, nor undertakings to provide such information, unless applicable regulation otherwise requires." ***Since answer C refers to type 2 managing intermediary, bank need not to undertake due diligence on intermediary clients

upvoted 10 times

rose_marie 4 years, 1 month ago

Agree with this!

upvoted 1 times

AMLup 3 years, 8 months ago

B and D. Having a key wording of intermediary manages assets on behalf of a number of clients and arranges for the "opening of accounts" for its clients with the bank. The CDD process should be perform.

upvoted 3 times

Reenee 4 years, 8 months ago

Just to add: "Since the situation involving a Type 2 Managing Intermediary is to be distinguished from that of a Type 1 Managing Intermediary or an Introducing Intermediary, the bank need not obtain client specific data from such (Type 2) Intermediary, nor undertakings to provide such information, unless applicable regulation otherwise requires." ***Since answer C refers to type 2 managing intermediary, bank need not to undertake due diligence on intermediary clients

upvoted 4 times

60c66d2 Most Recent 1 year, 1 month ago

B AND C ARE CORRECT

upvoted 1 times

mhandoo 1 year, 10 months ago

BD Both C and D are correct, however, D is more relevant, because even when the FI follows similar regulations the due diligence should still be performed on the intermediary's client as Wolsberg principles.

upvoted 1 times

djunta 2 years, 1 month ago

The bank cannot conduct due diligence on non-customers, so C cannot be right.

upvoted 2 times

EllabellaD 2 years, 3 months ago

B and C

upvoted 1 times

Sbl_89 2 years, 4 months ago

However, the Wolfsberg Anti-Money Laundering Principles generally emphasize that banks should conduct due diligence on clients introduced by intermediaries regardless of whether the intermediary conducts the same level of due diligence. Therefore, while option C may be a reasonable practice, it doesn't fully align with the Wolfsberg Principles, which recommend that the bank should perform due diligence on introduced clients regardless of the intermediary's due diligence practices.

upvoted 1 times

Rjones 2 years, 5 months ago

optin d cannot be the answer because "and that intermediary is a financial institution subject to similar regulations" This means that the intermediary is an FI and has to have the AML/ KYC in place and cannot depend on the other bank to fulfill the requirements. My ans is B and C.

upvoted 1 times

pinkmoon 2 years, 5 months ago

"Opening account"

upvoted 1 times

Raj_2703 2 years, 7 months ago

B is understandable The reason why not D is because as per the link mentioned below. The Intermediary is a financial institution subject to similar AML laws, due diligence standards and regulatory supervision as the bank. In such a case, it would generally not be necessary for a bank to perform due diligence on the Intermediary's clients. https://db.wolfsberg-group.org/assets/1fe6a58a-e1ab-44ca-b564-1377e5808e13

upvoted 1 times

AXYCL 2 years, 7 months ago

B and C are correct

upvoted 1 times

sashaposta 2 years, 9 months ago

The answer is BD, as in case of C the clients of the intermediary do not become clients of the bank. See q.6 paragraph 3: https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/faqs/20.%20Wolfsberg-FAQs-on-Intermediaries-May-2012.pdf

upvoted 1 times

study6660 2 years, 10 months ago

BC is the best option

upvoted 1 times

SAleksandrova 3 years, 2 months ago

Selected Answer: BD

https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/faqs/20.%20Wolfsberg-FAQs-on-Intermediaries-May-2012.pdf

Q4 - The role of the Managing Intermediary is to manage assets on behalf of one or more clients. In a typical situation, the Managing Intermediary arranges for the opening of accounts for its clients with the bank. The bank has a direct account relationship with such clients and typically also has a direct contractual relationship with the Intermediary setting out the responsibilities of the bank and the Intermediary regarding due diligence. This type of Intermediary will hereafter be referred to as a Type 1 Managing Intermediary.

Q6 - If the Intermediary's client has a direct account relationship with the bank (i.e., the Intermediary is a Type 1 Managing Intermediary), then the due diligence conducted by the bank with regard to that client would generally be comparable to that described in the answer to Question 3

upvoted 1 times

SAleksandrova 3 years, 2 months ago

https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/faqs/20.%20Wolfsberg-FAQs-on-Intermediaries-May-2012.pdf Q4 - The role of the Managing Intermediary is to manage assets on behalf of one or more clients. In a typical situation, the Managing Intermediary arranges for the opening of accounts for its clients with the bank. The bank has a direct account relationship with such clients and typically also has a direct contractual relationship with the Intermediary setting out the responsibilities of the bank and the Intermediary regarding due diligence. This type of Intermediary will hereafter be referred to as a Type 1 Managing Intermediary. Q6 - If the Intermediary's client has a direct account relationship with the bank (i.e., the Intermediary is a Type 1 Managing Intermediary), then the due diligence conducted by the bank with regard to that client would generally be comparable to that described in the answer to Question 3Q3 - Generally, even if an Introducing Intermediary is involved in the relationship, the bank must obtain the same type of information with respect to the accountholder (or, if different, beneficial owner) that would otherwise be obtained by the bank, absent such involvement by an Intermediary. For example, the bank would obtain the requisite information regarding the accountholder's (or beneficial owner's) source of wealth, the initial source of funding for the account and the anticipated account activity. The bank should also follow the guidance set forth in the Wolfsberg AML Principles for Private Banking and in the FAQs with Regard to Beneficial Ownership in the Context of Private Banking with respect to establishing identity by reference to official documents.Based on the above, BD is correct. B says that due diligence must be performed on an introduced client to the same extent as if there would not be an introducing intermediary involvement. And this is covered in Q3 of Wolfsberg FAQ on Intermediaries. D - in this situation inter

upvoted 1 times

SAleksandrova 3 years, 2 months ago

Q3 - Generally, even if an Introducing Intermediary is involved in the relationship, the bank must obtain the same type of information with respect to the accountholder (or, if different, beneficial owner) that would otherwise be obtained by the bank, absent such involvement by an Intermediary. For example, the bank would obtain the requisite information regarding the accountholder's (or beneficial owner's) source of wealth, the initial source of funding for the account and the anticipated account activity. The bank should also follow the guidance set forth in the Wolfsberg AML Principles for Private Banking and in the FAQs with Regard to Beneficial Ownership in the Context of Private Banking with respect to establishing identity by reference to official documents.Based on the above, BD is correct. B says that due diligence must be performed on an introduced client to the same extent as if there would not be an introducing intermediary involvement. And this is covered in Q3 of Wolfsberg FAQ on Intermediaries. D - in this situation intermediary is Type 1 Managing Intermediary, meaning that clients are account holders, not the intermediary, so the due diligence must be undertaken regardless of wheter intermediary has adequate AML policies or not. This is covered in FAQ Q6 and Q3.C would not be correct, because in that case intermediary is the account holder, so as per FAQ Q6 the bank should make the determination as to the adequacy of the applicable AML regulation, it should not generally be necessary to conduct "client" due diligence with respect to the Intermediary's clients in that the Intermediary's clients in this situation should generally not be viewed as the bank's clients. However, if the determination referred to above cannot be made, the bank should consider whether to conduct due diligence on an Intermediary's clients. So in reality, it does not mean that Intermediary's due diligence should be the same level as the bank's due diligence, it just has to be s

upvoted 1 times

SAleksandrova 3 years, 2 months ago

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upvoted 1 times

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upvoted 1 times

SAleksandrova 3 years, 2 months ago

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upvoted 1 times

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upvoted 1 times

imperialchicken 3 years, 3 months ago

From the page 216, "'...urge private bankers to perform due diligence on "money managers and similar intermediaries" to determine that the middlemen have a satisfactory due diligence process for their clients OR a REGULATORY OBLIGATION to conduct such due diligence." Option D states that the intermediary is a financial INSTITUTION SUBJECT TO SIMILAR REGULATIONS. So, the bank won't need to do additional due diligence per Wolfsberg Anti-Money Laundering Principles for Private Banking. That being the case, we drop Option D together with A. The correct answers should be B and C. Best Regards,

upvoted 2 times

FinanceFal 3 years, 4 months ago

BC D states it is "necessary" to conduct due diligence on a customer under these circumstances. The wolfsberg principles indicates it is NOT, as long as the managing intermediary has procedures for this policy that are satisfactory to the bank.

upvoted 1 times

kakarotSalada 3 years, 7 months ago

B and C is the right answer

upvoted 1 times

Question #36 *Topic 1*

A non-U.S. bank wants to open an account at Bank A, which is a U.S.-based bank.
Which information must Bank A obtain under the USA PATRIOT Act?

A. A complete client list from the non-U.S. bank

B. The identity of owners and percentage of ownership of the non-U.S. bank

C. The structure and identity of the management team at the non-U.S. bank

D. The details of the non-U.S. bank's anti-money laundering compliance training program

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (88%) C (12%)

Majid2094 Highly Voted 5 years, 5 months ago
The correct answer is B. P/13 CAMS Study Guide v6.31Study guide P133 - USA PATRIOT Act Section 319(b): Records relating to Correspondent Accounts for Foreign Banks (31 U.S.C.5318(k)). Additionally, the section also requires foreign banks to designate a registered agent in the United States to accept service of subpoenas pursuant to this section. Furthermore, U.S. banks and securities brokers and dealers that maintain correspondent accounts for foreign banks must keep records of the IDENTITY OF THE 25 PERCENT OWNERS OF THE FOREIGN BANK, unless it is publicly traded, as well as the name of the correspondent bank's registered agent in the U.S.
upvoted 34 times

Majid2094 Highly Voted 5 years, 5 months ago
The correct answer is B. P/13 CAMS Study Guide v6.31
upvoted 34 times

junwangchloe 4 years, 1 month ago
Study guide P133 - USA PATRIOT Act Section 319(b): Records relating to Correspondent Accounts for Foreign Banks (31 U.S.C.5318(k)). Additionally, the section also requires foreign banks to designate a registered agent in the United States to accept service of subpoenas pursuant to this section. Furthermore, U.S. banks and securities brokers and dealers that maintain correspondent accounts for foreign banks must keep records of the IDENTITY OF THE 25 PERCENT OWNERS OF THE FOREIGN BANK, unless it is publicly traded, as well as the name of the correspondent bank's registered agent in the U.S.
upvoted 5 times

RP1989 2 years, 3 months ago
This CAMS exam is doing more harm than good, can't trust any answer here.. How can you give answers that contradicts CAMS site, they literally take the exam....
upvoted 14 times

968217c Most Recent 1 year, 3 months ago
this was clearly B. Patriot Act - Beneficial Ownership ; hence in banking the requirement of these forms and particularly for US it is 25% or more identified
upvoted 1 times

Jaffar_95 2 years, 1 month ago
Answer is B
upvoted 1 times

Sbl_89 2 years, 4 months ago
As per cams exam
upvoted 1 times

AXYCL 2 years, 7 months ago
The correct answer is B.
upvoted 1 times

MIA74 3 years ago
Agreed B

upvoted 1 times

HeatherT46 3 years, 5 months ago

B as per CAMS practice test August 2022

upvoted 3 times

Nawo 3 years, 7 months ago

Answer B 319(b) identity of the 25% of owners, not the senior management

upvoted 2 times

42istheanswer 3 years, 8 months ago

I voted B, at first, but upon rereading of the question I realize thar one does not need knowledge of those who own less than 25% = C is correct

upvoted 2 times

Vksh9 3 years, 11 months ago

As per study guide

upvoted 4 times

Tam_3 3 years, 11 months ago

Answer is B.

upvoted 2 times

kath07 3 years, 12 months ago

Official answer as per ACAMS online test is B

upvoted 4 times

mveil 4 years, 1 month ago

B is correct

upvoted 1 times

slimbz 4 years, 4 months ago

tricky question. D says "training" which is irrelevant.

upvoted 1 times

forced2signup 4 years, 5 months ago

The answer is BD, and it would be great if the test question specifically asks us to choose 2 answers.

upvoted 2 times

abby_4u 4 years, 5 months ago

B & D any day

upvoted 3 times

Question #37 *Topic 1*

Which insurance product is particularly vulnerable to money laundering?

A. Annuity

B. Casualty

C. Collateral

D. Regulated pension

Suggested Answer: *A*

Official Answer: A

Community vote distribution

A (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago

Answer is A - Cams Study guide P.30 - "Annuity contracts may allow criminals to exchange illicit funds for an immediate or deferred income stream, which usually arrives in the form of monthly payments starting on a specified date. In both cases, a policyholder can place a large sum of money into a policy with the expectation that it will grow based on the underlying investment, which can be fixed or variable. One indicator of possible money laundering is when a potential policyholder is more interested in a policy's cancellation terms than its benefits."

upvoted 19 times

03243ba 1 year, 4 months ago

Selected Answer: A

There was a question in today's exam about the least vulnerable with option - annuity, permanent life insurance, group insurance, cash value.

upvoted 2 times

03243ba 1 year, 4 months ago

There was a question in today's exam about the least vulnerable with option - annuity, permanent life insurance, group insurance, cash value.the answer is group insurance in your case since it typically lacks individual cash value, involves standardized premiums paid by employers, and offers limited opportunities for early surrender, top-ups, or policy transfers, which lowers attractiveness for money laundering

upvoted 2 times

fd63920 Most Recent 1 year ago

the answer is group insurance in your case since it typically lacks individual cash value, involves standardized premiums paid by employers, and offers limited opportunities for early surrender, top-ups, or policy transfers, which lowers attractiveness for money laundering

upvoted 1 times

Neeti32 2 years, 1 month ago

A is correct

upvoted 1 times

wiljul 2 years, 11 months ago

Answer is A

upvoted 1 times

AXYCL 3 years, 1 month ago

Answer is A

upvoted 1 times

MIA74 3 years, 6 months ago

Agreed A

upvoted 1 times

Karaa 4 years ago

per CAMS practice test August 2022

upvoted 1 times

Jscaped 4 years, 2 months ago

Definitely A

upvoted 2 times

PCJA1980 4 years, 4 months ago

A is correct per CAMS practice exam April 2022.

upvoted 2 times

Tam_3 4 years, 5 months ago

Correct answer is A.

upvoted 1 times

Koios 4 years, 7 months ago

Agreed A, insurance products that offer any kind of investment/cash out mechanism, are vulnerable to ML(i.e. criminals layer illicit funds through the legit Insurance product). In the case of an annuity, the cash out may not be lump sum, but still offers criminals the same ML value proposition....just on a recurring/frequency type basis.

upvoted 1 times

SDBoss 5 years, 7 months ago

ans is A

upvoted 1 times

Ozii07 5 years, 8 months ago

refer to page 30- 2. paragraph in the Guide.

upvoted 1 times

sumita13 5 years, 9 months ago

True A

upvoted 2 times

Question #38 *Topic 1*

What is an essential element of Know Your Customer (KYC) standards according to the Basel Committee's Customer Due Diligence for Banks paper?

A. Annual staff training

B. A customer acceptance policy

C. The same KYC requirements must be applied in all cases

D. All completed KYC documents must be reviewed by a senior manager not involved in the account opening process

Suggested Answer: *B*

Official Answer: B

Community vote distribution



bmb251 Highly Voted 5 years, 6 months ago

Definitely B Essential elements are: customer acceptance policy, customer identification, ongoing monitoring of high risk and risk management

upvoted 19 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED B

upvoted 1 times

Neeti32 2 years, 1 month ago

B is correct

upvoted 1 times

LovetteBDA 2 years, 9 months ago

p. 8 of the Basel Committee's Customer Due Diligence for Banks paper: "Banks should develop clear customer acceptance policies and procedures, including a description of the types of customer that are unacceptable to bank management" https://www.bis.org/publ/bcbs77.pdf

upvoted 2 times

AXYCL 3 years, 1 month ago

Definitely B

upvoted 1 times

MIA74 3 years, 6 months ago

Agreed B

upvoted 1 times

imperialchicken 3 years, 9 months ago

Answer is B - Customer acceptance policy

upvoted 1 times

Pizzolj 3 years, 11 months ago

B - p.177 v6.45

upvoted 2 times

LOVEISALL 4 years, 1 month ago

B IS CORRECT

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is B - Customer acceptance policy

upvoted 1 times

rose_marie 4 years, 7 months ago

agree with B

upvoted 1 times

Koios 4 years, 7 months ago

Agreed B, share rationale with bmb251.

upvoted 1 times

Writingsoon_2021 5 years, 3 months ago

Agree B.

upvoted 2 times

Question #39 *Topic 1*

A foreign bank operating under an offshore license wants to open a correspondent account with a United States (U.S.) bank. The foreign bank plans to provide payable through account services to some of its customers.
What must the foreign bank provide to the U.S. bank under the USA PATRIOT Act?

A. A list of politically exposed persons who are owners of the correspondent bank

B. A list of account holders at the financial institution who will use the payable through account

C. The person in the United States who can receive service of legal process for the correspondent bank

D. A list of anti-money laundering training records for the financial institution employees monitoring payable through account transactions

Suggested Answer: *C*
Official Answer: C

Community vote distribution



suujal Highly Voted 5 years, 2 months ago

The answer should be C. Because the requirement is to open payable-through-accounts and not a private banking accounts, option A is ruled out.. we dont need PEPs Unless "primary money laundering concern" is tagged, the list of customer using the PTAs cannot be obtained. the question didnt say that.. so option B is also ruled out. Under Section 319b, Pg 135, every bank must have an agent who can be served the legal subpoenas.. so its option C. OPtion D - i dont think there is any discussion required.Page 133, an offshore banking license requires EDD, hence B is correct.Yes, an enhanced due diligence is required, but you don't have to identify every customers using the PTAs. P.133 only states « obtaining information about the correspondent account that is being used as a payable-through account », it doesn't specifically tells you to identify every customers.But considering it a second time, I think response B is correct. Because : "Pursuant to the implementing regulation, enhanced due diligence procedures must be applied to a correspondent account established for a foreign bank operating under • an offshore banking license; • a license issued by a foreign country designated as noncooperative by an international organization, with which designation the Treasury Secretary agrees; and • a license issued by a foreign country that has been designated by the U.S. Secretary of the Treasury as warranting special measures pursuant to Section 311 of the USA PATRIOT Act" -> So an offshor banking licence is on the same list of institution designated as a primary ML concern by Section 311. So the same level of due diligence must applied : "Identify and obtain information about customers who are permitted to use, or whose transactions are routed through, a foreign bank's payable-through account." (p.130)No I am wrong (sorry), don't take in consideration my last message. C is correct. Enhanced due diligence and Section 311's special measures are two different subjects.Question is

upvoted 41 times

suujal Highly Voted 5 years, 2 months ago

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upvoted 41 times

HoneyBeeBear 5 years ago

Page 133, an offshore banking license requires EDD, hence B is correct.

upvoted 13 times

HoneyBeeBear 5 years ago

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upvoted 13 times

Polcos 4 years, 7 months ago

Yes, an enhanced due diligence is required, but you don't have to identify every customers using the PTAs. P.133 only states « obtaining information about the correspondent account that is being used as a payable-through account », it doesn't specifically tells you to identify every customers.

upvoted 5 times

Polcos 4 years, 7 months ago

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upvoted 4 times

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upvoted 4 times

Polcos 4 years, 6 months ago

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upvoted 3 times

SHIBorDOGE 4 years, 8 months ago

Question is about "What must the foreign bank provide to the U.S. bank under the USA PATRIOT Act", which is what USA PATRIOT Act requires foreign banks to file. You are off track. Option C is the answer.

upvoted 3 times

BrandonSun 4 years, 5 months ago

Agree C. B is only a "must" when the foreign bank is with primary ML concern.

upvoted 3 times

Pchian 4 years, 7 months ago

My question about c is does the US bank NEED the info of the agent who are charge to receive legal records?Sorry I was wrong. When retracing section 319(b), the US bank does need to "keep records of the identity of the 25 percent owners of the foreign bank, unless it is publicly traded, as well as THE NAME OF the correspondent bank's registered agent in the US.*rereading

upvoted 1 times

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upvoted 1 times

Pchian 4 years, 7 months ago

*rereading

upvoted 1 times

AML_Investigator 5 years, 3 months ago

The answer should be B "Identify and obtain information about customers who are permitted to use, or whose transactions are routed through, a foreign bank’s “payable-through” account"

upvoted 22 times

AML_Investigator 5 years, 3 months ago

The answer should be B "Identify and obtain information about customers who are permitted to use, or whose transactions are routed through, a foreign bank’s “payable-through” account"this is only for jurisdictions of primary ML concernNo its not. P 133 Obtaining information about the correspondent account that is being used as a PTA.PG 131

upvoted 22 times

melmas 5 years, 2 months ago

this is only for jurisdictions of primary ML concernNo its not. P 133 Obtaining information about the correspondent account that is being used as a PTA.

upvoted 8 times

melmas 5 years, 2 months ago

this is only for jurisdictions of primary ML concern

upvoted 8 times

AMNAMEZ 4 years, 7 months ago

No its not. P 133 Obtaining information about the correspondent account that is being used as a PTA.

upvoted 2 times

BEJIN 4 years, 6 months ago

PG 131

upvoted 1 times

0ba3e50 Most Recent 12 months ago

The question focuses on PTA, and the U.S. bank must ensure it can identify the foreign bank’s customers using the PTA. C. is required for all correspondent account, but not specific to PTA

upvoted 1 times

96a3dc3 1 year, 2 months ago

VOTED C

upvoted 1 times

Neeti32 1 year, 8 months ago

As per ACAMS practice test

upvoted 3 times

kaypahadi 2 years ago

B... Per USA Patriot Act... one of the five special measures: Identify and obtain information about customers who are permitted to use, or whose transactions are routed through, a foreign bank’s payable-through account.

upvoted 2 times

Jaffar_95 2 years, 1 month ago

Answer is C

upvoted 1 times

Sbl_89 2 years, 4 months ago

As per cams exam

upvoted 4 times

pinkmoon 2 years, 5 months ago

B said … who will use…, should be “being used”

upvoted 2 times

Dilara89 2 years, 9 months ago

Im in the comments looking for the correct answer per CAMS practice exam, which is C. Same as I voted. Please always stick to the answers given in the CAMS practice exam.

upvoted 3 times

E_va 2 years, 11 months ago

Why do I think answer A is correct. The question says that the bank operating under an offshore licence is only planning to open such an account. So we are talking about the case of onboarding, i.e. the question is about the information provided at this stage. Therefore, B will fall off - there is no such list yet because there is no account and no clients sending funds through it. C will also fall off because such a person is already appointed after the account has been opened. Answer D is not applicable. Thus, an offshore licensed bank must provide a list of PEPs among UBOs as part of the DD requirements for onboarding.

upvoted 3 times

Nsiki 2 years, 12 months ago

Agreed with C. While the list of PEP owners is correct and is a part of disclosing who the UBOs are, the Act specifically requires the appointment of an agent for the US Correspondent Bank to serve legal process with, as requirement under the act.

upvoted 1 times

HeatherT46 3 years, 5 months ago

C as per CAMS practice exam August 2022

upvoted 2 times

Maha0189 3 years, 6 months ago

Answer C is valid but it applies even in situations when the foreign bank is not offshore licensed. Answer B makes more sense based on "Obtaining information about the correspondent account that is being used as a payable-through account" (Pg 238 V6.45). We should always go for the option that is the most specific for the situation given rather than anything that applies.

upvoted 2 times

kakarotSalada 3 years, 7 months ago

The answer should be C.

upvoted 1 times

dinhgilbert 3 years, 10 months ago

C is the correct answer per cam practice exam

upvoted 2 times

PCJA1980 3 years, 10 months ago

C is correct per CAMS practice exam April 2022.

upvoted 5 times

Question #40 *Topic 1*

An institution has made the decision to exit a client relationship due to anti-money laundering concerns. Prior to starting the close out process, the institution receives a written request from a law enforcement agency to keep the account open. The client is the subject of an ongoing investigation and law enforcement wants the institution to continue to monitor the account and report any suspicious activity.
What is a primary consideration the institution should keep in mind when deciding whether to agree to this request?

A. The anticipated cost of complying with the law enforcement request

B. The number of suspicious transaction reports previously filed on the client

C. The fact that the institution has a solid record in complying with law enforcement requests

D. Whether the institution can continue to meet its regulatory obligations with the accounts open

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (72%) C (28%)

Jolei Highly Voted 5 years, 9 months ago
Its D based on the scenario factors - customer is already being investigated by law enforcement, beyond STRs - need to be compliant with law enforcement CAMS pg 214 "Closing the Account Based on its internal investigation, the financial institution should make an independent determination as to whether to close the account in issue. Some of the factors that the institution should consider are • the legal basis for closing an account; • the institution's stated policies and procedures for closing an account, which may include automatic closure recommendation following a specified number of STR filings; • the seriousness of the underlying conduct. If the conduct rises to the level where the account would ordinarily be closed, then the institution should consider closing the account; • the reputational risk to the institution posed by maintaining the account; and • correspondence with law enforcement and requests from law enforcement to either cancel or maintain the account." I think the bank should increase account monitoring and change risk rating and controls to cooperate with law enforcement.
upvoted 31 times

Jolei Highly Voted 5 years, 9 months ago
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upvoted 31 times

bmb251 5 years, 8 months ago
I agree with Jolei.. The correct answer is D and the answer is founded in CAMS Pg 214. According to page 214, a series of consideration is to be given so one has to read the scenario carefully to arrive at the most suitable answer
upvoted 3 times

Neeti32 2 years, 1 month ago
D as per the CAMS practice test 2024
upvoted 7 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED FOR D
upvoted 1 times

Sbl_89 2 years, 10 months ago

It's D as per cams exam.

upvoted 1 times

sashaposta 3 years, 3 months ago

D is correct. C is not relevant as refers to the past

upvoted 1 times

gymgirl19 3 years, 4 months ago

I select D

upvoted 1 times

JMax13 3 years, 5 months ago

This is D

upvoted 1 times

imperialchicken 3 years, 9 months ago

the correct answer 100% is D! CLOSING THE ACCOUNT - PAGE 367 Based on its internal investigation, the financial organization should independently determine whether to close the account in issue. Following are important factors the organization should consider: • The legal basis for closing an account • The organization's stated policies and procedures for closing an account, which might include an automatic closure recommendation following a specified number of SAR filings • The seriousness of the underlying conduct; that is, if the conduct rises to the level of seriousness at which it would typically be closed, the organization should consider closing it • The reputational risk to the organization posed by maintaining the account • Correspondence with law enforcement and REQUESTS FROM LAW ENFORCEMENT to either cancel or maintain the account

upvoted 1 times

JDomar8128 3 years, 10 months ago

D Is the correct answer for the CAMs practice exam

upvoted 4 times

JDomar8128 3 years, 10 months ago

D per ACAMS practice exam. This question is verbatim.

upvoted 4 times

passitapril 4 years, 4 months ago

does anyone think C is correct? P 214-correspondence with law enforcement and requests from law enforcement to either cancel or maintain the account I think this supports C

upvoted 5 times

Tam_3 4 years, 5 months ago

Answer is D.

upvoted 4 times

fatrapb1t 4 years, 10 months ago

Answer should be C since it's a request from law enforcement; so you need to comply as long as it's from authorized party and there is a written request. D would be accurate for normal circumstance (i.e., not specifically requested by law enforcement, and the decision came independently from the FI alone).

upvoted 1 times

fatrapb1t 4 years, 10 months ago

Answer should be C since it's a request from law enforcement; so you need to comply as long as it's from authorized party and there is a written request. D would be accurate for normal circumstance (i.e., not specifically requested by law enforcement, and the decision came independently from the FI alone).C is wrong. Even though it is from authorized party and there is a written request, FI doesn't need to comply. study guide v6.32 P214: FI can make an independent decision taking into consideration of law enforcement's request. "Closing the Account Based on its internal investigation, the financial institution should make an independent determination as to whether to close the account in issue. Some of the factors that the institution should consider are • the legal basis for closing an account; • the institution's stated policies and procedures for closing an account, which may include automatic closure recommendation following a specified number of STR filings; • the seriousness of the underlying conduct. If the conduct rises to the level where the account would ordinarily be closed, then the institution should consider closing the accoun; • the reputational risk to the institution posed by maintaining the account; and • correspondence with law enforcement and requests from law enforcement to either cancel or maintain the account."

upvoted 1 times

junwangchloe 4 years, 7 months ago

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automatic closure recommendation following a specified number of STR filings; • the seriousness of the underlying conduct. If the conduct rises to the level where the account would ordinarily be closed, then the institution should consider closing the accoun; • the reputational risk to the institution posed by maintaining the account; and • correspondence with law enforcement and requests from law enforcement to either cancel or maintain the account."

upvoted 2 times

slimbz 4 years, 10 months ago

Answer is C. This is a law enforcement request. An institution MUST obey as long as it is a WRITTEN request. The regulatory obligations are irrelevant.Other people have linked this, but the answer is D. An institution is NOT required to keep the account open at the request of law enforcement; "Ultimately, the decision to maintain or close an account should be made by a financial institution in accordance with its own standards and guidelines. Although there is no requirement that a financial institution maintain a particular account relationship, financial institutions should be mindful that complying with such a request may further law enforcement efforts to combat money laundering, terrorist financing, and other crimes." Furthermore, "If the financial institution chooses to maintain the account, it is required to comply with all applicable Bank Secrecy Act recordkeeping and reporting requirements, including the requirement to file Suspicious Activity Reports, even if the bank is keeping an account open or maintaining a customer relationship at the request of law enforcement." All signs point to D.https://www.fincen.gov/resources/statutes-regulations/guidance/requests-law-enforcement-financial-institutions-maintainNot agree with you. the WRITTEN request is already a fact that the bank may have to comply with the law enforcement. Now the primary concern should be the risk of increase account monitoring and change risk rating and controls to cooperate with law enforcement.

upvoted 1 times

slimbz 4 years, 10 months ago

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upvoted 1 times

BrettS 4 years, 9 months ago

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upvoted 4 times

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upvoted 4 times

BrettS 4 years, 9 months ago

https://www.fincen.gov/resources/statutes-regulations/guidance/requests-law-enforcement-financial-institutions-maintain

upvoted 2 times

AMLup 4 years, 2 months ago

Not agree with you. the WRITTEN request is already a fact that the bank may have to comply with the law enforcement. Now the primary concern should be the risk of increase account monitoring and change risk rating and controls to cooperate with law enforcement.

upvoted 1 times

sgsg 5 years, 2 months ago

I think D is the best answer(based on the institutions STANDARDS and GUIDELIINES-yes there is a mention to keep in mind keeping it open to help law enforcement but that is not a requirement). Per FINCEN: Ultimately, the decision to maintain or close an account should be made by a financial institution in accordance with its own standards and guidelines. Although there is no requirement that a financial institution maintain a particular account relationship, financial institutions should be mindful that complying with such a request may further law enforcement efforts to combat money laundering, terrorist financing, and other crimes. https://www.fincen.gov/resources/statutes-regulations/guidance/requests-law-enforcement-financial-institutions-maintain

upvoted 1 times

bccute 5 years, 2 months ago

Since the law enforcement agency request is in writing, this eliminate D. Documentation is the best way to comply to prevent adverse action. C is correct. Page 206 under Subpoena.

upvoted 1 times

Phoenix1982 5 years, 3 months ago

Ans shd b "C" Guide pg 206 : If the government asks the institution..... Also Guide pg 214 : last point : correspondence with law enforcement and requests....

upvoted 2 times

Question #41 *Topic 1*

An immigrant residing in the United States opens a bank account that includes a debit card. Several months later, the transactional monitoring system identifies small deposits into the account followed by corresponding ATM withdrawals from a country bordering a conflict zone.
How should the bank respond?

A. Block any further activity

B. File a suspicious transaction report

C. Initiate an investigation into the activity

D. Contact the customer if the transaction activity continues

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

Ozii07 Highly Voted 4 years, 2 months ago
It is C. more investigation is needed before filling a SAR. Page 23 Study Guide: Microstructuring Method: cash deposits followed by ATM withdrawals, particularly in higher risk countries; Page 57-58 Study Guide: FinCEN defines a funnel account as "an individual or business account in one geographic area that receives multiple cash deposits, often in amounts below the cash reporting threshold, and from which the funds are withdrawn in a different geographic area with little time elapsing between the deposits and withdrawals." Ways to identify possible funnel account activity include the following: …. •currency reporting requirement) by unidentified persons at branches outside of the geographic region where the account is domiciled. …..• Individuals opening or making deposits to funnel accounts lack information about the stated…. " Page 75 Study Guide: Detecting Terrorist Financing – transaction profiles: After a deposit was made, withdrawals occurred immediately
upvoted 19 times

Ozii07 Highly Voted 4 years, 2 months ago
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upvoted 19 times

junwangchloe 3 years, 1 month ago
The above analysis proves that the transaction is red flag for TF. For whether to file an STR, please refer to Study guide P212 - STR Decision-Making Process. The first paragraph indicated that investigation, weighing the aggravating and mitigating factors, and documentation for reasoning for filing or not should be done before filing STR.
upvoted 2 times

MIA74 Most Recent 2 years ago
Agreed C
upvoted 1 times

imperialchicken 2 years, 2 months ago
The decision to file a SAR should be the result of an accumulation of aggravating factors and A LACK OF MITIGATING FACTORS, in combination with the knowledge of what is expected activity for the organization's customer base, product offerings, and geographical area of service. In this case aggravating factors are clearly here, but we need to get MITIGATING FACTORS before proceeding to file a SAR as well.
upvoted 2 times

HeatherT46 2 years, 5 months ago

C as per CAMS practice exam August 2022

upvoted 2 times

Matilda2022 2 years, 7 months ago

First an investigtion then a STR.

upvoted 1 times

Nawo 2 years, 7 months ago

Answer C

upvoted 1 times

PCJA1980 2 years, 10 months ago

C is correct per CAMS practice exam April 2022.

upvoted 3 times

NikkiB 2 years, 10 months ago

The correct answer should be C. Yes you will most likely file a SAR however, you would not file a SAR without performing some kind of investigation first.

upvoted 1 times

NasirN 2 years, 11 months ago

The Bank has already identified transaction pattern which seems enough suspicious. What further investigation a bank is authorized to do here I wonder. Filing STR should be the option.

upvoted 2 times

Tam_3 2 years, 11 months ago

Answer is C

upvoted 1 times

RickM15 2 years, 12 months ago

CAMs Study Guide - P 23 & 57-58 - Answer is C

upvoted 1 times

Koios 3 years ago

Answer is B - Small deposits followed by the ATM withdrawals is enough to trigger an an STR. Coupled to the fact that it's being withdrwan in a high risk zone strongly indicates that it should be filed as as STR as a possible link to TF/PF activity. Lastly the system indentifies this, meaning that rules and tuning are configured to trigger these STR's. By all means further investigation can ensue, but the STR should be filed soonest to alert the relevant FIU.

upvoted 2 times

joanp22 3 years, 1 month ago

In my opinion, the statement contains enough red flags for the CO to file a STR. Agreed that there is an element of terrorist financing. Ans B. Good reference made to 9/11

upvoted 1 times

matchstickmen 3 years, 5 months ago

Isn't this an indication that more than one person is operating on the account and thus and STR should be submitted for FIU as intelligence?

upvoted 2 times

Kingor123 3 years, 5 months ago

Apparently it's investigation guys

upvoted 2 times

Hayley666 3 years, 6 months ago

hmm I think it's C. I know it's clearly a red flag but it's being pick up by TM, therefore we need to conduct investigation first and then file STR.. What do you think? Page 209 from CAMS study guide:An investigation results from a transaction monitoring alert that identified large, round-dollar wire transfers from import/export companies with generic names located in high-risk jurisdictions to its commercial customer. The KYC review indicated the customer was engaged in furniture sales through several retail locations. Further, it identified a high volume of incoming check and credit transactions and no incoming wire transfers; however, the customer would originate wire transfers to low-risk jurisdictions to purchase the furniture. This investigation led to contacting the relationship manager for information about the customer's activity to assist with explaining the deviation. If unexplained, the next step in the investigation would be to determine whether such activity warranted an STR filing.

upvoted 1 times

Eveej 3 years, 7 months ago

Initially I thought C would be correct however how would the CO investigate the activity without tipping off the customer? Perhaps filing a SAR is most appropriate.

upvoted 2 times

Question #42 *Topic 1*

A customer living in a high-risk jurisdiction makes frequent, large cash deposits at a bank. The same customer sends small wire transfers to unrelated parties in other high-risk
jurisdictions.
What are two red flags that may indicate money laundering? (Choose two.)

A. The bank allows cash deposits

B. The client resides in a high-risk jurisdiction

C. Wire transfers are to high-risk jurisdiction

D. Large cash deposits are from a high-risk jurisdiction

Suggested Answer: *C, D*
Official Answer: CD

Community vote distribution
CD (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
Answer is C and D - (Journal of Strategic Security, Vol. 6, No. 5) - P. 299 A number of red flags are often spotted in wire transfer data which should be key indicators of suspicious activity. These red flags may include transfers between business entities in wholly unrelated industries with no legitimate reason for conducting transactions, transactions for ***unusually large dollar amounts, transfers to high-risk countries *** transactions involving off-shore banks or tax havens and transfers involving downstream banking activity."
upvoted 12 times

bmb251 Highly Voted 5 years, 8 months ago
answer C,D Some money laundering red flags are: wires to high risk jurisdiction, unrelated parties, large cash intakes etc
upvoted 8 times

59dd5fe Most Recent 7 months, 1 week ago
C and D
upvoted 1 times

Neeti32 2 years, 1 month ago
C,D is correct
upvoted 1 times

TIGER7521 3 years, 3 months ago
c and d
upvoted 1 times

MIA74 3 years, 6 months ago
Agreed CD
upvoted 1 times

Karaa 4 years ago
per CAMS practice test August 2022
upvoted 1 times

PCJA1980 4 years, 4 months ago
CD are correct per CAMS practice exam April 2022.
upvoted 2 times

Tam_3 4 years, 5 months ago
C & D are the answers
upvoted 1 times

lovesickboy 4 years, 11 months ago
is b incorrect? why?
upvoted 2 times

lovesickboy 4 years, 11 months ago

is b incorrect? why?Yes, because it is not everuone that lives in high risk jurisdiction that is conducting ML/TF

upvoted 2 times

YKay 4 years, 9 months ago

Yes, because it is not everuone that lives in high risk jurisdiction that is conducting ML/TF

upvoted 1 times

Prince240in 5 years, 3 months ago

Why not BD when D covers both A and C answers...???He's just residing there & the activity precisely talks about cash activity. So, D is pretty much relevant in this context.

upvoted 3 times

Prince240in 5 years, 3 months ago

Why not BD when D covers both A and C answers...???

upvoted 3 times

SyedZ3 4 years, 7 months ago

He's just residing there & the activity precisely talks about cash activity. So, D is pretty much relevant in this context.

upvoted 2 times

sadurkhil 5 years, 6 months ago

The Client resides in High Risk Jurisdictions and Deposits Cash in Large Amount; Again wire transfers are made to another high risk jurisdiction. So Answer should B & C

upvoted 3 times

Question #43 *Topic 1*

A retail bank has just acquired a credit card business. The bank's anti-money laundering policy requires that new employees are trained within 30 days of their hire date and refresher training is delivered to all employees on an annual basis.
Is the bank's existing anti-money laundering training adequate to be delivered to employees of the newly acquired credit card business?

A. Yes, the existing training covers the bank's policies, procedures, and processes.

B. No, anti-money laundering training needs to be delivered face-to-face for credit card businesses.

C. No, anti-money laundering training needs to be tailored and focused on the risks specific to the business.

D. Yes, the existing training covers the anti-money laundering regulations that the bank is required to follow.

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

madduck2 Highly Voted 5 years, 1 month ago
The bank acquired a credit card business. Thus they have to change the training. So A and D are off the table. Non-face-to-face is mentioned usually in the context of the client not being present. I don't remember it mentioned regarding training. Also, B doesn't make much sense. Why should credit cards require face-to-face training and other products/services not? So it is C.
upvoted 23 times

CiaranDallas Highly Voted 3 years, 3 months ago
Why does this website give wrong answers on so many of these questions, it's very confusing! Answer is 100% definitely C yet it says D.....eurgh!
upvoted 7 times

59dd5fe Most Recent 7 months, 1 week ago
It's C, as it has to be adapted to the new business
upvoted 1 times

Preethisrajan 2 years ago
C as per ACAMS practice test
upvoted 1 times

Neeti32 2 years, 2 months ago
the answer is "C " as per the ACAMS PRACTICE TEST
upvoted 3 times

Jp994 2 years, 2 months ago
Wouldn't be A because it has to be written in policy that the new hire and annual trainings are implemented?
upvoted 1 times

Cassia 2 years, 3 months ago
Alternativa C é a correta e consta no simulado online do site da ACAMS
upvoted 1 times

Jaffar_95 2 years, 7 months ago
C, each business type need to have tailored training depending on their activities
upvoted 1 times

Rodds 2 years, 9 months ago
Furthermore, the acquisition of a new business often results in changes to the bank's risk profile and overall risk management strategy. These changes may necessitate updates to the bank's anti-money laundering policies and procedures, which would need to be reflected in the training provided to employees of the newly acquired credit card business. Therefore, the bank should ensure that its anti-money laundering training for the newly acquired credit card business is tailored to address the specific risks of that business and that it reflects any changes to the bank's overall risk management strategy resulting from the acquisition. so it it is c
upvoted 1 times

jeasuncion 3 years ago

answer is C

upvoted 1 times

Shaheera 3 years ago

C as per CAMS practice test..

upvoted 1 times

TIGER7521 3 years, 3 months ago

answer is C

upvoted 2 times

Nsiki 3 years, 5 months ago

C is correct.

upvoted 1 times

VojechBrno 3 years, 6 months ago

C is correct for sure.

upvoted 1 times

Elcucy 3 years, 6 months ago

who is answering these questions it's in the prep exam it is C

upvoted 1 times

MIA74 3 years, 6 months ago

Agreed C

upvoted 1 times

ChuckG 3 years, 8 months ago

ACAMS exam prep question

upvoted 2 times

Question #44 *Topic 1*

Which method do terrorist financiers use to move funds without leaving an audit trail?

A. Extortion

B. Cash couriers

C. Casa de cambio

D. Virtual currency

Suggested Answer: *B*

Reference: https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf (24)

Community vote distribution

B (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago

Answer is B - P.24 (https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf) "Moving money using cash couriers may be expensive relative to wire transfers. As legitimate financial institutions tighten their due diligence practices, it has become an attractive method of transferring funds without leaving an audit trail." CAMS P.76 " HOW TERRORISTS RAISE, ***MOVE*** AND STORE FUNDS" And they abuse charitable causes to trick individuals to contribute. Terrorists continue to adapt their tactics and diversify their funding sources," which he noted include raising money through the oil trade, extortion, ***undetected cash couriers***, kidnapping for ransom, trafficking of humans and arms, and racketeering. The use of ***undetected cash couriers***

upvoted 12 times

Neeti32 Most Recent 2 years, 1 month ago

B is correct

upvoted 1 times

Binokku 2 years, 1 month ago

A is also correct as per CAMS guide page 135.Terrorists continue to adapt their tactics and diversify their funding sources," which he noted include raising money through the oil trade, extortion, undetected cash couriers, kidnapping for ransom, trafficking of humans and arms, and racketeering.

upvoted 1 times

Dilara89 3 years, 3 months ago

Answer is B

upvoted 1 times

TIGER7521 3 years, 3 months ago

answer is B

upvoted 1 times

JDomar8128 3 years, 10 months ago

B - This is a verbatim question per the ACAMs Study Guide

upvoted 1 times

Sakthiey 4 years, 1 month ago

Answer is A- Page 109 of study guide V6.43

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is B

upvoted 1 times

kath07 4 years, 6 months ago

B - pg 76 from Study Guide - HOW TERRORISTS RAISE, MOVE AND STORE FUNDS "Terrorists (…) circumvent formal channels to avoid detection and exploit new technologies and tools to transfer resources. (…) Terrorists continue to adapt their tactics and diversify their funding sources," which include raising money through the oil trade, extortion, undetected cash couriers, kidnapping for ransom, trafficking of humans and arms and racketeering.

upvoted 2 times

joanp22 4 years, 7 months ago

Ans B https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf Thank you for sharing this link

upvoted 1 times

Dezz 5 years, 4 months ago

Answer is B pg.24 https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Terrorist%20Financing%20Typologies%20Report.pdf Moving money using cash couriers may be expensive relative to wire transfers. As legitimate financial institutions tighten their due diligence practices, it has become an attractive method of transferring funds without leaving an audit trail.

upvoted 1 times

akb_10 5 years, 5 months ago

The question is abt moving cash not raising money. Cash courier is correct answer as there can be no audit trail for that.

upvoted 1 times

Darrencsh 5 years, 6 months ago

isnt it A as well?

upvoted 1 times

Darrencsh 5 years, 6 months ago

isnt it A as well?in Extortion they're demanding funds - Mostly cash; and, the question talks about moving of funds.

upvoted 1 times

SyedZ3 4 years, 7 months ago

in Extortion they're demanding funds - Mostly cash; and, the question talks about moving of funds.

upvoted 2 times

SDBoss 5 years, 7 months ago

typing error ans is B

upvoted 2 times

SDBoss 5 years, 7 months ago

ans is A STUDY GUIDE PAGE NO:76 HOW TERRORISTS RAISE, MOVE AND STORE FUNDS, last line

Terrorists continue to adapt their tactics and diversify their funding sources," which he noted include raising money through the oil trade, extortion, undetected cash couriers, kidnapping for ransom, trafficking of humans and arms, and racketeering.

upvoted 1 times

SDBoss 5 years, 7 months ago

ans is A STUDY GUIDE PAGE NO:76 HOW TERRORISTS RAISE, MOVE AND STORE FUNDS, last line Terrorists continue to adapt their tactics and diversify their funding sources," which he noted include raising money through the oil trade, extortion, undetected cash couriers, kidnapping for ransom, trafficking of humans and arms, and racketeering.Agree with A. There is nothing mentioned about "undetected" cash couriers, hence undetected is a keyword. There are cahs couriers which leave audit trail, therefore A is the only fully compatible answer with study guide.Extortion is not used to move funds, it is used as a source of funds. The question asks what do they use to MOVE funds.Agree with LHH. How they move it not how they make money

upvoted 1 times

Kasteros 5 years, 5 months ago

Agree with A. There is nothing mentioned about "undetected" cash couriers, hence undetected is a keyword. There are cahs couriers which leave audit trail, therefore A is the only fully compatible answer with study guide.Extortion is not used to move funds, it is used as a source of funds. The question asks what do they use to MOVE funds.Agree with LHH. How they move it not how they make money

upvoted 1 times

Kasteros 5 years, 5 months ago

Agree with A. There is nothing mentioned about "undetected" cash couriers, hence undetected is a keyword. There are cahs couriers which leave audit trail, therefore A is the only fully compatible answer with study guide.

upvoted 1 times

LHH Highly Voted 5 years, 4 months ago

Extortion is not used to move funds, it is used as a source of funds. The question asks what do they use to MOVE funds.Agree with LHH. How they move it not how they make money

upvoted 5 times

LHH 5 years, 4 months ago

Extortion is not used to move funds, it is used as a source of funds. The question asks what do they use to MOVE funds.

upvoted 5 times

Kallabell 4 years, 9 months ago

Agree with LHH. How they move it not how they make money

upvoted 1 times

Question #45 *Topic 1*

Why do governments and multi-national bodies impose economic sanctions?

A. To impede kleptocracy

B. To enforce foreign policy objectives

C. To combat an imminent terrorist threat

D. To prevent fraudulent international trade transactions

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (100%)

Writingsoon_2021 Highly Voted 3 years, 3 months ago
Answer is B - CAMS Study guide - P.177 "Economic Sanctions" "Increasingly, countries are using economic sanctions instead of military force as an instrument of foreign policy"
upvoted 20 times

wanna_pass Highly Voted 3 years, 7 months ago
pg 177 Economic Sanctions Economic sanctions are a way to financially isolate a target. Increasingly, countries are using economic sanctions instead of military force as an instrument of foreign policy. I believe the correct answer is B
upvoted 7 times

Karaa Most Recent 2 years ago
per CAMS practice test August 2022
upvoted 4 times

PCJA1980 2 years, 4 months ago
B is correct per CAMS practice exam April 2022.
upvoted 4 times

Tam_3 2 years, 5 months ago
B - To enforce foreign policy objectives
upvoted 1 times

Locustkeke90 2 years, 6 months ago
real exam question
upvoted 4 times

SDBoss 3 years, 7 months ago
ans is C
upvoted 2 times

melmas 3 years, 8 months ago
pg 137. OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers and those engaged in activities related to the proliferation of weapons of mass destruction.OFAC is majorly about the US region; While, the question talks about governments and multi-national bodies, which implies countries around the world. Thus, the answer is B -
upvoted 4 times

melmas 3 years, 8 months ago
pg 137. OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers and those engaged in activities related to the proliferation of weapons of mass destruction.
upvoted 4 times

SyedZ3 2 years, 7 months ago
OFAC is majorly about the US region; While, the question talks about governments and multi-national bodies, which implies countries around the world. Thus, the answer is B -
upvoted 1 times

Question #46 *Topic 1*

In reviewing recent activity, a compliance officer for a money transmitter that several customers are each remitting the same amount of money but much more frequently.
How should the institution respond?

A. File a suspicious transaction report

B. Instruct the tellers not to process remittances for these customers in the future

C. Conduct further investigation to determine whether this is truly suspicious activity

D. Immediately contact the customers and ask them why they are remitting money more often

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

Cos08 Highly Voted 5 years, 10 months ago
C: further investigation is necessarily to obtain more information/red flags and to fill the SAR. pg 212: "The decision of whether or not to file a suspicious transaction report (also known as a suspicious activity report or SAR in the United States) often involves weighing the aggravating and mitigating factors arising from the research conducted during the investigative process. Financial institutions should draft procedures that document the factors to consider when determining whether a suspicious transaction report (STR) is appropriate."
upvoted 32 times

ACAMS1 Most Recent 2 years ago
Agree C
upvoted 2 times

Neeti32 2 years, 1 month ago
C is correct
upvoted 1 times

Shaheera 3 years ago
Answer is C..
upvoted 1 times

MIA74 3 years, 6 months ago
Agreed C
upvoted 1 times

NikkiB 4 years, 4 months ago
An investigation needs to be conducted before filing an STR.
upvoted 1 times

Tam_3 4 years, 5 months ago
Answer is C
upvoted 1 times

RickM15 4 years, 6 months ago
Shouldn't it be A? Don't you file an STR before launching an investigation?
upvoted 1 times

Koios 4 years, 6 months ago
A is the answer - the nature of the transaction is an STR red flag and should be reported, by all means do further investigation into an SAR, but the STR needs to filed.
upvoted 1 times

joanp22 4 years, 7 months ago
Ans C. The situation warrants further investigation. Not sure if all of the implied customers are working together in transactions. See Unusual Activity in Money Remitter CAMS Study Manual pg 192
upvoted 1 times

Salam202672 4 years, 10 months ago

I said how many STR should have to be filed. Because several customers are mentioned. So it needs to put investigation.

upvoted 1 times

Kingor123 4 years, 11 months ago

A is correct but C is better

upvoted 1 times

Noodyjooby 5 years ago

In a repeat of this question, the answer was C. Seems they can't get answers consistent! T_T

upvoted 2 times

Sandy68 5 years, 1 month ago

SAR is file base on alert of suspicious activity, then we open further investigation that's what my job is so my answer is A. Abby 32 is correctSure anot Sandy. You again giving weird answers.

upvoted 2 times

Sandy68 5 years, 1 month ago

SAR is file base on alert of suspicious activity, then we open further investigation that's what my job is so my answer is A. Abby 32 is correct

upvoted 2 times

Siha0 5 years ago

Sure anot Sandy. You again giving weird answers.

upvoted 4 times

miwe 5 years, 3 months ago

"frequently" in the question indicates it's a pattern that occurred more than once(it's not the first time this red flag is observed). So I believe the given answer is correct

upvoted 2 times

Writingsoon_2021 5 years, 3 months ago

C is the answer - Cams P212 - "The decision of whether or not to file a suspicious transaction report (also known as a suspicious activity report or SAR in the United States) often involves weighing the aggravating and mitigating factors arising from the research conducted during the investigative process." RGS = SARs and "notices" would fall under "suspicion" and RGB = STR needed to be filed

upvoted 4 times

Writingsoon_2021 5 years, 3 months ago

Agree answer is C

upvoted 1 times

Question #47 *Topic 1*

In the summer, an institution identifies anti-money laundering concerns regarding a customer's account activity. The customer, an ice cream parlor, has deposited a lot of checks drawn on banks in foreign countries, sent large number of high dollar international wires to different countries, made cash deposits of a few hundred dollars every few days and written multiple checks for a few hundred dollars to the same dozen payees every two
weeks.
Which two transaction types warrant investigation? (Choose two.)

A. Regular cash deposits

B. The wires to foreign countries

C. Repeated checks to the same payees

D. Checks drawn on banks in foreign countries

Suggested Answer: *B, D*
Official Answer: BD

Community vote distribution
BD (100%)

Ash1004 Highly Voted 5 years, 2 months ago
B and D is correct.
upvoted 14 times

Neeti32 Most Recent 2 years, 1 month ago
B,D is correct
upvoted 3 times

Sorak 2 years, 8 months ago
The client if local, so foreign countries is a key world here.
upvoted 1 times

Shaheera 3 years ago
BD is correct as per CAMS practice test..
upvoted 1 times

RS13 3 years, 6 months ago
BD is correct
upvoted 2 times

chekaz 3 years, 8 months ago
C & D, repeated checks to same payee and checks drawn on foreign banks is unusual for icecream parlor.
upvoted 1 times

PCJA1980 4 years, 4 months ago
BD are correct per CAMS practice exam April 2022.
upvoted 4 times

Tam_3 4 years, 5 months ago
B & D are the correct answers
upvoted 2 times

joanp22 4 years, 7 months ago
Ans BD. These business activities certainly do not align with the business which he operates.
upvoted 1 times

dynamicbrian 5 years, 2 months ago
why not C?Every 2 weeks is a general pay period. They could be employees.
upvoted 1 times

dynamicbrian 5 years, 2 months ago

why not C?

upvoted 1 times

toosoon Highly Voted 5 years, 2 months ago

Every 2 weeks is a general pay period. They could be employees.

upvoted 9 times

Writingsoon_2021 5 years, 3 months ago

Agree B & D

upvoted 3 times

LordMarco 5 years, 4 months ago

Correct answer BD

upvoted 1 times

Ozii07 5 years, 8 months ago

B-D confirmed. CAMs page: 188 and 189.

upvoted 4 times

Question #48 *Topic 1*

Which three methods are commonly used by an accountant to launder money? (Choose three.)

A. Representing a client in court

B. Understating income to take a tax loss

C. Overstating income to hide excess cash

D. Acting as a conduit for transferring cash between accounts

E. Acting as a designee for someone who wishes to hide their identity

Suggested Answer: *C, D, E*

Official Answer: CDE

Community vote distribution

CDE (100%)

camsstudying Highly Voted 5 years, 7 months ago

Agree with CDE. B makes no sense - understating income to take a tax loss? how is this money laundering?

C is correct because illicit funds are explained by the overstated income D is correct because accountants can move funds around to throw off investigators E is correct because accountants can act as gatekeepers for an individual

upvoted 38 times

camsstudying Highly Voted 5 years, 7 months ago

Agree with CDE. B makes no sense - understating income to take a tax loss? how is this money laundering? C is correct because illicit funds are explained by the overstated income D is correct because accountants can move funds around to throw off investigators E is correct because accountants can act as gatekeepers for an individualpage 46: Providing financial and tax advice: Criminals with large amounts of money to invest may pose as individuals hoping to minimize tax liabilities or seeking to place assets out of reach in order to avoid future liabilities.You are right. B is AIDING TAX EVASION which is a predicate offence requires money laundering in later stages. For example, company A understates income to take a tax loss. Company B, subsidiary of company A, enjoys numerous tax privileges which could be abused by overstating income to commingle illegal funds with the legal proceeds. The Accountant firstly aides to evade taxes (predicate offence). Then through Company B finishes integrating the illegal proceedings generated through tax evasion. Best Regards,

upvoted 39 times

HoneyBeeBear 5 years, 6 months ago

page 46: Providing financial and tax advice: Criminals with large amounts of money to invest may pose as individuals hoping to minimize tax liabilities or seeking to place assets out of reach in order to avoid future liabilities.

upvoted 1 times

imperialchicken 3 years, 9 months ago

You are right. B is AIDING TAX EVASION which is a predicate offence requires money laundering in later stages. For example, company A understates income to take a tax loss. Company B, subsidiary of company A, enjoys numerous tax privileges which could be abused by overstating income to commingle illegal funds with the legal proceeds. The Accountant firstly aides to evade taxes (predicate offence). Then through Company B finishes integrating the illegal proceedings generated through tax evasion. Best Regards,

upvoted 2 times

ccz 5 years, 4 months ago

This is a real exam question

upvoted 6 times

ccz 5 years, 4 months ago

This is a real exam questionwhat did you answer?

upvoted 6 times

L_M666 5 years, 2 months ago

what did you answer?

upvoted 1 times

Neeti32 Most Recent 2 years, 1 month ago

C,D,E is correct

upvoted 1 times

Sbl_89 2 years, 10 months ago

I apologize for any confusion. You are correct; options C, D, and E can all be methods commonly used for money laundering: C. Overstating income to hide excess cash: Inflating income to make it appear as though the excess cash is legitimate earnings is a form of money laundering. D. Acting as a conduit for transferring cash between accounts: Facilitating the movement of illicit funds between accounts can be a money laundering technique. E. Acting as a designee for someone who wishes to hide their identity: Acting as a nominee or designee to hold assets or accounts on behalf of someone else can be used to hide the true owner's identity, which is a form of money laundering. So, the correct answer is that all three of these methods (C, D, and E) are commonly used for money laundering.

upvoted 2 times

imperialchicken 3 years, 9 months ago

In this case we should concentrate on METHODS FOR LAUNDERING MONEY part. It is correct that accountants can help to understate income to take tax loss, but it would be considered AIDING TAX EVASION which is also a predicate offence. The untaxed income from this predicate offence would require laundering in later stages which could be done through an affiliate business which enjoys numerous tax privileges. By overstating income in the affiliate business which enjoys tax privileges you can integrate the sum generated from the first company through tax evasion. Hope it makes sense. Best,

upvoted 1 times

Sagah_matz 3 years, 10 months ago

B,C,D.

upvoted 2 times

Sagah_matz 3 years, 10 months ago

B,C,D.A&E are usually for lawyers/attorneys

upvoted 2 times

Sagah_matz 3 years, 10 months ago

A&E are usually for lawyers/attorneys

upvoted 2 times

V2222 4 years ago

C D E it is

upvoted 1 times

NikkiB 4 years, 4 months ago

I originally was thinking B because of tax evasion however, when I take a step back and I think about MONEY LAUNDERING I am more inclined to answer CDE. If you overstate your income you are able to make your laundered funds appear legitimate.

upvoted 3 times

Tam_3 4 years, 5 months ago

Answer is C , D & E

upvoted 2 times

LEON_JIN1 5 years, 1 month ago

B understates income to hide cash income, this is what restaurant does money laundering. C overstates income you should have more profit and cash in hand, this does not allow you to launder things. D AND E are some consultancy service that accountant will do. therefore, BDE

upvoted 4 times

MalBen 5 years, 1 month ago

Agree with CDE

upvoted 1 times

Writingsoon_2021 5 years, 3 months ago

Agree - CDE - It's not B (Please read - US department of justice https://www.ojp.gov/pdffiles1/Digitization/119840NCJRS.pdf) - "Overstatement of reported revenue is a way of disguising additional money from nonbusiness sources by adding it to the sales record of a business " Understating Income can create a tax liability (option B) which would not be ideal for a criminal. P.46 Providing financial and tax advice: Criminals with large amounts of money to invest may pose as individuals hoping to minimize tax liabilities or seeking to place assets out of reach in order to avoid future liabilities [this section answers D and E]

upvoted 4 times

vats1 5 years, 4 months ago

Answer is ABD ref :page 46page 45-46

upvoted 1 times

vats1 5 years, 4 months ago

Answer is ABD ref :page 46

upvoted 1 times

vats1 5 years, 4 months ago

page 45-46

upvoted 1 times

LordMarco 5 years, 4 months ago

CDE correct answer

upvoted 3 times

Ozii07 5 years, 8 months ago

BDE- page 45-46 of Study Guide

upvoted 4 times

connieb 5 years, 8 months ago

why B is wrong????

upvoted 2 times

connieb 5 years, 8 months ago

why B is wrong????Although B is against law, it is not ML related. It is tax avoiding related, but not ML related.B,D & E are the correct answers. One would only take a loss to launder money by understating their income.Tax avoiding is part of money laundering - in common terms black moneyOption B. says "Understating income to take a tax loss". May be wordings? It should have said "to evade tax" which becomes tax evasion. No such term like tax loss in study guide. It does have reference to "tax evasion" as ML activity.

upvoted 2 times

Kasteros 5 years, 5 months ago

Although B is against law, it is not ML related. It is tax avoiding related, but not ML related.B,D & E are the correct answers. One would only take a loss to launder money by understating their income.Tax avoiding is part of money laundering - in common terms black money

upvoted 2 times

Kasteros 5 years, 5 months ago

Although B is against law, it is not ML related. It is tax avoiding related, but not ML related.

upvoted 2 times

Devmoi26 4 years, 6 months ago

B,D & E are the correct answers. One would only take a loss to launder money by understating their income.

upvoted 1 times

Puttafat 5 years, 2 months ago

Tax avoiding is part of money laundering - in common terms black money

upvoted 2 times

check1 5 years, 1 month ago

Option B. says "Understating income to take a tax loss". May be wordings? It should have said "to evade tax" which becomes tax evasion. No such term like tax loss in study guide. It does have reference to "tax evasion" as ML activity.

upvoted 4 times

Oziah 5 years, 8 months ago

BCD... How can an accountant act as a designee to hide someone's identity? No sense.take a look at the Study Guide, p. 45 "Performing financial transactions: Sometimes these professionals may carry out various financial operations on behalf of the client (for example, issuing and cashing checks, making deposits, withdrawing funds from accounts, engaging in retail foreign exchange operations, buying and selling stock and sending and receiving international funds transfers)."

upvoted 3 times

Oziah 5 years, 8 months ago

BCD... How can an accountant act as a designee to hide someone's identity? No sense.

upvoted 3 times

KnorPie 5 years, 8 months ago

take a look at the Study Guide, p. 45 "Performing financial transactions: Sometimes these professionals may carry out various financial operations on behalf of the client (for example, issuing and cashing checks, making deposits, withdrawing funds from accounts, engaging in retail foreign exchange operations, buying and selling stock and sending and receiving international funds transfers)."

upvoted 1 times

Question #49 *Topic 1*

A bank located in Arizona is considering a loan application for a new client. The collateral for the loan is a property in Florida.
The loan will be in the name of a limited liability company (LLC) whose ownership is not disclosed to the bank. The LLC was established by a New York-based attorney.
The loan will be repaid by the LLC in monthly wire transfers of $9,000 which is more than the required monthly payment.
Which aspect indicates the potential for money laundering?

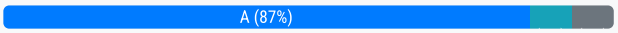
A. The LLC's ownership is not disclosed to the bank

B. The collateral, a property in Florida, is not located in Arizona

C. The repayment in the amount of $9,000 indicates potential structuring

D. The attorney associated with the account is outside the bank's lending area

Suggested Answer: *A*
Official Answer: A

Community vote distribution


jenzee Highly Voted 5 years, 4 months ago
I say C. The question is asking aspects of money laundering. A, B and D are red flags.
upvoted 9 times

bmb251 Highly Voted 5 years, 6 months ago
A is the answer
upvoted 8 times

totopopo84 Most Recent 1 year, 3 months ago
Answer is A. C cannot be correct as structuring involve splitting of cash to smaller amount below the threshold.
upvoted 1 times

Preethisrajan 2 years ago
A and C
upvoted 1 times

TaylorGrace 2 years, 4 months ago
The answer is A per the practice test.
upvoted 1 times

Horvat93 2 years, 4 months ago
C seems to be the most 'logical' answer. The question is worded as 'which aspect indicates the potential for money laundering'. Only C is a possible money laundering activity. A, B, & D are red flags meant to trick.
upvoted 1 times

Sorak 2 years, 9 months ago
Knowing the ownership is so basic requirement to mitigate ML risk, therefore the only correct answer is A.
upvoted 2 times

MDAVIDM 3 years, 1 month ago
Why C is correct? the meaning of structuring is making multiple smaller transactions instead of a single larger transaction to evade financial reporting requirements. But in this case the customer will make 1 transaction.
upvoted 2 times

Dilara89 3 years, 3 months ago
A is the answer
upvoted 1 times

CiaranDallas 3 years, 3 months ago
Question asked for 'which aspect', singular.....terribly worded question so there can't be two answers based on the question. The answer either way is A (as per genuine ACAMS practice exam).

upvoted 2 times

ALEXNICE 3 years, 3 months ago

Réponse A selon examen blanc CAMS Avril 2023

upvoted 1 times

Nsiki 3 years, 5 months ago

The correct answer is C per ACAMS study guide. However, A is also correct. It is confusing to note that the question requested for an aspect, and there are two possible aspects in this case. I guess the wrong questioning is detected to avoid failing deserving students.

upvoted 3 times

RS13 3 years, 6 months ago

A according to study guide exam

upvoted 1 times

MIA74 3 years, 6 months ago

Agreed A

upvoted 1 times

Sagah_matz 3 years, 10 months ago

The loan will be repaid by the LLC in monthly WIRE TRANSFER of $9,000 WHICH IS MORE than the required monthly payment..this is more of the ASPECT that suggest ML

upvoted 1 times

JDomar8128 3 years, 11 months ago

A per study guide exam.

upvoted 2 times

Karaa 4 years ago

per CAMS practice test August 2022

upvoted 7 times

Question #50 *Topic 1*

What is a key risk associated with Correspondent Accounts according to the Basel Customer Due Diligence paper?

A. It is not used on a daily basis

B. The service fees are insufficient to cover the cost of managing the account

C. The respondent bank's customer acceptance and know your customer policies are ineffective

D. The volume and value of transactions passing through the account may not be in line with the original correspondent agreement

Suggested Answer: *C*

Official Answer: C

Community vote distribution

C (100%)

madduck2 Highly Voted 2 years, 7 months ago

this is one of the questions where removing nonsense answers (ABD) leaves the right answer, which is C knowing Basel also helps

upvoted 15 times

PCJA1980 Highly Voted 1 year, 10 months ago

C is correct per CAMS practice exam April 2022.

upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED C

upvoted 1 times

NikkiB 1 year, 10 months ago

C. For those saying D I think you are reading the question wrong. A risk would be that the customer acceptance and know your customer policies are ineffective.

upvoted 2 times

Ricardofrt 1 year, 11 months ago

Concordo com a C

upvoted 2 times

Tam_3 1 year, 11 months ago

Answer is C

upvoted 1 times

BABTEE 2 years, 5 months ago

You can"t say that the respondent bank's customer acceptance and know your customer policies are ineffective (HOW) but you can say MAY BE NOT sufficient . SO , I SETTLE FOR D.

upvoted 2 times

BABTEE 2 years, 5 months ago

You can"t say that the respondent bank's customer acceptance and know your customer policies are ineffective (HOW) but you can say MAY BE NOT sufficient . SO , I SETTLE FOR D.D is probably not correct. It is not about customer due diligence. The question says Basel customer due diligence paper.

upvoted 2 times

junwangchloe 2 years, 1 month ago

D is probably not correct. It is not about customer due diligence. The question says Basel customer due diligence paper.

upvoted 1 times

bccute 2 years, 8 months ago

C. Page 105 under Correspondent Banking.

upvoted 4 times

Phoenix1982 2 years, 9 months ago

Ans is "C" Ref CAMS guide pg 13 point 1 & 2

upvoted 2 times

Writingsoon_2021 2 years, 9 months ago

C is the correct answer. Agree with HoneyBeeBear research https://www.bis.org/publ/bcbs85.pdf - page 12

upvoted 1 times

jenzee 2 years, 10 months ago

C - because the question relates to CDD

upvoted 2 times

LordMarco 2 years, 10 months ago

Agree here C

upvoted 2 times

HoneyBeeBear 3 years ago

Answer is C, https://www.bis.org/publ/bcbs85.pdf - page 12 Banks should gather sufficient information about their respondent banks to understand fully the nature of the respondent's business. Factors to consider include: information about the respondent bank's management, major business activities, where they are located and its money-laundering prevention and detection efforts; the purpose of the account; the identity of any third party entities that will use the correspondent banking services; and the condition of bank regulation and supervision in the respondent's country. Banks should only establish correspondent relationships with foreign banks that are effectively supervised by the relevant authorities. For their part, respondent banks should have effective customer acceptance and KYC policies.

upvoted 3 times

camsstudying 3 years, 1 month ago

Agree with C

upvoted 2 times

itsagoodday 3 years, 1 month ago

answer is C as the question is about due diligence paper.

upvoted 2 times

KnorPie 3 years, 2 months ago

I think answer C is correct. Link: https://www.bis.org/cpmi/publ/d147.pdf (p.11/62 "[...] Although there will be exceptions in high risk scenarios, the FATF Recommendations do not require banks to perform, as a matter of course, normal customer due diligence on the customers of their respondent banks when establishing and maintaining correspondent banking relationships[…]".

upvoted 4 times

Jolei 3 years, 3 months ago

I agree that it is D as the question says nothing about a respondent bank

upvoted 2 times

Question #51 *Topic 1*

A law enforcement agency is reviewing a suspicious transaction report (STR) filed by
a financial institution for suspicious activity on a client's
account.
Subsequently, the agency requests further information.
Which supporting documentation might the law enforcement agency request from the institution to facilitate its investigation?

A. Previously filed STRs on the same customer

B. Account opening documents and account statements

C. Copies of promotional materials sent to the customer

D. A copy of the institution's STR policy and procedures

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (75%) A (25%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
B is the answer.
upvoted 11 times

MIA74 3 years, 6 months ago
Agreed B, law enforcement wil have access to pull prior SARs filed on the subject (if applicable)
upvoted 5 times

Neeti32 Most Recent 2 years, 2 months ago
as per the CAMS practice test
upvoted 2 times

Jaffar_95 2 years, 7 months ago
B, KYC documents and statement of account
upvoted 1 times

Sorak 2 years, 8 months ago
V6.48 p 355
upvoted 1 times

TIGER7521 3 years, 3 months ago
answer is B
upvoted 1 times

N_ick 3 years, 7 months ago
B is the most appropriate answer!
upvoted 1 times

shiku1921 3 years, 11 months ago
B is the correct answer, I work in investigations and if a prior SAR was filed, we have to cite that SAR along with the filing Number on the SAR Form and in the narrative section, so requesting info on prior SARs is irrelevant.
upvoted 3 times

shiku1921 3 years, 11 months ago
B is the correct answer, I work in investigations and if a prior SAR was filed, we have to cite that SAR along with the filing Number on the SAR Form and in the narrative section, so requesting info on prior SARs is irrelevant.law enforcement will ask FIU for prior SAR details, not the bank
upvoted 3 times

Rex90 Highly Voted 3 years, 8 months ago
law enforcement will ask FIU for prior SAR details, not the bank
upvoted 6 times

iamshamir 3 years, 11 months ago

B seems the right answer since not necessarily there would be STRs raised previously for the same client. Even if it is raised, it might be in the records of the law enforcement angency

upvoted 2 times

V2222 4 years ago

This should be B.

upvoted 1 times

Saroj_3514 4 years ago

Hulksterto made a good point!

upvoted 1 times

kakarotSalada 4 years, 1 month ago

P 370:Review SARs that might involve any potential individual linked to the target, transactions, or activity.

upvoted 1 times

kakarotSalada 4 years, 1 month ago

on the acams testing revewAre you sure about this answer? It should be B.

upvoted 2 times

kakarotSalada 4 years, 1 month ago

Selected Answer: A

on the acams testing revew

upvoted 2 times

V2222 4 years ago

Are you sure about this answer? It should be B.

upvoted 2 times

Tam_3 4 years, 5 months ago

Answer is B

upvoted 3 times

Koios 4 years, 6 months ago

Agreed B

upvoted 1 times

joanp22 4 years, 7 months ago

Ans B. the institution's client information contained in those documents will give the LEO a better understanding of the client line of business, expected income etc, and where he/she has deviated from the usual

upvoted 1 times

hulkster59 4 years, 11 months ago

This is hard because I used to do these investigations. A LEO may only have access to one SAR and would have to submit another request to get all other SAR's associated with that person. It really depends how the officer obtained the initial SAR. "B" is a good answer if we are assuming that the officer already has all the SARs. Tricky question but I think A. UPDATE: B would be the correct answer. The reason is that the question says "further information". If you request further information on a SAR, they will only give you information on that specific SAR. The LEO would then have to submit a separate request to obtain additional SARs.this makes so much sense!

upvoted 2 times

hulkster59 4 years, 11 months ago

This is hard because I used to do these investigations. A LEO may only have access to one SAR and would have to submit another request to get all other SAR's associated with that person. It really depends how the officer obtained the initial SAR. "B" is a good answer if we are assuming that the officer already has all the SARs. Tricky question but I think A.

UPDATE: B would be the correct answer. The reason is that the question says "further information". If you request further information on a SAR, they will only give you information on that specific SAR. The LEO would then have to submit a separate request to obtain additional SARs.

upvoted 2 times

Dilara89 3 years, 3 months ago

this makes so much sense!

upvoted 1 times

Question #52 *Topic 1*

A new compliance officer is reviewing the bank's anti-money laundering program and notices that the risk assessment was completed six months ago. Since that time, the bank acquired another financial institution, re-named the internal records group, and streamlined cash handling procedures.

Which factor causes the compliance officer to update the bank's risk assessment?

A. The bank acquired another institution

B. The internal records group has been re-named

C. The cash handling procedures were streamlined

D. The risk assessment was completed six months ago

Suggested Answer: *A*

Official Answer: A

Community vote distribution

A (100%)

Szymbrush Highly Voted 5 years, 4 months ago

This should be A, per CAMS study guide, p.145: Assessing AML/CFT is an ongoing and evolving component of maintaining a compliant AML/CFT program. Evaluating the risk-scoring model and conducting the risk assessment itself may need to be performed annually, every 18 to 24 months, before the launch of a new product or when an acquisition of another financial institution occurs.

upvoted 34 times

Jp994 Most Recent 1 year, 8 months ago

Definitely A because policy and procedures changed once a company gets acquired by another firm. So that Firm would then need to be re-reviewed

upvoted 1 times

Avetter149 3 years, 1 month ago

A is correct

upvoted 1 times

V2222 3 years, 6 months ago

A is the asnwer.

upvoted 1 times

Tam_3 3 years, 11 months ago

A - The bank acquired another institution

upvoted 2 times

joanp22 4 years, 1 month ago

Answer is A.

upvoted 1 times

Kingor123 4 years, 5 months ago

P.145 last paragraph guys evaluating the risk scoring model and conducting the risk assessment itself may need to be performed annually every 18-24months before the launch of a new product or when an acquisition of another financial institution occurs

upvoted 1 times

BABTEE 4 years, 7 months ago

correct answer is A

upvoted 2 times

mdshr 4 years, 7 months ago

A is correct

upvoted 3 times

Ash1004 4 years, 8 months ago

A it is.

upvoted 2 times

KamranShahzad 4 years, 8 months ago

The correct answer is A

upvoted 2 times

Writingsoon_2021 4 years, 9 months ago

A is the answer

upvoted 1 times

bmb251 5 years ago

Answer is A

upvoted 1 times

Abby32 5 years, 1 month ago

A rather is the answer

upvoted 1 times

kimyou 5 years, 1 month ago

Ans is A

upvoted 1 times

Salmabariq 5 years, 1 month ago

A of course

upvoted 1 times

Shadoowww 5 years, 4 months ago

The answer is A

upvoted 1 times

Question #53 *Topic 1*

The Wolfsberg Anti-Money Laundering Principles for Private Banking require new clients to be approved by whom?

A. The board of directors

B. Only the private banker

C. The private banker's supervisor

D. At least one person other than the private banker

Suggested Answer: *D*

Reference: https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/10.%20Wolfsberg-Private-Banking-Prinicples-May-2012.pdf (04)

Community vote distribution

D (100%)

JYU Highly Voted 4 years, 10 months ago

Study Guide p.124Page 124 The principles recommend that “at least one person other than the private banker” should approve all new clients and accounts.

upvoted 8 times

JYU Highly Voted 4 years, 10 months ago

Study Guide p.124

upvoted 8 times

Jrrrr 4 years, 5 months ago

Page 124 The principles recommend that “at least one person other than the private banker” should approve all new clients and accounts.

upvoted 6 times

Jaffar_95 Most Recent 2 years, 1 month ago

D is the answer

upvoted 1 times

JDomar8128 3 years, 4 months ago

D - This is a verbatim question from ACAMS study guide.

upvoted 2 times

V2222 3 years, 6 months ago

D is right

upvoted 1 times

PCJA1980 3 years, 10 months ago

D is correct per CAMS practice exam April 2022.

upvoted 2 times

Tam_3 3 years, 11 months ago

D - At least one person other than the private banker

upvoted 1 times

LordMarco 4 years, 10 months ago

Correct answer D

upvoted 4 times

SDBoss 5 years, 1 month ago

ans is D

upvoted 3 times

Question #54 *Topic 1*

Which two factors should increase the risk of a correspondent bank customer and require additional due diligence according to the Wolfsberg Anti-Money Laundering Principles for Correspondent Banking? (Choose two.)

A. The customer is located in a Financial Action Task Force member country and provides services primarily to a local individual customer.

B. The customer is located in a Financial Action Task Force member country and the bank's head of information security is a politically exposed person.

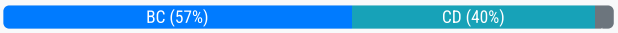
C. The customer is located in a Financial Action Task Force member country and provides services to other correspondent banks in neighboring countries.

D. The customer is located in a non-Financial Action Task Force member country and services mostly commercial customers who engage in international trade.

Suggested Answer: *C, D*

Official Answer: CD

Community vote distribution



Writingsoon_2021 Highly Voted 5 years, 3 months ago

C & D is the answer – A is definitely not close. B is tricky but isn't correct IMO because the "PEP" is located in a FATF country. The assumption here is that the head office of this bank would have followed procedures outlined in that country's aml/ cft policies and would have vetted the PEP before allowing the individual to assume the position as "Head of Information security". Whereas C is in a "nested" relationship with other correspondent banks in neighboring countries. And; D is geographically located in non-FATF jurisdiction [assuming that it has lower AML/CFT standards] and its client base is mostly commercial customers who are engaged in "International" trade.

Refer to [https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf]

upvoted 40 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago

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upvoted 40 times

check1 5 years, 1 month ago

https://www.ifc.org/wps/wcm/connect/1b6c77f5-7c7e-4f03-bc85-8e7bee0be5bb/CORRESPONDENT%2BACCOUNT%2BKYC%2BTOOLKIT.pdf?MOD=AJPERES&CVID=jQSqRSH This refers to the existence of any Politically Exposed Person in the Executive Management or ownership structure. Head of IT can't be part of it unless stated clearly.So, let's clarify: are we saying this 'B' should be included and the final answer is B/D? This document looks like it says due diligence should be run on "the existence of any Politically Exposed Person in the Executive Management or ownership

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upvoted 6 times

check1 5 years, 1 month ago

https://www.ifc.org/wps/wcm/connect/1b6c77f5-7c7e-4f03-bc85-8e7bee0be5bb/CORRESPONDENT%2BACCOUNT%2BKYC%2BTOOLKIT.pdf?MOD=AJPERES&CVID=jQSqRSH This refers to the existence of any Politically Exposed Person in the Executive Management or ownership structure. Head of IT can't be part of it unless stated clearly.

upvoted 6 times

Lerad 4 years, 8 months ago

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upvoted 2 times

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upvoted 2 times

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upvoted 1 times

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upvoted 1 times

Lerad 4 years, 8 months ago

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upvoted 3 times

junwangchloe 4 years, 7 months ago

B & C is the answer - PEP and Downstream Correspondents are both under enhanced due diligence. D geographic risk((Non-FATF member) and correspondent banking client's business (commercial customers who engage in international trade) are both under due diligence, not enhanced due diligence. Refer to [https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf]I agree with B and C. My take on this is that for D (non FATF member country and customers engage in international trade), these increases the risk ratings and require more supervision/monitoring on the correspondent accounts. However, in terms of due diligence, it is presence of PEP in executive management and nesting relationships that require EDD.

upvoted 18 times

junwangchloe 4 years, 7 months ago

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Refer to [https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf]

upvoted 18 times

melodyqhf 4 years, 5 months ago

I agree with B and C. My take on this is that for D (non FATF member country and customers engage in international trade), these increases the risk ratings and require more supervision/monitoring on the correspondent accounts. However, in terms of due diligence, it is presence of PEP in executive management and nesting relationships that require EDD.

upvoted 1 times

RajAML 5 years, 10 months ago

Answer is BC,,,,, WB doesn't mention specific to FATF countries.

upvoted 16 times

RajAML 5 years, 10 months ago

Answer is BC,,,,, WB doesn't mention specific to FATF countries.agree with B, C https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf PEP Involvement: If a PEP appears to have involvement in the Correspondent Banking Client, then the institution shall ensure it has an understanding of the person, their role and the appropriateness of that role, their ability to influence the Client and the risk they may present to the relationship. Downstream Correspondents: A downstream correspondent (also referred to as "nested") relationship occurs when a Correspondent Bank client provides Correspondent services to other banks, domiciled inside or outside their country, to facilitate international products and services on behalf of the Downstream Correspondent's clients, e.g. when a Regional savings bank offers correspondent services to the local savings banks in its area.

upvoted 16 times

evann159 5 years, 9 months ago

agree with B, C https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf PEP Involvement: If a PEP appears to have involvement in the Correspondent Banking Client, then the institution shall ensure it has an understanding of the person, their role and the appropriateness of that role, their ability to influence the Client and the risk they may present to the relationship. Downstream Correspondents: A downstream correspondent (also referred to as "nested") relationship occurs when a Correspondent Bank client provides Correspondent services to other banks, domiciled inside or outside their country, to facilitate international products and services on behalf of the Downstream Correspondent's clients, e.g. when a Regional savings bank offers correspondent services to the local savings banks in its area.

upvoted 28 times

Asheitha Most Recent 4 months, 1 week ago

BC. PEPs and Nested relationships increase the risk of a correspondent bank. PEP being head of IT come under management personnel.

upvoted 1 times

uvas 1 year, 2 months ago

Enhanced due diligence regarding the involvement of PEPs with the correspondent banking client and downstream correspondent (nested) relationships the correspondent provides. PG 219

upvoted 2 times

f7498cf 1 year, 4 months ago

P 219 of 6.51 edition.

upvoted 2 times

Nexttimes 1 year, 8 months ago

For B PEPs role is not high enough. Go with C as its nesting and high risk.

upvoted 1 times

BijoToHaart 1 year, 11 months ago

on balance

upvoted 2 times

3592ea7 2 years ago

nesting and international trade

upvoted 2 times

Tee04 2 years ago

According to the Wolfsberg Anti-Money Laundering Principles for Correspondent Banking, the two factors that should increase the risk of a correspondent bank customer and require additional due diligence are: C. The customer is located in a Financial Action Task Force member country and provides services to other correspondent banks in neighboring countries. D. The customer is located in a non-Financial Action Task Force member country and services mostly commercial customers who engage in international trade. These factors increase the risk due to the additional layers of transactions and the potential for higher-risk activities associated with international trade and non-FATF member countries.

upvoted 2 times

Neeti32 2 years, 1 month ago

Choosing B,C

upvoted 2 times

1eb9668 2 years, 5 months ago

Enhanced due diligence regarding the involvement of PEPs with the correspondent banking client and downstream correspondent (nested) relationships the correspondent provides

upvoted 2 times

9717bad 2 years, 8 months ago

BC literally from the wolfsberg paper.

upvoted 2 times

Sorak 2 years, 9 months ago

should be C and D.

upvoted 1 times

DanPan 2 years, 9 months ago

I wonder if the following in D 'The customer is located in a non-Financial Action Task Force member country...' can be interpreted strictly as FATF members (which is still quite limited number) or it could mean FATF + FATF-style regional bodies? Because my own country Poland is not a FATF member but belongs to MONEYVAL, but in the context of above answer D should not be a additional risk factor

upvoted 1 times

Sbl_89 2 years, 10 months ago

I think it's C and D. The question is asking for factors that increase the risk of the correspondent bank customer itself. While having a PEP in the bank's management could raise concerns about potential influence or corruption within the bank, it's not a direct characteristic of the customer. options C and D suggest scenarios where the customer engages in cross-border activities or deals with commercial customers involved in international trade, which can indeed increase the risk and may require additional due diligence.

upvoted 3 times

Reah 2 years, 11 months ago

B and C are correct

upvoted 2 times

Ghiszmo 2 years, 11 months ago

Wolfsberg Correspondent Banking Principles B and C are under EDD and D under DD.

upvoted 2 times

Question #55 *Topic 1*

In which two ways does a government Financial Intelligence Unit interact with public and private sectors? (Choose two.)

A. It governs the methods of investigation used by competent authorities

B. It mediates disputes between financial institutions and investigative authorities

C. It receives and analyzes disclosures filed by financial and non-bank institutions

D. It disseminates information and the results of its analysis to competent authorities

Suggested Answer: *C, D*

Official Answer: CD

Community vote distribution

CD (100%)

Phoenix1982 Highly Voted 5 years, 3 months ago

CAMS pg 223 : The basic functions of FIUCAMS pg 223 Financial intelligence units (FIUs) are mandatory national agencies that handle financial intelligence. FIUs are agencies that receive reports of suspicious transactions from financial institutions and other people and entities, analyze them and disseminate the resulting intelligence to local law enforcement agencies and foreign FIUs to combat money laundering.

upvoted 14 times

Phoenix1982 Highly Voted 5 years, 3 months ago

CAMS pg 223 : The basic functions of FIU

upvoted 14 times

junwangchloe 4 years, 7 months ago

CAMS pg 223 Financial intelligence units (FIUs) are mandatory national agencies that handle financial intelligence. FIUs are agencies that receive reports of suspicious transactions from financial institutions and other people and entities, analyze them and disseminate the resulting intelligence to local law enforcement agencies and foreign FIUs to combat money laundering.

upvoted 3 times

LordMarco 5 years, 4 months ago

Correct Answer CD

upvoted 5 times

Hamfuller6123 Most Recent 1 year, 5 months ago

FIUs don't have governing power, and do not act as mediators. So C&D are the only logical answers.

upvoted 1 times

Neeti32 2 years, 1 month ago

100% C,D

upvoted 1 times

1eb9668 2 years, 5 months ago

Per CAMS Study Guide

upvoted 1 times

LovetteBDA 2 years, 9 months ago

p. 383 CAMS notes (version 6.48): "FIUs are mandatory national agencies that handle financial intelligence. They receive reports of suspicious transactions from financial organizations, other people, and entities, analyze them, and disseminate the resulting intelligence to local law enforcement agencies and foreign FIUs to combat money laundering."

upvoted 1 times

Ira1 4 years ago

CD are correct per CAMS practice exam JUL 2022.

upvoted 3 times

PCJA1980 4 years, 4 months ago

CD are correct per CAMS practice exam April 2022.

upvoted 4 times

gracello 4 years, 4 months ago

c and d

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is C & D

upvoted 1 times

joanp22 4 years, 7 months ago

Ans C & D see pages 223-224 CAMS Study Manual

upvoted 1 times

sergeant 4 years, 7 months ago

I Like CD, right and other persons and entities (IE Non-Banks)

upvoted 1 times

Aml2021 4 years, 10 months ago

C wrong answer : (non banks) but FIUs are agencies that receive reports of suspicious transactions from financial institutions and other persons and entities

upvoted 1 times

Question #56 *Topic 1*

What do Financial Action Task Force (FATF)-style regional bodies do for their members to help combat money laundering and terrorist financing?

A. They provide technical assistance to members in implementing FATF recommendations

B. They assist member countries in penalizing entities that violate FATF standards and recommendations

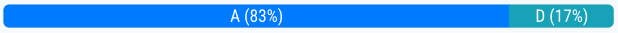
C. They work with members on areas of concern outside of anti-money laundering and terrorist financing

D. They supervise member country financial institutions relating to anti-money laundering and terrorist financing

Suggested Answer: *A*

Official Answer: A

Community vote distribution



Martino Highly Voted 5 years, 10 months ago

The answer is A. Check Page 114 (The Role of FSRBs)

upvoted 39 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago

Agree A - Cams P.114 - FATF-Style Regional Bodies / FATF-STYLE REGIONAL BODIES AND FATF ASSOCIATE MEMBERS / The following high-level principles apply for both FATF and FSRBs: / Role: FSRBs play an essential role **** in identifying and addressing AML/CFT technical assistance needs for their individual members ****. In those FSRBs that carry out this co-ordination work, technical assistance necessarily complements mutual evaluation and follow-up processes by helping jurisdictions to implement FATF standards.Sorry D is correct - " FSRBs, which are task forces with regional jurisdiction that are modeled on the FATF in mandate, functions, and methods of operation. The 9 FATF-Style Regional Bodies help construct and support AML/CFT compliance policies and updates in every major region in the world. FSRBs disseminate the FATF's global standards in order to help the 200+ countries under their jurisdictions understand and comply with FATF's AML/CFT expectations. "D is incorrect since the reference you quoted suggests that it is a like a broadcaster of information - "Disseminate...". Hence, A is the correct answer as you have first suggested.D should not be the correct answer, as you quoted 'FSRB 'help' construct...', but not supervise where stated in D. So the closer answer should be A.

upvoted 12 times

Writingsoon_2021 5 years, 3 months ago

Agree A - Cams P.114 - FATF-Style Regional Bodies / FATF-STYLE REGIONAL BODIES AND FATF ASSOCIATE MEMBERS / The following high-level principles apply for both FATF and FSRBs: / Role: FSRBs play an essential role **** in identifying and addressing AML/CFT technical assistance needs for their individual members ****. In those FSRBs that carry out this co-ordination work, technical assistance necessarily complements mutual evaluation and follow-up processes by helping jurisdictions to implement FATF standards.

upvoted 12 times

Writingsoon_2021 5 years, 3 months ago

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upvoted 1 times

Writingsoon_2021 5 years, 3 months ago

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upvoted 1 times

WAD8922 4 years, 7 months ago

D is incorrect since the reference you quoted suggests that it is a like a broadcaster of information - "Disseminate...". Hence, A is the correct answer as you have first suggested.D should not be the correct answer, as you quoted 'FSRB 'help' construct...', but not supervise where stated in D. So the

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upvoted 4 times

WAD8922 4 years, 7 months ago

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upvoted 4 times

SiewWai 4 years, 7 months ago

D should not be the correct answer, as you quoted 'FSRB 'help' construct...', but not supervise where stated in D. So the closer answer should be A.

upvoted 2 times

60c66d2 Most Recent 1 year, 1 month ago

A is the right answer

upvoted 1 times

968217c 1 year, 3 months ago

Key word is assistance. rule out - penalties, outside, supervise

upvoted 1 times

Geeflix 1 year, 8 months ago

CAMS Study Guide Version 6.5 - page 202

upvoted 2 times

mhandoo 2 years, 4 months ago

A PAGE 213. Role: Both FATF and FSRBs help jurisdictions implement FATF standards. FSRBs play an essential role in identifying and addressing whatever AML/CFT technical assistance their individual members might need. FSRBs that coordinate technical assistance for their members also offer mutual evaluation and follow-up processes.

upvoted 1 times

Sorak 2 years, 9 months ago

Answer is A. D is not correct as FSRBs does not have supervisory mandate.

upvoted 2 times

RP1989 2 years, 9 months ago

Because, technical assistance is just one area FSRB helps in, D gives a more holistic answer in terms of what they do

upvoted 1 times

LovetteBDA 2 years, 9 months ago

p. 199 CAMS notes (v. 6.48): "The following high-level principles apply to both FATF and FSRBs: • Role: Both FATF and FSRBs help jurisdictions implement FATF standards. FSRBs play an essential role in identifying and addressing whatever AML/CFT technical assistance their individual members might need. FSRBs that coordinate technical assistance for their members also offer mutual evaluation and follow-up processes"

upvoted 2 times

Sbl_89 2 years, 10 months ago

Supervision of financial institutions related to anti-money laundering and terrorist financing is typically done by the national authorities of member countries. FSRBs primarily focus on providing technical assistance, conducting mutual evaluations, and assisting member countries in implementing FATF recommendations and standards. While FSRBs play a role in supporting member countries' efforts to combat money laundering and terrorist financing, direct supervision of financial institutions is usually the responsibility of national regulators and authorities.

upvoted 1 times

Dilara89 3 years, 3 months ago

At first I voted D, but the correct answer is A, after I checked CAMS study material. "Both FATF and FSRBs help jurisdictions implement FATF standards. FSRBs play an essential role in identifying and addressing whatever AML/CFT technical assistance their individual members might need. FSRBs that coordinate technical assistance for their members also offer mutual evaluation and follow-up processes"

upvoted 2 times

study6660 3 years, 4 months ago

A is the correct

upvoted 1 times

CharmaineMacG 3 years, 5 months ago

Correct Answer is A, pg 201 of the new study guide (v6.47)

upvoted 1 times

E_va 3 years, 5 months ago

D. A -is incorrect as they conduct the technical compliance assessment NOT provide help with the technical aspects.

upvoted 1 times

Nsiki 3 years, 5 months ago

Correct Answer is A. Page 212 of ACAMS study guide reads "FSRBs play an essential role in identifying and addressing whatever AML/CFT technical assistance their individual members might need. FSRBs that coordinate technical assistance for their members also offer mutual evaluation and follow-up processes", and hence do not provide supervisory roles to the FIs in member countries. Rather, FSRBs provide mutual evaluations of the member countries, and may use peer pressure to enforce standards and compliance.

upvoted 1 times

Elcucy 3 years, 6 months ago

prep test

upvoted 1 times

MIA74 3 years, 6 months ago

Agreed A

upvoted 1 times

Question #57 *Topic 1*

What are the regulatory risks to a bank employee who willfully violates anti-money laundering laws?

A. Investigation and reputational damage

B. Fines and suspension from the industry

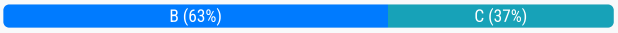
C. Criminal investigation and imprisonment

D. Enforcement actions including fines against the financial institution

Suggested Answer: *B*

Official Answer: B

Community vote distribution



iiillliii Highly Voted 4 years, 6 months ago

Official site answer B

upvoted 25 times

jenzee 5 years, 4 months ago

C - Penalties for AML/CFT violations, including criminal and civil penalties, fines, jail terms, as well as internal sanctions, such as disciplinary action up to and including termination of employment. It is not B because 'suspension' is a temporary action. In Haiders case he can never come back to the industry.suspended from the whole banking industry means you cant come back againIt's 100% B. This is asking for REGULATORY actions. Regulators can suspend you from the industry but can't throw you in jail.Absolutely agree. B is the answer here - regulatory action.but they can impose imprisonment. page 265 from study guide v6.48HELIX AND COIN NINJA CASE "The US Department of Justice held Harmon accountable for unlawful money laundering practices. Harmon pled guilty to criminal charges for money laundering and agreed to the forfeiture of 4,400 bitcoin as part of his plea. He may be subject to imprisonment, fines, and other restrictions." Page 287 V6.5.1

upvoted 19 times

jenzee 5 years, 4 months ago

C - Penalties for AML/CFT violations, including criminal and civil penalties, fines, jail terms, as well as internal sanctions, such as disciplinary action up to and including termination of employment. It is not B because 'suspension' is a temporary action. In Haiders case he can never come back to the industry.

upvoted 19 times

forced2signup 4 years, 11 months ago

suspended from the whole banking industry means you cant come back again

upvoted 3 times

Art_G92 Highly Voted 4 years, 1 month ago

It's 100% B. This is asking for REGULATORY actions. Regulators can suspend you from the industry but can't throw you in jail.

upvoted 20 times

Art_G92 4 years, 1 month ago

It's 100% B. This is asking for REGULATORY actions. Regulators can suspend you from the industry but can't throw you in jail.Absolutely agree. B is the answer here - regulatory action.but they can impose imprisonment. page 265 from study guide v6.48HELIX AND COIN NINJA CASE "The US Department of Justice held Harmon accountable for unlawful money laundering practices. Harmon pled guilty to criminal charges for money laundering and agreed to the forfeiture of 4,400 bitcoin as part of his plea. He may be subject to imprisonment, fines, and other restrictions." Page 287 V6.5.1

upvoted 20 times

Freddy_Menace 3 years, 4 months ago

Absolutely agree. B is the answer here - regulatory action.

upvoted 1 times

Sorak 2 years, 8 months ago

but they can impose imprisonment. page 265 from study guide v6.48

upvoted 1 times

mhandoo 2 years, 4 months ago

HELIX AND COIN NINJA CASE "The US Department of Justice held Harmon accountable for unlawful money laundering practices. Harmon pled guilty to criminal charges for money laundering and agreed to the forfeiture of 4,400 bitcoin as part of his plea. He may be subject to imprisonment, fines, and other restrictions." Page 287 V6.5.1

upvoted 1 times

1ed1b72 Most Recent 3 months ago

Why Option B is Correct Regulatory bodies (such as FinCEN, the OCC, or the FCA) possess immense administrative power. When an individual employee willfully bypasses AML controls, regulators have the direct authority to levy massive personal Civil Money Penalties (fines) against the employee's personal bank accounts and issue an official order that suspends or permanently bars them from ever working in the financial industry again.

upvoted 1 times

1244ac4 6 months ago

the right answear is B because we are speaking about regulatory risks and note penal one

upvoted 1 times

smas2 11 months, 2 weeks ago

C - This is direct risk to employee. Not B because this is not the primary risk in the context of willful violation

upvoted 2 times

e6a3d1e 1 year ago

According to Acams Manual CAMS AML Specialist v.6

upvoted 2 times

96a3dc3 1 year, 2 months ago

VOTED B

upvoted 1 times

yutaquinho02 1 year, 7 months ago

Is INDUSTRY supposed to impose a fine?

upvoted 1 times

2cb7923 1 year, 7 months ago

When a bank employee willfully violates anti-money laundering (AML) laws, they face personal criminal liability. This can result in criminal investigations, prosecution, and potentially imprisonment. Willful violations indicate intentional misconduct or gross negligence, which regulators and law enforcement agencies treat as severe breaches of compliance. A. Investigation and reputational damage: While investigations and reputational damage might occur, these are secondary consequences and not the direct regulatory risks for the employee. B. Fines and suspension from the industry: While fines and industry bans are potential consequences, they are usually administrative or civil penalties. Willful violations of AML laws elevate the risk to criminal prosecution. D. Enforcement actions including fines against the financial institution: Enforcement actions against the institution are separate from the risks faced by the individual employee. The question specifically addresses risks to the employee.

upvoted 3 times

3592ea7 2 years, 1 month ago

B - ACAMS Practice Test

upvoted 4 times

Neeti32 2 years, 2 months ago

Answer is "B" as per the ACAMS practice test 2024

upvoted 3 times

mhandoo 2 years, 4 months ago

C IS CORRECT HELIX AND COIN NINJA CASE "The US Department of Justice held Harmon accountable for unlawful money laundering practices. Harmon pled guilty to criminal charges for money laundering and agreed to the forfeiture of 4,400 bitcoin as part of his plea. He may be subject to imprisonment, fines, and other restrictions." Page 287 V6.5.1

upvoted 1 times

JoseGeronimo 3 years, 3 months ago

Version 6.46 Pag. 22, Guia de estudio Acam. Los tribunales penales pueden imponer una serie de sanciones contra los profesionales culpables, incluyendo el enjuiciamiento y encarcelamiento. La respuesta correcta es la C.

upvoted 1 times

CiaranDallas 3 years, 3 months ago

COrrect answer as per ACAMS official practice test is B. Another example of an incorrect answer on here confusing things, not helpful this really if it's giving wrong answers.

upvoted 4 times

ALEXNICE 3 years, 3 months ago

réponse B examen blanc ACAMS Avril 2023

upvoted 2 times

VojechBrno 3 years, 6 months ago

Selected Answer: C

The question is not about an institution but about an employee. C is therefore correct.

upvoted 2 times

study6660 3 years, 4 months ago

B IS THE CORRECT AS PER ACAMS

upvoted 2 times

Question #58 *Topic 1*

What are two requirements with respect to supporting documentation that is used to identify potentially suspicious activity, according to Financial Action Task Force? (Choose two.)

A. It must be retained for at least five years

B. It must be retained for at least seven years

C. It must be kept in a manner so that it can be provided promptly

D. It must only be released to the government through a subpoena process

Suggested Answer: *A, C*

Reference: https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf

Community vote distribution

AC (100%)

BrandonSun Highly Voted 3 years, 11 months ago

AC. FATF p16: Financial institutions should be required to maintain, for at least five years, all necessary records on transactions, both domestic and international, to enable them to comply swiftly with information requests from the competent authorities.

upvoted 11 times

Ozii07 Highly Voted 4 years, 8 months ago

AC correct. D can not be- see Cams Guide page 205- "banking authorities do not need to use subpoenas or search warrants or other jurisdiction specific mechanisms."

upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED A/C

upvoted 1 times

EllabellaD 1 year, 9 months ago

A and C is correct

upvoted 2 times

JDomar8128 2 years, 10 months ago

A and C are teh correct answers

upvoted 1 times

V2222 3 years ago

Agree with A and C

upvoted 1 times

Tam_3 3 years, 5 months ago

A and C

upvoted 1 times

Writingsoon_2021 4 years, 3 months ago

AC is correct

upvoted 2 times

LordMarco 4 years, 4 months ago

Correct answer AC

upvoted 2 times

prasadthanganathan 4 years, 9 months ago

answer should be "A" & "D"

upvoted 3 times

Question #59 *Topic 1*

What are two reasons physical certificates present a money laundering risk to broker-dealers? (Choose two.)

A. The trade information on a physical certificate can be easily altered

B. Physical certificates do not expire and may be held by the owner for perpetuity

C. There is little information readily available to the broker confirming the source of the funds

D. Physical certificates may be provided to nominees for deposit or settled in off-market transactions

Suggested Answer: *C, D*

Official Answer: CD

Community vote distribution



Writingsoon_2021 Highly Voted 5 years, 3 months ago

C & D is correct

upvoted 12 times

1ed1b72 Most Recent 3 months ago

Deconstructing the Distractors A. The trade information... can be easily altered: This is a fraud risk, not inherently a money laundering risk. Furthermore, physical certificates are typically printed by secure registrars with watermarks, intaglio printing, and security threads, making them quite difficult to easily alter without detection. B. Physical certificates do not expire...: While it is true that you can hold a stock certificate in a safe for 40 years, holding an asset for perpetuity does not mechanically facilitate the placement, layering, or integration of dirty money. Launderers typically want to move and liquidate assets quickly, not hold them forever.

upvoted 2 times

Preethisrajan 2 years ago

C and D

upvoted 1 times

MF77 2 years ago

A & D Explanation: The trade information on a physical certificate can be easily altered (A): Physical certificates can be more susceptible to alterations or forgery compared to electronic records. This makes it easier for individuals to manipulate ownership details to disguise the true nature of the transaction. Physical certificates may be provided to nominees for deposit or settled in off-market transactions (D): Physical certificates can be transferred to nominee accounts or settled in non-standard transactions, which can help launder money by obscuring the real ownership and source of the funds.

upvoted 4 times

Neeti32 2 years, 2 months ago

correct answer is C and D

upvoted 1 times

Lukashh 3 years, 6 months ago

C and D

upvoted 1 times

CTPC 4 years, 5 months ago

CD right

upvoted 1 times

Tam_3 4 years, 5 months ago

A and D

upvoted 2 times

joanp22 4 years, 7 months ago

C & D see Case study on page 35 CAMS study manual for more insight

upvoted 1 times

WAD8922 4 years, 7 months ago

A seems wrong - altered information will be identifiable - unless reprinted? Even then if there is a record kept of changes made while re-printed (e.g. v1 to v 1.1), then this statement does not hold true. B - not a risk to broker-dealers C & D - source is unknown. Hence, correct answers for this question.

upvoted 1 times

Lau123 5 years ago

this question is wrong, p 68. "When bearer securities are transferred, because there is no registry of owners, the transfer takes place by physically handing over the bonds or share certificates. Basically, the person who holds the bonds or shares gets to claim ownership. "

upvoted 3 times

Kay1 5 years, 2 months ago

A and C

upvoted 4 times

LordMarco 5 years, 4 months ago

Correct answer CD

upvoted 3 times

Question #60 *Topic 1*

An automotive parts company in South America sends multiple $500,000 wire transfers per week to ABC Holdings Ltd. in Asia referencing payment for silk flower shipments. Research reveals Sunrise Holdings, Ltd is registered in the British Virgin Islands with no available ownership information.
What are two red flags that indicate how trade-based money laundering could be occurring in this instance? (Choose two.)

A. The transaction involves the use of front (or shell) companies

B. The packaging is inconsistent with the commodity or shipping method

C. Significant discrepancies appear between the description of the commodity on the bill of lading and the invoice

D. The type of commodity being shipped appears inconsistent with the exporter or importer's regular business activities

Suggested Answer: *A, D*
Official Answer: AD

Community vote distribution
AD (100%)

shyam83vidya Highly Voted 5 years, 5 months ago
A and D must be correct.Agreed.
upvoted 49 times

shyam83vidya Highly Voted 5 years, 5 months ago
A and D must be correct.
upvoted 49 times

Majid2094 5 years, 5 months ago
Agreed.
upvoted 8 times

LFT 5 years ago
Something is wrong with the Qs wording...it mentions ABD Holdings then it says that a Sunrise Ltd is a BVI company....

Are they referring to two cases or is Sunrise really ABC Holding?
upvoted 5 times

LFT 5 years ago
Something is wrong with the Qs wording...it mentions ABD Holdings then it says that a Sunrise Ltd is a BVI company.... Are they referring to two cases or is Sunrise really ABC Holding?Assuming that Sunrise is really ABC, then I would say that the answer is AD.
upvoted 5 times

LFT 5 years ago
Assuming that Sunrise is really ABC, then I would say that the answer is AD.
upvoted 1 times

60c66d2 Most Recent 1 year, 1 month ago
A and D are correct
upvoted 1 times

souf14ne 1 year, 2 months ago
'AD are correct answers
upvoted 1 times

MIA74 3 years ago
Agreed AD
upvoted 1 times

imperialchicken 3 years, 2 months ago
A and D should be correct. No clues given for B or C in the question.
upvoted 1 times

V2222 3 years, 6 months ago

A and D is RIght

upvoted 2 times

Karaa 3 years, 6 months ago

per CAMS practice test August 2022

upvoted 3 times

Ira1 3 years, 6 months ago

A and D

upvoted 1 times

hhs_ 3 years, 7 months ago

A, D

upvoted 1 times

PCJA1980 3 years, 10 months ago

AD are correct per CAMS practice exam April 2022.

upvoted 3 times

Tam_3 3 years, 11 months ago

A and D

upvoted 2 times

joanp22 4 years, 1 month ago

The answer is A & D

upvoted 1 times

lamkid 4 years, 2 months ago

A and D sounds correct

upvoted 2 times

abby_4u 4 years, 5 months ago

Anyday AD

upvoted 3 times

BABTEE 4 years, 7 months ago

AD IS THE CORRECT

upvoted 2 times

Ash1004 4 years, 8 months ago

A and D is correct.

upvoted 2 times

Question #61 *Topic 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.
What should the compliance officer do?

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

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

ebibi Highly Voted 2 years, 12 months ago
Logically C
upvoted 12 times

PCJA1980 Highly Voted 2 years, 4 months ago
C is the correct answer per CAMS practice exam April 2022.
upvoted 5 times

imperialchicken Most Recent 1 year, 8 months ago
So A is a nonsense option. B and D kinda correlates to each other. C is the first thing anyone would do before asking a colleague to send him detailed memo or info :D
upvoted 1 times

HeatherT46 1 year, 11 months ago
C as per CAMS practice exam August 20223
upvoted 2 times

Matilda2022 2 years, 1 month ago
Sim esta certa
upvoted 1 times

Vksh9 2 years, 5 months ago
D is logical
upvoted 1 times

Tam_3 2 years, 5 months ago
Answer is C
upvoted 1 times

melia 3 years, 1 month ago
As a branch manager, C is the first thing I would do. As a CO, I would want to know details ie. questions asked and answered via a written report regardless of whether it was actual law enforcement or not.
upvoted 3 times

Writingsoon_2021 3 years, 3 months ago
Agree with C
upvoted 2 times

Adhwa 3 years, 3 months ago
C is correct. an essential step before releasing any sensitive info to 3rd party.
upvoted 2 times

Kasteros 3 years, 4 months ago
Simply C, D should be done next. As to why branch manager did not identify a law enforcer is the same as why some ppl get scammed by others pretending to be from police...think a bit bout it.

upvoted 1 times

camsstudying 3 years, 7 months ago

C is correct, D is next best answer but C is the first step

upvoted 1 times

RAJ56 3 years, 7 months ago

Why would Branch Manager talk to someone who has not established that he/she is a 'law enforcement officer'? D is the right answer.

upvoted 1 times

RAJ56 3 years, 7 months ago

Why would Branch Manager talk to someone who has not established that he/she is not a 'law enforcement officer'? D is the right answer.

upvoted 1 times

goshikidai 3 years, 8 months ago

c is correct

upvoted 1 times

Tammyr 3 years, 8 months ago

Can anyone advise where is this mentioned in the study guide?

upvoted 1 times

mngmng 3 years, 9 months ago

I think C

upvoted 1 times

Question #62 *Topic 1*

What is a major economic consequence of money laundering through the use of front companies?

A. Placing more emphasis on manufacturing

B. Weakening of the legitimate private sector

C. Creating a more competitive pricing environment

D. Aligning management principles between criminal enterprises and legitimate businesses

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (100%)

SDBoss Highly Voted 5 years, 7 months ago
ans is B study guide pg no:5 Undermining the Legitimate Private Sector: One of the most serious microeconomic effects of money laundering is felt in the private sector. Money launderers are known to use front companies: businesses that appear legitimate and engage in legitimate business but are in fact controlled by criminals who commingle the proceeds of illicit activity with legitimate funds to hide the ill-gotten gains. These front companies have a competitive advantage over legitimate firms as they have access to substantial illicit funds, allowing them to subsidize products and services sold at below market rates. This makes it difficult for legitimate businesses to compete against front companies. Clearly, the management principles of these criminal enterprises are not consistent with traditional free market principles, which results in further negative macroeconomic effects
upvoted 13 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago
Answer is B. Cams Study P.5 - Undermining the Legitimate Private Sector: One of the most serious microeconomic effects of money laundering is felt in the private sector.
upvoted 7 times

96a3dc3 Most Recent 1 year, 2 months ago
voted b
upvoted 1 times

Neeti32 2 years, 1 month ago
B is correct
upvoted 1 times

Matilda2022 4 years, 1 month ago
esta certa
upvoted 1 times

sustienes242 4 years, 5 months ago
B is the answer.
upvoted 1 times

Tam_3 4 years, 5 months ago
B - Weakening of the legitimate private sector
upvoted 1 times

Locustkeke90 4 years, 6 months ago
real exam question form Jan 2022
upvoted 4 times

CBSingh 5 years, 6 months ago
Ans. is B.
upvoted 2 times

Question #63 *Topic 1*

An institution is about to release a new peer to peer (P2P) funds transfer product
to provide much needed remittance services to an under-banked population segment in
the
country.
The service allows customers to transfer funds through a mobile banking application to individuals worldwide entering only a name and mobile number. The new service charges less than comparable market solutions and offers real time transfer of funds. The customer onboarding process is conducted at branch locations with identity verification.
Which three present the highest anti-money laundering or sanctions risk and will require controls prior to launch? (Choose three.)

A. Customer onboarding

B. Cross-border functionality

C. Real time transfer of funds

D. Servicing the under-banked population

E. Limited access to counterparty information

Suggested Answer: *B, C, E*
Official Answer: BCE

Community vote distribution
BCE (86%) ACE (14%)

AML_Investigator Highly Voted 5 years, 10 months ago
Based on the question, The customer onboarding process is conducted at branch locations with identity verification. so I believe A cannot be an answer in this case. I feel BCE
upvoted 97 times

AML_Investigator Highly Voted 5 years, 10 months ago
Based on the question, The customer onboarding process is conducted at branch locations with identity verification. so I believe A cannot be an answer in this case. I feel BCEAgreed.AgreedACE is correct. Onboarding conducted at the branch is not enough, you need more than just the customer name and phone numberIt doesn't say that customer onboarding is done with a name and a phone #. Just the transfer of fundsBut only identity is not sufficient. Kyc is mandatoryAgreed
upvoted 97 times

Ghazi 5 years, 10 months ago
Agreed.
upvoted 2 times

Pelfang 5 years, 9 months ago
Agreed
upvoted 1 times

YKay 4 years, 9 months ago
ACE is correct. Onboarding conducted at the branch is not enough, you need more than just the customer name and phone number
upvoted 3 times

YKay 4 years, 9 months ago
ACE is correct. Onboarding conducted at the branch is not enough, you need more than just the customer name and phone numberIt doesn't say that customer onboarding is done with a name and a phone #. Just the transfer of fundsBut only identity is not sufficient. Kyc is mandatory
upvoted 3 times

Sweep2951 4 years, 8 months ago
It doesn't say that customer onboarding is done with a name and a phone #. Just the transfer of fundsBut only identity is not sufficient. Kyc is mandatory
upvoted 3 times

Sweep2951 4 years, 8 months ago
It doesn't say that customer onboarding is done with a name and a phone #. Just the transfer of funds
upvoted 3 times

Vksh9 4 years, 5 months ago

But only identity is not sufficient. Kyc is mandatory

upvoted 3 times

reek 5 years, 6 months ago

Agreed

upvoted 1 times

shyam83vidya 5 years, 11 months ago

I would say BCE as cross border transfers also carry risk.

upvoted 22 times

60c66d2 Most Recent 1 year, 1 month ago

B C and E is correct

upvoted 1 times

LORENANENA83 1 year, 1 month ago

A no perchè l'onboarding è fisico B si C si D no perchè è il presupposto di servizio e non definisce di per sè un rischio E si

upvoted 1 times

96a3dc3 1 year, 2 months ago

VOTED BCE

upvoted 1 times

a201f69 2 years ago

BCE, since onboarding docs are verified in person at a location.

upvoted 1 times

Neeti32 2 years, 2 months ago

as per the CAMS practice test 2024

upvoted 3 times

73417ad 2 years, 4 months ago

AGREED

upvoted 2 times

MDAVIDM 2 years, 9 months ago

Correct answer is BCE

upvoted 1 times

CiaranDallas 2 years, 11 months ago

It's BCE, nothing else, just BCE. Sort this website out ffs

upvoted 3 times

MIA74 3 years, 6 months ago

Agreed BCE, the customer identification process is adeqaute as it is validated in person and prior to transacting.

upvoted 1 times

Mac2 3 years, 9 months ago

According to CAMS practice test the correct answers are B,C,E

upvoted 3 times

SAleksandrova 3 years, 9 months ago

BCE as per CAMS practice exam November 2022

upvoted 5 times

JDomar8128 3 years, 10 months ago

BCE is correct, no doubt

upvoted 1 times

silvia_moletta 3 years, 10 months ago

Resposta B, C, D conforme exame prático no ACAMS-CAMS6

upvoted 1 times

JDomar8128 3 years, 10 months ago

BCE is the correct answer. 100% VERBATIM question from ACAMs study guide.

upvoted 1 times

ismailbaig 3 years, 11 months ago

Asking control before launching the product

upvoted 1 times

Question #64 *Topic 1*

What is true regarding disclosure to a law enforcement agency by a financial institution of the supporting documentation for a suspicious transaction report?

A. Documentation must be provided as quickly as possible using email

B. The financial institution may notify the account holder of the request

C. Confirm that the request originated from a representative of the law enforcement agency

D. A copy of all the documentation released must also be provided to the account holder's attorney

Suggested Answer: *C*

Reference: https://www.sec.gov/about/offices/ocie/aml2007/fin-2007-g003.pdf

Community vote distribution

C (100%)

MIA74 Most Recent 2 years ago

Agreed C

upvoted 1 times

Dixie_Cup 2 years, 3 months ago

C is the correct answer per CAMS practice exam

upvoted 3 times

PCJA1980 2 years, 10 months ago

C is the correct answer per CAMS practice exam April 2022.

upvoted 3 times

Tam_3 2 years, 11 months ago

C is the answer

upvoted 1 times

lamkid 3 years, 2 months ago

C IS THE CORRECT ANSWER

upvoted 3 times

NN4123 3 years, 5 months ago

C, make sense.

upvoted 4 times

Writingsoon_2021 3 years, 9 months ago

Agree with C

upvoted 2 times

Sundar1990 4 years, 2 months ago

C AGREED

upvoted 2 times

AML_Investigator 4 years, 3 months ago

agreed

upvoted 3 times

Question #65 *Topic 1*

As a result of an audit, a policy exception was identified that had been approved by the compliance officer. The auditor determined that the policy exception is a violation of a regulatory requirement.
What should the auditor do?

A. Advise the compliance officer on how to appropriately respond to policy exceptions.

B. Include the regulatory violation in the audit report and report it to the board of directors.

C. Consult with legal counsel to determine if the approval of the policy exception was acceptable.

D. Include the regulatory violation in the audit report and recommend the compliance officer be subject to disciplinary action by the board of directors.

Suggested Answer: *B*
Official Answer: B

Community vote distribution



LordMarco Highly Voted 5 years, 4 months ago
correct answer B
upvoted 7 times

PCJA1980 Highly Voted 4 years, 4 months ago
B is the correct answer per CAMS practice exam April 2022.
upvoted 5 times

smas2 Most Recent 11 months, 2 weeks ago
Auditor's role is to detect and report facts or violations, not to advice or enforce. Board's role is to act on violations.
upvoted 1 times

souf14ne 1 year, 2 months ago
B is correct
upvoted 1 times

Texams 1 year, 9 months ago
These audit questions sometimes don't reflect the real world. Of course a regulatory violation, inappropriate exception must be reported but as an auditor I will first look at the exception and confer with the smes to make sure that I have not missed something, in the expectation there is a nuance.
upvoted 1 times

Sorak 2 years, 9 months ago
I am ex auditor, it should be B.
upvoted 4 times

gymgirl19 3 years, 4 months ago
Since when internal audit has authorized to read and interpret the laws? shouldn't it be Legal /lawyers? A regulation violation is not a small thing, and IA should be absolutely sure by consulting with Legal/lawyers, as sometimes regulations can be ambiguous and open to interpretations.
upvoted 1 times

imperialchicken 3 years, 8 months ago
page 284, Per CAMS Study guide the independent audit job description only includes: 1) Assess..... type of functions 2) Examine ..... type of functions 3) Determine..... type of functions 4) Perform..... type of functions 5) Review..... type of functions 6)Evaluate 7)Track 8) In coordination with the board or designated board committee, ensure.... 9) Consider whether the board of directors was responsive to earlier audit findings. There no functions of consulting, advising etc..
upvoted 2 times

Matilda2022 4 years, 1 month ago
Totally B
upvoted 1 times

Aboanas92 4 years, 4 months ago
B 100% sure

upvoted 1 times

passitapril 4 years, 5 months ago

p 107, point 3.

upvoted 2 times

FeiFeiW 4 years, 5 months ago

B is correct

upvoted 2 times

Tam_3 4 years, 5 months ago

Answer is B

upvoted 1 times

bg9722 4 years, 6 months ago

B is the only correct answer

upvoted 1 times

SelvakumarRaj 4 years, 6 months ago

B is the answer

upvoted 1 times

NikkiB 4 years, 6 months ago

This is grey. I am leaning to go with C because we would want to confirm what we determined is accurate and Legal would be able to research and confirm. I supposed if I knew 100% and it was general knowledge that it was a policy violation then i would just include it in the report to the board. Any more thoughts?

upvoted 2 times

Vishu_10 5 years, 2 months ago

Refer page 106 of CAMS 6th edition for detailed explanation

upvoted 4 times

Question #66 *Topic 1*

A foreign politically exposed person (PEP) requests to add a beneficiary to a life insurance policy.
How should the request be processed to mitigate risk?

A. Perform due diligence on the beneficiary

B. Determine the source of wealth and source of funds

C. Decline the request if the beneficiary is a foreign PEP

D. Decline the request to add a beneficiary due to increased risk

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (53%) B (47%)

Writingsoon_2021 Highly Voted 4 years, 9 months ago
Agree A
upvoted 17 times

PCJA1980 Highly Voted 3 years, 10 months ago
A is the correct answer per CAMS practice exam April 2022.
upvoted 12 times

T_0_R_1_T_0_R_1_T_0_R_1_T_0_R_ Most Recent 6 months ago
SOW and SOF is part of the due diligence process.
upvoted 1 times

gelik0909 8 months, 1 week ago
It's A
upvoted 1 times

M_Gall 8 months, 3 weeks ago
According to the FATF Guidance it's A. "The Interpretative Note to Recommendation 12 requires financial institutions to take reasonable measures to determine whether the beneficiaries of a life insurance policy and/or, where required, the beneficial owner or the beneficiary are PEPs. This should occur at the latest at the time of the pay out, and should be covered by the internal controls of the financial institution. The financial institution that processes payments purporting to be from life insurance policy pay-outs should apply risk-based monitoring of such payments to determine if the recipient of the funds is a PEP.
upvoted 1 times

smas2 11 months, 2 weeks ago
PEP = EDD = source of wealth or funds. Beneficiaries = part of CDD, but not the centerpiece.
upvoted 1 times

0b70f32 1 year, 2 months ago
For sure
upvoted 1 times

totopopo84 1 year, 3 months ago
Should be B. PEP and its close associates are subjected to EDD.
upvoted 1 times

da8657a 1 year, 4 months ago
Chat GPT insists it's both A and B)))
upvoted 2 times

525bf34 1 year, 7 months ago
IMO we should look at the root which is the PEP and not the end Beneficiary. If Dirty money by the PEP can be identified before looking into the beneficiary then the structuring/layering will be eliminated and will not complicate matters if it turn sour by either the PEP or Beneficiary. Thus I agree with B as the answer.
upvoted 3 times

e8c0ce2 1 year, 8 months ago

FATF 40 recommendsation # 12: Financial institutions should be required, in relation to foreign politically exposed persons (PEPs) (whether as customer or beneficial owner), in addition to performing normal customer due diligence measures, to: (a) have appropriate risk-management systems to determine whether the customer or the beneficial owner is a politically exposed person; (b) obtain senior management approval for establishing (or continuing, for existing customers) such business relationships; (c) take reasonable measures to establish the source of wealth and source of funds; and (d) conduct enhanced ongoing monitoring of the business relationship.

upvoted 2 times

Aris145 2 years ago

It's B, A says Due Dilligence not EDD. PEPs are subject to EDD so B

upvoted 2 times

MZYunus 2 years, 7 months ago

PEP can be provided EDD is clear

upvoted 2 times

Aboanas92 3 years, 10 months ago

It's B It's a life insruance policy so the risk here that he will cancel it

upvoted 1 times

Sipi 3 years, 11 months ago

It's B, see p. 171 of study guide

upvoted 3 times

coloant 4 years, 4 months ago

agree with A but in real life, you don't do anything until the payment

upvoted 3 times

bmb251 5 years ago

answer A

upvoted 3 times

Question #67 *Topic 1*

Which requirement is included in the Fourth European Union Directive on money laundering?

A. It requires obliged entities to consider politically exposed persons as high risk for life

B. It requires obliged entities to conduct enhanced due diligence on all prepaid card holders

C. It requires member countries to maintain registries of the beneficial owners of legal entities

D. It requires member states to enact economic sanctions against countries that do not cooperate with Financial Action Task Force recommendations

Suggested Answer: *C*

Reference: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32018L0843&from=EN

Community vote distribution



HoneyBeeBear Highly Voted 3 years, 6 months ago

C, page 113 - New requirements regarding beneficial ownership information have been introduced, particularly for trusts and similar legal arrangements. Subject to data protection rules, this information must be held in central registers in each member state and must be made available to competent authorities, financial intelligence units (FIUs), obliged entities and any person with legitimate interest.

upvoted 15 times

PCJA1980 Highly Voted 2 years, 4 months ago

C is the correct answer per CAMS practice exam April 2022.

upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago

voted for C

upvoted 1 times

JDomar8128 1 year, 10 months ago

C is the correct answer

upvoted 1 times

Tam_3 2 years, 5 months ago

C is correct

upvoted 1 times

Writingsoon_2021 3 years, 3 months ago

Agree C is the answer

upvoted 6 times

LordMarco 3 years, 4 months ago

correct answer

upvoted 3 times

Question #68 *Topic 1*

A bank maintains a relationship with a customer who owns a small bakery business.
Which customer action indicates potential money laundering?

A. The customer continually makes regular cash deposits

B. The customer has multiple bank accounts at several locations

C. The customer purchased property insurance that is twice the value of the business

D. The customer recently wired a large amount to a foreign jurisdiction where family is located

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (91%) C (9%)

Tugga Highly Voted 5 years, 10 months ago
It is normal to send remittance to family members. B seems more accurate.
upvoted 28 times

solano Highly Voted 5 years, 4 months ago
D. They are trying to trick us with " where family is located". There are two red flags large amounts and foreign jurisdiction.
upvoted 9 times

1ed1b72 Most Recent 3 months ago
A small bakery is a highly localized, single-operation retail business. There is absolutely no legitimate commercial reason for a small local bakery to maintain multiple different bank accounts spread across several different geographic locations or bank branches.
upvoted 2 times

1a90024 10 months, 3 weeks ago
absolutely C, B is wrong, yeah you could layer, but savings, payroll, investments, doesnt have to be all at one bank/branch. The insurance at twice the properties value... thats a red flag
upvoted 2 times

Neeti32 2 years, 2 months ago
per CAMS practice test August 2024
upvoted 5 times

Karaa 4 years ago
Selected Answer: B
per CAMS practice test August 2022
upvoted 5 times

Sagah_matz 3 years, 10 months ago
..small bakery business...large wire transfer...I'd go for D
upvoted 1 times

Karaa 4 years ago
per CAMS practice test August 2022Dont misguide people, as per CAMS guide it is D not B
upvoted 5 times

ProCrypto 3 years, 4 months ago
Dont misguide people, as per CAMS guide it is D not B
upvoted 2 times

KikoX 4 years ago
B. It's a practice exam question. The reasoning is in Study Guide, red flags for unusual commercial account activity includes "customer maintains an inordinately large number of accounts for the type of business purported being conducted". C is incorrect as the red flags for unusual activity in an insurance company setting does include "customer overfunds an insurance policy", but only combined with "and then moves money out of it, despite early-withdrawal fees".
upvoted 2 times

PCJA1980 4 years, 4 months ago

B is the correct answer per CAMS practice exam April 2022.

upvoted 3 times

1cams 4 years, 3 months ago

Having ac is not an action...wiring is...large amt and foreign juri....draws attention

upvoted 1 times

PCJA1980 4 years, 4 months ago

B is the correct answer per CAMS practice exam April 2022.did you attend the exam on april

upvoted 3 times

Jamii 4 years, 2 months ago

did you attend the exam on april

upvoted 1 times

passitapril 4 years, 5 months ago

p.190 Customer maintains an inordinately large number of accounts for the type of business purportedly being conducted. it is a small bakery business,

upvoted 2 times

Tam_3 4 years, 5 months ago

B is the answer

upvoted 1 times

SSS33 4 years, 6 months ago

C. The customer purchased property insurance that is twice the value of the business

upvoted 5 times

TEE_12 4 years, 8 months ago

C--Purchase of products that appear outside the customer's normal range of financial wealth

upvoted 4 times

RAYKRISP 4 years, 8 months ago

B. If the Bakery is small, then why is there a need for multiple accounts at various locations.

upvoted 6 times

laurenzauza 4 years, 9 months ago

C is correct. Page 193: Unusual activity in insurance... Purchase of products that appear outside the customer's normal range of financial wealth or estate planning needs.

upvoted 4 times

SunnySial 4 years, 10 months ago

Why not C

upvoted 1 times

Kallabell 4 years, 9 months ago

B is correct. C seems correct at first but what this customer would gain from purchasing property insurance as a money launderer? If he bought and soon after he canceled the policy to get the refund then I'd take C.

upvoted 5 times

Question #69 *Topic 1*

A U.K. real estate agent has three foreign clients interested in purchasing an apartment building, valued at £30 million, in the outskirts of London as an investment property. The clients are not willing to have their names provided to the bank. The clients want the purchase to be made in the names of three private companies for privacy reasons. The plan is to wire the funds into an account held in the name of another private company at a bank in London.

Which red flag should stop the agent from discussing this potential purchase further?

A. The clients are foreign

B. The clients have the funds necessary to fund a £30 million purchase

C. The clients are not willing to have their names provided to the bank

D. The clients want the purchase to be made in the names of the private companies

Suggested Answer: *C*

Official Answer: C

Community vote distribution

C (100%)

camsstudying Highly Voted 5 years, 7 months ago

Definitely C - D can be normal sometimes as people prefer to make large investments via corporate vehicles

upvoted 17 times

Cos08 Highly Voted 5 years, 10 months ago

I would say D: page 53 Real Estate: Use of front companies, shell companies, trusts and other company structures to hide beneficial ownership and obvious links to criminals

upvoted 8 times

Neeti32 Most Recent 2 years, 2 months ago

As per the CAMS practice test 2024

upvoted 2 times

Karaa 4 years ago

per CAMS practice test August 2022

upvoted 3 times

PCJA1980 4 years, 4 months ago

C is the correct answer per CAMS practice exam April 2022.

upvoted 4 times

Tam_3 4 years, 5 months ago

Answer is C

upvoted 1 times

Noodyjooby 5 years ago

Both corporate vehicle and unwillingness to be identified are concerns. However, if you use a corporate vehicle and are willing to disclose identity of buyers (i.e. beneficial owners) then the concern is eased. See also page 235 of the study guide: "Occasionally, it is difficult to identify the people who are the ultimate beneficial owners and controllers of corporate vehicles, which makes the vehicles vulnerable to money laundering." This suggested the vulnerability is reduced if the beneficial owner is identified.

upvoted 5 times

Writingsoon_2021 5 years, 3 months ago

Agree with C

upvoted 2 times

Sundar1990 5 years, 8 months ago

C AGREED

upvoted 1 times

jgallag11 5 years, 9 months ago

Agree with C. I think the use of private companies could be a risk factor, but ultimately if they aren't willing to have their names disclosed (even as owned of the private companies) they should not allow the purchase.

upvoted 3 times

AML_Investigator 5 years, 9 months ago

C is the correct answer. as they do not want to disclose

upvoted 5 times

Question #70 *Topic 1*

What is a key objective of the Egmont Group?

A. To find ways to promote the development of Financial Intelligence Units and the sharing of expertise.

B. To safeguard the financial system from illicit use and combat money laundering and promote national security.

C. To issue binding standards that establish consistently operated Financial Intelligence Units in member jurisdictions.

D. To provide best practices for financial institutions on how to report suspicious activity to best share the information with law enforcement.

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (100%)

Casanovi Highly Voted 5 years, 11 months ago
Shouldn't the answer be A? https://egmontgroup.org/en/content/about "The Egmont Group is a united body of 165 Financial Intelligence Units (FIUs). The Egmont Group provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing (ML/TF). This is especially relevant as FIUs are uniquely positioned to cooperate and support national and international efforts to counter terrorist financing and are the trusted gateway for sharing financial information domestically and internationally in accordance with global Anti Money Laundering and Counter Financing of Terrorism (AML/CFT) standards."Yes it is A.The answer is A
upvoted 47 times

Casanovi Highly Voted 5 years, 11 months ago
Shouldn't the answer be A?

https://egmontgroup.org/en/content/about

"The Egmont Group is a united body of 165 Financial Intelligence Units (FIUs). The Egmont Group provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing (ML/TF). This is especially relevant as FIUs are uniquely positioned to cooperate and support national and international efforts to counter terrorist financing and are the trusted gateway for sharing financial information domestically and internationally in accordance with global Anti Money Laundering and Counter Financing of Terrorism (AML/CFT) standards."
upvoted 47 times

Majid2094 5 years, 11 months ago
Yes it is A.The answer is A
upvoted 10 times

Majid2094 5 years, 11 months ago
Yes it is A.
upvoted 10 times

Anna07707 4 years, 10 months ago
The answer is A
upvoted 4 times

SAleksandrova 3 years, 9 months ago
A per CAMS practice exam November 2022
upvoted 8 times

7a0a6db Most Recent 2 years, 1 month ago
Answer is A according to CAMS Practice Exam. and Egmont Group webpage
upvoted 1 times

34f047b 2 years, 6 months ago
it is A
upvoted 1 times

Sorak 2 years, 9 months ago
When it comes to Egmont, always look for the word promote, information and expertise sharing, exchanging.

upvoted 5 times

study6660 3 years, 4 months ago

A- Provides FIUs with a platform to securely exchange expertise

upvoted 1 times

Shady_Abul_Enin 3 years, 7 months ago

Answer is A. As per study guide glossary. it's stated that "The Egmont Group consists of numerous national financial intelligence units (FIUs) that meet regularly to find ways to promote the development of FIUs and to cooperate, especially in the area of information exchange, training and the sharing of expertise. The goal of the group is to provide a forum for FIUs to improve cooperation in the fight against money laundering and the financing of terrorism, and to foster the implementation of domestic programs in this field."

upvoted 2 times

FinanceFal 3 years, 10 months ago

the answer is 100% A

upvoted 2 times

JDomar8128 3 years, 11 months ago

The answer is A. Simple Google search of the question in verbatim.

upvoted 1 times

Matilda2022 4 years, 1 month ago

Respuesta correcta A

upvoted 1 times

PCJA1980 4 years, 4 months ago

A is the correct answer per CAMS practice exam April 2022.

upvoted 5 times

gracello 4 years, 4 months ago

A!!!!!

upvoted 1 times

SAMSAMSAM91 4 years, 5 months ago

A, they promote

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is A

upvoted 1 times

NikkiB 4 years, 6 months ago

A - Pg. 122 of the Study Guide "Egmont Group of Financial Intelligence Units".

upvoted 1 times

NikkiB 4 years, 6 months ago

A, see responses.

upvoted 1 times

Koios 4 years, 6 months ago

Agreed A

upvoted 1 times

Question #71 *Topic 1*

The compliance officer for a bank is reviewing on-boarding documents for a new business account for a domestic corporation. The officer is unable to verify the identity of the beneficial owners of the company. Only information on the nominee owners was provided, and none of the listed addresses are local. The purpose of the business and future expected activity was disclosed to include cash letters, money orders and international remittance
transfers.
Which red flag identifies a heightened money laundering risk?

A. Expected activity was advised to include cash letter and money orders

B. The nature and purpose of the business include international remittance transfers

C. The names provided at account opening are identified as the corporation's representative nominees

D. Account signer's government issued identification lists addresses outside of where the branch account was opened

Suggested Answer: *C*
Official Answer: C

Community vote distribution



Padmarishi Highly Voted 5 years, 6 months ago
I will go with C no doubt
upvoted 36 times

Abby32 Highly Voted 5 years, 7 months ago
Why do you jump to the purpose of the business if you can't even identify the owners during onboarding.
upvoted 24 times

1ed1b72 Most Recent 3 months ago
In the AML world, Nominees (or "straw men") are individuals who lend their names to a company's registration documents to hide the identity of the person who actually owns and controls the funds (the UBO).
upvoted 2 times

Neeti32 2 years, 1 month ago
agree with C
upvoted 2 times

8947f58 2 years, 5 months ago
I'm occasionally confused because the revealed answer isn't always accurate according to the ACAMS study guide. So, how do we determine which answer is correct?
upvoted 5 times

djunta 2 years, 7 months ago
A and B are the same issue. C is the most obvious answer
upvoted 1 times

MDAVIDM 2 years, 9 months ago
C, you have to identify the beneficial owners
upvoted 2 times

CiaranDallas 2 years, 11 months ago
It's C, of course it's C, CCCCCCCC
upvoted 3 times

AMansoor 3 years ago
C seems to be initial risk and basic CDD requirement violation
upvoted 2 times

TIGER7521 3 years, 3 months ago
Answer is C

upvoted 2 times

MIA74 3 years, 6 months ago

Agreed C, the first and most significant step in combatting ML/CTF risks is CDD.

upvoted 1 times

Lukashh 3 years, 6 months ago

I'm hoping C is correct

upvoted 2 times

Sagah_matz 3 years, 11 months ago

C is most likely the answer. Only one option is the answer, yet A& B reflect the same “heightened risk”....”Money order” and “international remittances” (international money order is just as risky as international remittances if not a subset of it). Option C stands alone and reflects a key risk as well, more so looking at how the question elaborated extensively on it.

upvoted 2 times

kakarotSalada 4 years, 1 month ago

nomenee shareholder to hide BO

upvoted 1 times

Vksh9 4 years, 3 months ago

these services will get added in future then at that time the risk will get heightened.

upvoted 2 times

gracello 4 years, 4 months ago

ccc is correct

upvoted 2 times

joanp22 4 years, 7 months ago

.....heightened money laundering risk. The answer is B . See page 150 of CAMS study manual.

upvoted 1 times

Koios 4 years, 6 months ago

Agreed C, while B is text book illustration of a red flag, C lack of BO is more of a concern @ onboarding.

upvoted 2 times

Question #72 *Topic 1*

Law enforcement submitted a request to a bank for information regarding one of its customers.
How should the bank respond according to Financial Action Task Force Guidance?

A. Provide all information requested to support the investigation

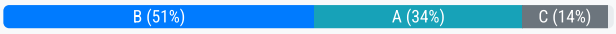
B. Ensure that the request will not violate any local privacy regulations or legislation

C. Ensure the information is necessary to the investigation before responding to the request

D. Contact the customer informing the person of the investigation to ensure the bank provides correct information

Suggested Answer: *B*
Official Answer: B

Community vote distribution



PCEF Highly Voted 5 years, 4 months ago
think it is B. Page 167 - Before releasing customer information, it is important to review applicable privacy laws and the firm's privacy policy to understand any limitations.
upvoted 33 times

PCEF Highly Voted 5 years, 4 months ago
think it is B. Page 167 - Before releasing customer information, it is important to review applicable privacy laws and the firm's privacy policy to understand any limitations.this is regarding internal communication, not with regulatorthis is not about internal communication, it is about how FI deals with LE, not regulatory, therefore B is correct, not CAgree it should be B. FI should "respond" to law enforcement agencies quickly and completely, but should not "provide" all info as there could be client info that is protected by applicable privacy laws and jurisdiction's bank secrecy laws.
upvoted 34 times

Jasou 4 years, 1 month ago
this is regarding internal communication, not with regulatorthis is not about internal communication, it is about how FI deals with LE, not regulatory, therefore B is correct, not C
upvoted 5 times

Jasou 4 years, 1 month ago
this is regarding internal communication, not with regulator
upvoted 5 times

OMFG 3 years, 1 month ago
this is not about internal communication, it is about how FI deals with LE, not regulatory, therefore B is correct, not C
upvoted 3 times

melodyqhf 4 years, 5 months ago
Agree it should be B. FI should "respond" to law enforcement agencies quickly and completely, but should not "provide" all info as there could be client info that is protected by applicable privacy laws and jurisdiction's bank secrecy laws.
upvoted 4 times

jgallag11 5 years, 9 months ago
I looked through the FATF 40 recommendations and I couldn't find anything about requests not violating local privacy regulations (B) or that FI's have to ensure the info is necessary to the investigation (C). So is it A?
upvoted 13 times

1ed1b72 Most Recent 3 months ago
While financial institutions must be highly cooperative with law enforcement, they cannot simply hand over a customer's private financial records just because an officer asked nicely. The bank must ensure that the request is legally compelled (e.g., backed by a formal subpoena, court order, or warrant). If a bank voluntarily hands over records without the proper legal authorization, they are directly violating local privacy and data protection legislation. This exposes the institution to massive civil lawsuits from the customer and heavy fines from privacy regulators.
upvoted 1 times

a513174 1 year, 1 month ago

I don't think privacy law could prevail on LE request. Not in Europe

upvoted 2 times

IEG444 1 year, 2 months ago

IS THE AUTHORITY, SHOULD BE A

upvoted 1 times

TinaChuah 1 year, 3 months ago

B is correct. The bank should first verify that responding to the request won't breach national regulations before disclosing any customer information. C is wrong, as it's not the bank's role to judge if the request is necessary. That's the responsibility of law enforcement, not the financial institution.

upvoted 3 times

Tee04 2 years ago

According to Financial Action Task Force (FATF) guidance, the bank should: B. Ensure that the request will not violate any local privacy regulations or legislation This step ensures that the bank complies with local laws and regulations regarding customer privacy and data protection while fulfilling its obligations to support law enforcement investigations.

upvoted 3 times

Neeti32 2 years, 1 month ago

I go with B

upvoted 2 times

Jp994 2 years, 2 months ago

I say its Option A. Unless Option C: "Ensure the information is necessary to the investigation before responding to the request", is referring to asking law enforcement to provide a written statement of the request for the bank to release customer information. Then i would say its C

upvoted 1 times

holikmc 2 years, 4 months ago

b is correct.

upvoted 2 times

kairysdovydas776 2 years, 6 months ago

Definately A. It's a legal request from the law enforcement. Privacy policy do not apply here.

upvoted 3 times

hc94 2 years, 9 months ago

has anyone found the correct answer for this with references? from my own research it could be interpreted as A or B. Support for A (page 18 - R.11): https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/Consolidated-FATF-Standards-information-sharing.pdf.coredownload.pdf

upvoted 2 times

OMFG 3 years, 1 month ago

D is not correct because it is definitely tipping off. Ans A & C are quite similar. The bank needs to determine what kind of information should theb bank provide to LEA for investigation. But the question is, can the bank solely determine and make decision on this? Definitely not. First the bank doesnt know what LEA wants and they cant determine and make decision on this. Second and the most important is to avoid breaking the privacy law when submitting the client's documents to the LEA. Therefore, the answer should be B, not C.

upvoted 1 times

Dilara89 3 years, 3 months ago

How is the bank going to know if the information is necessary to the investigation or not, so that's why I'm eliminating C as an option. I'm voting B, and if this question comes in exam, I'll answer B, because it makes the most sense.

upvoted 3 times

Dilara89 3 years, 3 months ago

I think the correct answer is B.

upvoted 1 times

ProCrypto 3 years, 4 months ago

According to Financial Action Task Force (FATF) Guidance, the appropriate response for a bank when receiving a request for information from law enforcement regarding one of its customers is option B - Ensure that the request will not violate any local privacy regulations or legislation. Banks are obliged to cooperate with law enforcement agencies in the investigation of money laundering, terrorist financing, and other criminal activities. However, they must also comply with relevant data protection and privacy regulations, which vary from country to country. Therefore, before responding to a request for information, the bank must ensure that it is legally permitted to disclose the information requested, without violating any local privacy regulations or legislation. Additionally, the bank should ensure that the information is necessary and proportionate to the investigation. Finally, it is not appropriate to contact the customer informing them of the investigation because this can potentially compromise the investigation.

upvoted 2 times

Lukashh 3 years, 6 months ago

Selected Answer: A

"When a financial organization is confronted with a law enforcement investigation or a regulatory agency, it should respond quickly and completely to all requests. "

upvoted 3 times

MIA74 3 years, 6 months ago

I beleive it is C because the question does not indicate that the request from law enforcement came after they received from a SAR filing from the institution. Therefore, it should be handled like any other request form law enforcement, subpoena, warrant, etc.

upvoted 1 times

CharmaineMacG 3 years, 5 months ago

But this is about the provision of information pertaining to a request.

upvoted 2 times

Question #73 *Topic 1*

How should a financial institution respond to a verbal request from a law enforcement agency to keep an account open to assist in an investigation?

A. Agree to keep the account open

B. Request a subpoena to maintain the account

C. Request a letter on the agency's letterhead

D. Request a search warrant from the local court

Suggested Answer: *C*

Official Answer: C

Community vote distribution

C (100%)

bccute Highly Voted 4 years, 2 months ago

C. Page 206 under Subpoena

upvoted 8 times

MDAVIDM 1 year, 9 months ago

The right answer is B, Request a subpoena to maintain the account, A subpoena is a legal document issued by a court that requires the financial institution to provide specific information or take certain actions, and it ensures compliance with legal and privacy requirements. It's a standard process that helps protect the rights of both the customer and the institution.

upvoted 1 times

MDAVIDM 1 year, 9 months ago

The right answer is B, Request a subpoena to maintain the account, A subpoena is a legal document issued by a court that requires the financial institution to provide specific information or take certain actions, and it ensures compliance with legal and privacy requirements. It's a standard process that helps protect the rights of both the customer and the institution.The bank would not request a subpoena from LE, rather that is something that is presented to the bank directly from LE, not requested the other way around. According to the study guide version 6.47, page 375: "Providing investigators with the information they need to reach an investigative conclusion might be the most effective way to terminate an investigation before it has a devastating effect on the resources and reputation of an organization. Cooperation could include making employees, including corporate officers, available for interviews, and producing documents without the requirement of a subpoena." Therefore, it is encouraged to cooperate with LE without the requirement of a subpoena (although that is preferred by banks to cover themselves during audits). Additionally, the study guide (page 349) states, "If the government asks the organization to keep certain accounts open, this request should be obtained in writing under proper letterhead and authority from the government." Therefore, the correct answer would be C.

upvoted 1 times

Cmed Most Recent 1 year, 9 months ago

The bank would not request a subpoena from LE, rather that is something that is presented to the bank directly from LE, not requested the other way around. According to the study guide version 6.47, page 375: "Providing investigators with the information they need to reach an investigative conclusion might be the most effective way to terminate an investigation before it has a devastating effect on the resources and reputation of an organization. Cooperation could include making employees, including corporate officers, available for interviews, and producing documents without the requirement of a subpoena." Therefore, it is encouraged to cooperate with LE without the requirement of a subpoena (although that is preferred by banks to cover themselves during audits). Additionally, the study guide (page 349) states, "If the government asks the organization to keep certain accounts open, this request should be obtained in writing under proper letterhead and authority from the government." Therefore, the correct answer would be C.

upvoted 3 times

JoeJas 1 year, 11 months ago

As per the CAMS study guide "If the government asks the organization to keep certain accounts open, this request should be obtained in writing under proper letterhead and authority from the government. The request should include the duration for which the account should remain open. Documentation of the request should be maintained for at least five years after the request has expired."

upvoted 2 times

ProCrypto 2 years, 4 months ago

Option C

upvoted 1 times

MIA74 2 years, 6 months ago

Agreed C

upvoted 1 times

Vidi19 2 years, 10 months ago

Under section - Subpoena > ""If the government asks the organization to keep certain accounts open, this request should be obtained in writing under proper letterhead and authority from the government.""

upvoted 2 times

Ricardofrt 3 years, 5 months ago

Concordo com a C

upvoted 1 times

Tam_3 3 years, 5 months ago

C - Request a letter on the agency's letterhead.

upvoted 1 times

joanp22 3 years, 7 months ago

C is the correct answer.

upvoted 2 times

junwangchloe 3 years, 7 months ago

C. Study guide P 206 If the government asks the institution to keep certain accounts open, such a request should be obtained in writing under proper letterhead and authority from the government.

upvoted 2 times

Writingsoon_2021 4 years, 3 months ago

Agree C is correct

upvoted 3 times

Adhwa 4 years, 3 months ago

C is the right answer. U will need a formal request from LEA for such a purpose.

upvoted 2 times

Question #74 *Topic 1*

A bank operates in multiple countries and offers a variety of products and services.
The compliance officer recently joined the bank and wants to better understand the inherent level of anti-money laundering risk across the entire organization.
Which two factors should be considered? (Choose two.)

A. The Transaction Monitoring program

B. The Customer Due Diligence program

C. Countries that the bank operates in

D. Products and services offered by the bank

Suggested Answer: *C, D*
Official Answer: CD

Community vote distribution
CD (95%) (5%)

shyam83vidya Highly Voted 5 years, 11 months ago
The programs are controls and will not show the inherent risks. This can only he found through options C and D.
upvoted 60 times

shyam83vidya Highly Voted 5 years, 11 months ago
The programs are controls and will not show the inherent risks. This can only he found through options C and D.Agreed. Transaction Monitoring Systems and Customer Due Diligence Procedures can be changed. There is always inherent risk in a geography or product offered.
upvoted 60 times

presfruit 5 years, 6 months ago
Agreed. Transaction Monitoring Systems and Customer Due Diligence Procedures can be changed. There is always inherent risk in a geography or product offered.
upvoted 12 times

Cos08 5 years, 10 months ago
C and D: A risk-based analysis should include appropriate inherent and residual risks at the country, sectoral, legal entity and business relationship level, among others. As a result of this analysis, the financial institution should develop a thorough understanding of the inherent risks in its customer base, products, delivery channels and services offered (including proposed new services) and the jurisdictions within which it or its customers do business.
upvoted 24 times

Neeti32 Most Recent 2 years, 2 months ago
CD as per CAMS practice test 2024
upvoted 5 times

Cassia 2 years, 3 months ago
C e D estão corretas e constam no simulado oficial do site da ACAMS. Necessário corrigir as alternativas corretas desta pergunta.
upvoted 1 times

nina_234 2 years, 9 months ago
WHY ARE THERE SOOOO MANY WRONG ANSWERS ON THIS WEBSITE?? so frustrating. This website is a fraud
upvoted 3 times

CiaranDallas 2 years, 11 months ago
It's C&D, who even marks down these answers.....cabbages.
upvoted 2 times

Dilara89 3 years, 3 months ago
CD as per CAMS practise exam
upvoted 6 times

CiaranDallas 3 years, 3 months ago
C & D according to ACAMS official practice test.

upvoted 3 times

Elcucy 3 years, 6 months ago

again , it's in the prep test

upvoted 1 times

MIA74 3 years, 6 months ago

Agreed CD, risks associated with geographic location, and product/services offered by the institution

upvoted 1 times

lauraaml 3 years, 8 months ago

Risk is assessed considering countries, products, channels and type of transactions. Therefore the TM and CDD Programm are out. :)

upvoted 1 times

imperialchicken 3 years, 8 months ago

C and D are the correct answers.

upvoted 1 times

JDomar8128 3 years, 10 months ago

CD, please ignore AB

upvoted 1 times

Vidi19 3 years, 10 months ago

Definitely CD

upvoted 1 times

JDomar8128 3 years, 10 months ago

CD. this is repeatedly stated in ACAMs study guide.

upvoted 2 times

Sagah_matz 3 years, 11 months ago

A&B most likely. C&D won't Constitute 'company's inherent risk' provided there is sound A&B.

upvoted 1 times

Yanka13 4 years, 1 month ago

As per practice CAMs exam

upvoted 5 times

Question #75 *Topic 1*

A bank is preparing for its anti-money laundering independent review, which is performed every two years under the direction of the compliance officer. The bank's corporate audit department will conduct the review. The compliance officer will review the final report before it is released to the Board of Directors.
What is the issue with this situation?

A. Independent reviews must be performed annually

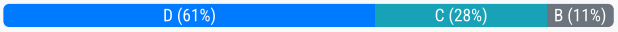
B. The review must be performed by a group outside of the bank

C. The final report must be presented directly to the board of directors

D. There is a conflict of interest with the management of the review process

Suggested Answer: *D*
Official Answer: D

Community vote distribution



Polcos Highly Voted 5 years ago
To me the bigger problem here is the fact that the compliance officer is supervising the review. It is an internal INDEPENDANT review so the CO has nothing to do inside the review team. CAMS p.162 states « The audit must be independent (i.e., performed by people not involved with the organization's AML/ CFT compliance staff) », so the issue is on the presence of the compliance officer, answer seems to be D.However, as the CO is only supervising the review by the audit fonction I think it is ok. So the issue appear if the report is submitted to the CO before the board of directors.Being an ex auditor for 15 years I do not see compliance review a problem, as it normal review process before submission.
upvoted 28 times

Polcos Highly Voted 5 years ago
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upvoted 28 times

Polcos 5 years ago
However, as the CO is only supervising the review by the audit fonction I think it is ok. So the issue appear if the report is submitted to the CO before the board of directors.
upvoted 2 times

Sorak 2 years, 9 months ago
Being an ex auditor for 15 years I do not see compliance review a problem, as it normal review process before submission.
upvoted 2 times

ccz 5 years, 3 months ago
Answer is C. Regardless of who performs the independent testing, the party conducting the BSA/AML independent testing should report directly to the board of directors or to a designated board committee comprised primarily, or completely, of outside directors... There is no regulatory requirement establishing BSA/AML independent testing frequency. reference here https://bsaaml.ffiec.gov/manual/AssessingTheBSAAMLCompliance Program/03Hi, but the question is what is the issue with the situation. And indeed if the Chied audit executive performs an assessment, they have the obligation to report the findings to the Board of Directors. Nevertheless, the auditor could release first the findings to the ALCRO to inform him what will be presented.If the question is about "issue" for engagement of CO in reviewing the IA report prior submission to BoD is a conflict of interest? Is my understanding correct? So the answer should be D
upvoted 20 times

ccz 5 years, 3 months ago
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reference here https://bsaaml.ffiec.gov/manual/AssessingTheBSAAMLComplianceProgram/03

upvoted 20 times

timbarr 5 years, 3 months ago

Hi, but the question is what is the issue with the situation. And indeed if the Chied audit executive performs an assessment, they have the obligation to report the findings to the Board of Directors. Nevertheless, the auditor could release first the findings to the ALCRO to inform him what will be presented.

upvoted 2 times

timbarr 5 years, 3 months ago

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upvoted 2 times

kwiecik 5 years, 2 months ago

If the question is about "issue" for engagement of CO in reviewing the IA report prior submission to BoD is a conflict of interest? Is my understanding correct? So the answer should be D

upvoted 7 times

1ed1b72 Most Recent 3 months ago

The entire purpose of an "independent" review is to provide the Board of Directors with an unfiltered, objective assessment of how well the AML program is functioning. The Compliance Officer is the person who built and runs the AML program (the Second Line of Defense). If the Compliance Officer is allowed to direct the auditors on what to look at, or if they act as a gatekeeper who can edit or filter the final report before it goes to the Board, the independence of the audit is completely destroyed. It is a massive conflict of interest for the person being audited to manage the audit process.

upvoted 1 times

frank_cams25 1 year, 6 months ago

Selected Answer: C

Audit should not report to the compliance officer

upvoted 1 times

frank_cams25 1 year, 6 months ago

Audit should not report to the compliance officer. Answer is D

upvoted 1 times

frank_cams25 1 year, 6 months ago

Audit should not report to the compliance officeranswer should be D Audit should not report to compliance officer

upvoted 1 times

frank_cams25 1 year, 6 months ago

answer should be D Audit should not report to compliance officer

upvoted 1 times

313626e 1 year, 9 months ago

C Acams study guide states in page 284 that " the audit must be independent, an individual conducting audit should report DIRECTLY to the board of directors.

upvoted 2 times

d138171 2 years, 3 months ago

The audit must be independent (i.e., performed by people not involved with the organization's AML/CFT compliance staff), and individuals conducting the audit should report directly to the board of directors or to a designated board committee composed primarily or completely of outside directors. The individuals performing the audit must be sufficiently qualified to ensure that their findings and conclusions are reliable, including having knowledge and expertise of AML/CFT. Depending on the jurisdiction, an independent audit might also be referred to as an independent test or review.

upvoted 2 times

TaylorGrace 2 years, 4 months ago

p 284 of the study guide "Independent testing can be done by external auditors or an internal audit function with sufficient independence from the first and second lines of defense functions."

upvoted 5 times

23e53b2 2 years, 5 months ago

The answer choices A and C are incorrect, as there is no specific requirement that independent reviews be performed annually, and the final report does not necessarily need to be presented directly to the board of directors. Answer choice D is also incorrect, as there is no information in the

question to suggest that there is a conflict of interest with the management of the review process.

upvoted 1 times

9b6a092 2 years, 8 months ago

This site is a farce. what is with all the wrong answers. Im still none the wiser for this question

upvoted 2 times

5ee4022 2 years, 8 months ago

D. There is a conflict of interest with the management of the review process: The ACAMS study guide indicates that independent testing can be conducted by external auditors or an internal audit function, provided there is sufficient independence from the first and second lines of defense functions. In this scenario, the bank's corporate audit department conducting the review under the direction of the compliance officer, who then reviews the final report before it is released to the Board of Directors, suggests a lack of sufficient independence in the review process. The compliance officer's involvement in managing the review and approving the final report could potentially influence the outcome, creating a conflict of interest.

upvoted 3 times

9b6a092 2 years, 8 months ago

This site is a farce. what is with all the wrong answers. Im still none the wiser for this questionI know, but the forum is really helpful, specially because the community base their responses with official documents and/or the ACAMS prep exam and some others confirm that many questions are included into the final exam. Don't get frustrated, this can be helpful to

upvoted 2 times

ElBaron 2 years, 8 months ago

I know, but the forum is really helpful, specially because the community base their responses with official documents and/or the ACAMS prep exam and some others confirm that many questions are included into the final exam. Don't get frustrated, this can be helpful to

upvoted 3 times

ProCrypto 3 years, 4 months ago

The issue with this situation is option D - there is a conflict of interest with the management of the review process. The compliance officer is responsible for overseeing the bank's AML/CFT program and ensuring that it complies with the regulatory requirements. However, the compliance officer cannot conduct an independent review of the program since they are part of the management team of the bank. The purpose of an independent review is to assess the effectiveness of the bank's AML/CFT program without any bias. Therefore, the review should be conducted by a third-party or a group outside of the bank. Corporate audit departments are typically part of the management team and may not be independent in conducting an AML/CFT independent review. While it is not mandatory for the independent review to be conducted annually, it is recommended that the review be conducted on a risk-based approach. High-risk banks and those with complex operations should conduct the review more frequently. Lastly, the final report should be presented to the Board of Directors or a committee of the Board. However, it should not be reviewed or altered by the compliance officer before being presented to the Board to ensure that there is no conflict of interest.

upvoted 2 times

gymgirl19 3 years, 4 months ago

Two things seem wrong here. 1. "under the direction of the compliance officer". 2. The compliance officer will review the final report before it is released to the Board of Directors. D covers both. It is no longer an independent review when Compliance "directs" the review. Being a runner and judge at the same time constitutes conflict of interests.

upvoted 3 times

MIA74 3 years, 6 months ago

Agree with D, there is a problem with the management review process. The CO decides how frequently an annual review should take place, and who reviews the final report prior to the Board. A corporate audit department is independent of the bank's operations and in particular, the day to day AML activities and qualified to conduct the review.

upvoted 2 times

Shady_Abul_Enin 3 years, 7 months ago

Answer is C. As per study guide, it's stated that "The audit function, or the third line of defense, should report to the audit committee of the board of directors (or a similar oversight body) and independently evaluate the risk management and controls of the bank "The audit must be independent (i.e., performed by people not involved with the organization's AML/CFT compliance staff), and individuals conducting the audit should report directly to the board of directors or to a designated board committee composed primarily or completely of outside directors." There's no conflict of interest with management.

upvoted 2 times

RukawaKaede 3 years, 8 months ago

Answer is C

upvoted 1 times

JDomar8128 3 years, 10 months ago

D, this question is addressed slightly different in the ACAMs study guide, where the compliant officer should not be in the review part

upvoted 2 times

imperialchicken 3 years, 8 months ago

I chose C because C is NOT WRONG! Audit report should be presented directly to the board of directors. The problem is C is one of the reasons makes the option D true as well. Both C and D are correct answers. I hope this kind of logic won't be in the actual exam....

upvoted 3 times

Question #76 *Topic 1*

Which method is used to launder money in casinos?

A. Purchase chips with cash and play at a table

B. Purchase chips with cash and redeem for cash

C. Purchase chips with cash and redeem for a check

D. Purchase chips with cash and sell to another person for cash

Suggested Answer: *C*

Official Answer: C

Community vote distribution

C (86%) D (14%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago

Answer is C

upvoted 11 times

1ed1b72 Most Recent 3 months ago

Casinos are highly vulnerable because they routinely handle massive amounts of cash. The classic laundering loop works like this: Placement: The criminal walks in with dirty physical cash and buys chips at the cage. Layering (Minimal Play): They sit at a table and play a few low-risk hands to create the illusion of legitimate gambling activity. Integration (The Check): They return to the cage, cash out the vast majority of their chips, and specifically request a casino check for the balance instead of physical currency.

upvoted 2 times

Neeti32 2 years, 2 months ago

C as per CAMS practise exam 2024

upvoted 2 times

Guhu 2 years, 9 months ago

Answer c pg36 cams 6- para 2- a launderer can buy chips with cash generated from a crime and then request repayment by a check drawn on the cassino' account

upvoted 1 times

EllabellaD 2 years, 9 months ago

Answer is C. As per CAMS practice test

upvoted 2 times

Maha0189 4 years ago

Selected Answer: D

Can someone please explain why it isn't D? I think D is more suspicious since the launderer wants to redeem chips back to cash with a third person and not the person at the counter in the casino to minimize attention.

upvoted 2 times

Karaa 4 years ago

per CAMS practice test August 2022

upvoted 4 times

Maha0189 4 years ago

Can someone please explain why it isn't D? I think D is more suspicious since the launderer wants to redeem chips back to cash with a third person and not the person at the counter in the casino to minimize attention.The idea here is to turn illegal proceeds (cash) to make them look legitimate (check from a casino). If you play with cash, then sell your chips back for cash, you're back to where you started.

upvoted 2 times

Art_G92 4 years ago

The idea here is to turn illegal proceeds (cash) to make them look legitimate (check from a casino). If you play with cash, then sell your chips back for cash, you're back to where you started.

upvoted 4 times

PCJA1980 4 years, 4 months ago

C is the correct answer per CAMS practice exam April 2022.

upvoted 3 times

Nicky90 4 years, 5 months ago

I went with D. on this one. only if the check was payable to another person then I would have chosen c.

upvoted 1 times

Tam_3 4 years, 5 months ago

C is the correct answer

upvoted 1 times

ESTELA926 4 years, 6 months ago

ANS: C

upvoted 2 times

joanp22 4 years, 7 months ago

Answer is C. The objective is to make the illegal money looks legitimate.

upvoted 1 times

LordMarco 5 years, 4 months ago

correct answer

upvoted 2 times

Question #77 *Topic 1*

Financial Action Task Force (FATF)-style regional bodies are created and obliged to understand the inherent money laundering and terrorist financing risks in the region of the world they
serve.
What is one of the methods they use to understand these risks?

A. They require member countries to develop statistical metrics over money laundering and terrorist financing crimes

B. They require participating financial institutions of their members to file suspicious transaction reports to the regional body

C. They conduct global research on money laundering and terrorist financing trends and report their findings in their own typologies report

D. They conduct regional-level research and analysis of the money laundering and terrorist financing methods and trends using standards and templates used for FATF typologies reports

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

Ghazi Highly Voted 5 years, 10 months ago
Dears its should be ' D ' .. Reference :(High-Level Principles and Objectives for FATF and FATF-style regional bodies) quoted "The body should conduct regional-level research and analysis of ML/TF methods and trends where relevant, in particular sharing jurisdictions' experiences in typologies exercises and join FATF and other FSRBs in joint typologies work. Global co-ordination of all typologies work will continue to be undertaken by the FATF and FSRBs together." page number 8
upvoted 52 times

jgallag11 Highly Voted 5 years, 10 months ago
Ok I agree it should be D. The linked PDF is the wrong one for this question. This is the correct reference that specifically says "The body should conduct regional-level research and analysis of ML/TF methods and trends where relevant, in particular sharing jurisdictions' experiences in typologies exercises and join FATF and other FSRBs in joint typologies work. Global co-ordination of all typologies work will continue to be undertaken by the FATF and FSRBs together. The FSRB should conduct its typologies work in accordance with best practices, procedures and templates used for FATF typologies reports, if it wishes to submit such work to FATF for endorsement / publication." This is the correct reference https://www.fatf-gafi.org/media/fatf/documents/High-Level%20Principles%20and%20Objectives%20for%20FATF%20and%20FSRBs.pdf
upvoted 16 times

1ed1b72 Most Recent 3 months ago
While the FATF sets the "gold standard" globally, it cannot practically monitor the ground-level nuances of every single country. FSRBs exist to act as the FATF's regional eyes and ears.
upvoted 1 times

Neeti32 2 years, 1 month ago
should be D
upvoted 1 times

Sorak 2 years, 9 months ago
Regional level word is the key.
upvoted 2 times

Sbl_89 2 years, 10 months ago
Financial Action Task Force (FATF)-style regional bodies play a crucial role in understanding money laundering and terrorist financing risks within their respective regions. They often conduct regional-level research and analysis, following standards and templates used for FATF typologies reports. This helps them gain insights into regional trends and methods related to money laundering and terrorist financing, allowing them to develop strategies and recommendations to address these risks effectively.
upvoted 3 times

MIA74 3 years, 6 months ago
Agreed D
upvoted 1 times

imperialchicken 3 years, 8 months ago

Starting with its own members, the FATF monitors countries' progress in implementing the FATF Recommendations; reviews money laundering and terrorist financing techniques and countermeasures; and promotes the adoption and implementation of the FATF Recommendations globally." FATF fulfills these objectives by focusing on several important tasks, including: • Spreading the AML message worldwide • Monitoring implementation of the FATF Recommendations among its members • Reviewing money laundering trends and countermeasures

upvoted 1 times

matovu 3 years, 9 months ago

I think the answer should be 'D' as per FATF recommendations.

upvoted 1 times

JDomar8128 3 years, 10 months ago

D, 100%, think "research"

upvoted 1 times

JDomar8128 3 years, 10 months ago

D is the correct answer per ACAMs study guide

upvoted 2 times

mfouziem 3 years, 11 months ago

D. Per CAMS practice exam August 2022

upvoted 4 times

ILYASOU 4 years ago

Should be D

upvoted 1 times

PCJA1980 4 years, 4 months ago

D is the correct answer per CAMS practice exam April 2022.

upvoted 5 times

bongacams 4 years, 5 months ago

Literally half the questions answers on here are wrong. This site it proving more of a hinderance than a help. The correct answer is D as per CAMS 6 practice exam

upvoted 4 times

KKY93 4 years, 5 months ago

Agree to the option D

upvoted 1 times

joanp22 4 years, 7 months ago

Answer is D as referenced https://www.fatf-gafi.org/media/fatf/documents/High-Level%20Principles%20and%20Objectives%20for%20FATF%20and%20FSRBs.pdf

upvoted 1 times

zoti 4 years, 6 months ago

I agree it should be D.

upvoted 1 times

Question #78 *Topic 1*

A bank's anti-money laundering section receives an anonymous tip that a customer might be engaging in possible money laundering.
Which two facts should be considered during the course of an investigation into this matter? (Choose two.)

A. The customer has had a long-standing account at the bank

B. The customer is on the exempt list for currency transaction reporting requirements

C. The customer is issuing a number of wires to several relatively high-risk jurisdictions

D. The customer's account has had a large volume of activity, but the month-end balance is usually low

Suggested Answer: *C, D*
Official Answer: CD

Community vote distribution
CD (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
Answer is C & D -
upvoted 13 times

1ed1b72 Most Recent 3 months ago
B. The customer is on the exempt list for currency transaction reporting (CTR): Being on a CTR exempt list (known as a "Phase I" or "Phase II" exemption in the US) is a status granted to heavily vetted, legitimate cash-intensive businesses (like a major supermarket chain) to reduce administrative burden. While an investigator should note this status, it is a pre-approved operational fact, not an inherently suspicious behavior like wiring money to a secrecy haven or operating a pass-through account.
upvoted 1 times

Preethisrajan 2 years ago
C D is correct
upvoted 2 times

Neeti32 2 years, 2 months ago
CD is the correct answer per CAMS practice exam JUNE 2024.
upvoted 2 times

1234_556 2 years, 4 months ago
s CDCDCDCDCD
upvoted 1 times

StellJerry 2 years, 10 months ago
Answer is C & D Certain Customers can be exempt from CTR
"https://bsaaml.ffiec.gov/manual/AssessingComplianceWithBSARegulatoryRequirements/06"
upvoted 2 times

Flowers666 2 years, 11 months ago
AC is the answer
upvoted 1 times

JDomar8128 3 years, 10 months ago
CD, is the correct answer per ACAMs study guide
upvoted 1 times

PCJA1980 4 years, 4 months ago
CD is the correct answer per CAMS practice exam April 2022.
upvoted 3 times

joanp22 4 years, 7 months ago
Answer C & D
upvoted 1 times

CozmicAsh 5 years, 8 months ago

I think it's B and C. D doesn't make sense

upvoted 4 times

MalBen 5 years, 1 month ago

Definitely C & D.

upvoted 4 times

CozmicAsh 5 years, 8 months ago

I think it's B and C. D doesn't make senseIt make sense because you are cleaning your account - which is concerning, co C and D make sense.

upvoted 4 times

viaoe34 5 years, 9 months ago

why not b and c ?

upvoted 4 times

Nimvael 5 years, 3 months ago

It make sense because you are cleaning your account - which is concerning, co C and D make sense.

upvoted 2 times

viaoe34 5 years, 9 months ago

why not b and c ?it is not B as it is on Banks end that he is on CTR reporting exempt list and not fault of customerYes, but maybe some employees of the bank itself are accomplices of the money laundering scheme ?But we can also think that this client is on the exempt list because customer operates a cash incentive business

upvoted 4 times

KamranShahzad 5 years, 8 months ago

it is not B as it is on Banks end that he is on CTR reporting exempt list and not fault of customer

upvoted 3 times

KamranShahzad 5 years, 8 months ago

it is not B as it is on Banks end that he is on CTR reporting exempt list and not fault of customerYes, but maybe some employees of the bank itself are accomplices of the money laundering scheme ?But we can also think that this client is on the exempt list because customer operates a cash incentive business

upvoted 3 times

Polcos 5 years ago

Yes, but maybe some employees of the bank itself are accomplices of the money laundering scheme ?

upvoted 1 times

Polcos 5 years ago

Yes, but maybe some employees of the bank itself are accomplices of the money laundering scheme ?But we can also think that this client is on the exempt list because customer operates a cash incentive business

upvoted 1 times

Polcos 5 years ago

But we can also think that this client is on the exempt list because customer operates a cash incentive business

upvoted 1 times

Tugga 5 years, 10 months ago

agreed

upvoted 2 times

AML_Investigator 5 years, 10 months ago

agreed

upvoted 2 times

Question #79 *Topic 1*

A bank employee reviews wire transactions looking for indications of wire stripping.
Which two actions should the employee take to complete appropriate bank procedures? (Choose two.)

A. Compare the wire transaction as it enters and after it leaves the bank

B. Check for suspicious phrases usually used to conceal originator or beneficiary identity

C. Identify large incoming wire transactions received on behalf of a foreign client with no explicit reason

D. Identify wire transaction activity to or from a financial institution located in a higher risk jurisdiction

Suggested Answer: *A, B*
Official Answer: AB

Community vote distribution
AB (81%) BC (19%)

RajAML Highly Voted 4 years, 10 months ago
Answer should be A and B. Both are related to wire-stripping or U-Turn payment
upvoted 39 times

RajAML Highly Voted 4 years, 10 months ago
Answer should be A and B. Both are related to wire-stripping or U-Turn paymentAgreed. C and D are both red flags, however the question is about the detection of wire stripping specifically. A and B are methods to detect the practice of wire stripping. A quick google of the definition of wire stripping will make this answer pretty obvious in my opinion.
upvoted 39 times

AlvinS77 3 years, 10 months ago
Agreed. C and D are both red flags, however the question is about the detection of wire stripping specifically. A and B are methods to detect the practice of wire stripping. A quick google of the definition of wire stripping will make this answer pretty obvious in my opinion.
upvoted 6 times

evann159 4 years, 9 months ago
thinking should be B, C 'https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/Wolfsberg%27s_CBDDQ_Glossary_220218_v1.0.pdf - page 14 Stripping of Payments / Wire Stripping Stripping is the deliberate act of changing or removing information from a payment or instruction, obscuring the identity of the payment originator/destination or to connect them to sanctioned parties, individuals or countries. Potential Concerns Customers seeking to evade sanctions may attempt to submit payments masking/removing prohibited names or jurisdictions. This may occur by the customer purposefully not supplying full details in payment transactions or by re-submitting transactions that were previously blocked/frozen or rejected with the sanctioned references eliminated or masked. Failure to develop controls to identify this behaviour can put both you and your Correspondent at risk of violations.
upvoted 20 times

1ed1b72 Most Recent 3 months ago
catching "wire stripping" requires an auditor to look at the mechanical data structure of a transaction, rather than just the money movement.
upvoted 1 times

96a3dc3 1 year, 2 months ago
VOTED A / B
upvoted 1 times

JoeJas 1 year, 11 months ago
As per CAMS Guide "Regulated firms should have robust controls, including independent quality control and assurance, in place to detect “stripping” (i.e., the deliberate removal of key payment-related information), a common sanctions evasion technique." This means that only A and B relate to stripping.
upvoted 5 times

AXYCL 2 years ago
complete ACAM materials page 329 for A & B; Employee frequently overrides internal controls or established approval authority or circumvents policy (e.g., removes the name of a high-risk person from a wire, known as wire stripping) - A; Employee facilitates transactions in which the identity of the ultimate beneficiary or counterparty is undisclosed - B

upvoted 1 times

AXYCL 2 years ago

Agree A & B ; ACAM page 329 Employee frequently overrides internal controls or established approval authority or circumvents policy (e.g., removes the name of a high-risk person from a wire, known as wire stripping).

upvoted 2 times

OMFG 2 years, 1 month ago

Ans should be A & B. C & D are red flags, not directly related to wire stripping

upvoted 1 times

study6660 2 years, 4 months ago

I think its AB

upvoted 1 times

Feswal 2 years, 5 months ago

Correct answer should be C and D. You need to identify the transactions/wires first (C and D) before you can take the investigative actions (A and B)

upvoted 1 times

imperialchicken 2 years, 8 months ago

Wire stripping An illegal practice of removing information from wire transfer messages so that the identity of potentially sanctioned countries, entities or individuals is hidden. Stripping could involve: a) a financial institution deleting information from the wire transfer message; b) inserting false information in the wire transfer message; or c) requesting that the transferring institution delete or falsify an incoming transfer message.

upvoted 1 times

JDomar8128 2 years, 10 months ago

AB, i have read this several times, and apply it to the question.

upvoted 2 times

JDomar8128 2 years, 11 months ago

I am going with AB. Research wire stripping, hiding the identity on a wire transfer

upvoted 3 times

Will_C 3 years, 2 months ago

A&B are altering the originator/beneficiary info.

upvoted 2 times

Vksh9 3 years, 3 months ago

Removing or changing the parties details

upvoted 3 times

Tam_3 3 years, 5 months ago

A and B

upvoted 2 times

hahahhe 3 years, 8 months ago

Selected Answer: BC

Possible Answer: B,C https://indiaforensic.com/certifications/wire-stripping-in-anti-money-laundering-parlance/

Why not A: key words did not match. Should compare previously submitted and rejected payments, instead of the wire transaction as it enters and after it leaves the bank Reference: "In order to detect potential wire-stripping activity, a Certified Anti Money Laundering Expert needs to focus on comparing previously submitted and rejected payments."

upvoted 3 times

joanp22 3 years, 7 months ago

A & B, first get an understanding of the term wire stripping- a deliberate act to remove information from the wire transfer doc to obscure or restrict the identity of the payment originator etc

upvoted 2 times

Question #80 *Topic 1*

Who has the ultimate responsibility within a bank for ensuring that the bank has a comprehensive and effective Bank Secrecy Act / anti-money laundering (BSA/ AML) program and oversight framework that is reasonably designed to ensure compliance with applicable regulations?

A. Senior management

B. Board of directors

C. Business line managers

D. BSA/AML compliance officer

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (100%)

Locustkeke90 Highly Voted 4 years, 6 months ago
real exam question form Jan 2022
upvoted 19 times

junwangchloe Highly Voted 4 years, 7 months ago
Answer is B

Board of Directors: ultimate responsibility and oversight Compliance Officer: managing all aspects of the AML/CFT compliance program.
upvoted 5 times

junwangchloe 4 years, 7 months ago
Answer is B Board of Directors: ultimate responsibility and oversight Compliance Officer: managing all aspects of the AML/CFT compliance program.P155 – CO - managing The Designation and Responsibilities of a Compliance Officer In most cases, the board of directors is responsible for appointing a qualified individual as an institution's AML/CFT Compliance Officer. This individual is responsible for ****managing all aspects of the AML/CFT compliance program. ****P107 – BOA - oversight Another key aspect is proper governance arrangements, which create a culture of compliance with a strong tone from the top. The board of directors has a critical ****oversight**** role; as the senior-most management of the bank, they should approve and oversee policies for risk, risk management and compliance.P165 – BOA - ultimate responsibility Establishing a Culture of Compliance Embedding a culture of compliance into the overall structure of a financial institution is critical to the development and ongoing administration of an effective AML/CFT program. Typically, the ****ultimate responsibility**** for the AML/CFT compliance program rests with the financial institution's ****board of directors****. The board and senior management must set the tone from the top by openly voicing their commitment to the AML/CFT program, ensuring that their commitment flows through all service areas and lines of business and holding responsible parties accountable for complianceBOD (Board of directors) instead of BOA
upvoted 5 times

junwangchloe 4 years, 7 months ago
P155 – CO - managing The Designation and Responsibilities of a Compliance Officer In most cases, the board of directors is responsible for appointing a qualified individual as an institution's AML/CFT Compliance Officer. This individual is responsible for ****managing all aspects of the AML/CFT compliance program. ****
upvoted 1 times

junwangchloe 4 years, 7 months ago
P107 – BOA - oversight Another key aspect is proper governance arrangements, which create a culture of compliance with a strong tone from the top. The board of directors has a critical ****oversight**** role; as the senior-most management of the bank, they should approve and oversee policies for risk, risk management and compliance.
upvoted 1 times

junwangchloe 4 years, 7 months ago
P165 – BOA - ultimate responsibility Establishing a Culture of Compliance Embedding a culture of compliance into the overall structure of a financial institution is critical to the development and ongoing administration of an effective AML/CFT program. Typically, the ****ultimate responsibility**** for the AML/CFT compliance program rests with the financial institution's ****board of directors****. The board and senior management must set

the tone from the top by openly voicing their commitment to the AML/CFT program, ensuring that their commitment flows through all service areas and lines of business and holding responsible parties accountable for compliance

upvoted 2 times

junwangchloe 4 years, 7 months ago

P165 – BOA - ultimate responsibility Establishing a Culture of Compliance Embedding a culture of compliance into the overall structure of a financial institution is critical to the development and ongoing administration of an effective AML/CFT program. Typically, the ****ultimate responsibility**** for the AML/CFT compliance program rests with the financial institution's ****board of directors****. The board and senior management must set the tone from the top by openly voicing their commitment to the AML/CFT program, ensuring that their commitment flows through all service areas and lines of business and holding responsible parties accountable for complianceBOD (Board of directors) instead of BOA

upvoted 2 times

junwangchloe 4 years, 7 months ago

BOD (Board of directors) instead of BOA

upvoted 1 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED B

upvoted 1 times

Neeti32 2 years, 1 month ago

100% its B

upvoted 2 times

mhandoo 2 years, 4 months ago

Answer is B

upvoted 1 times

JDomar8128 3 years, 10 months ago

B, is the correct answer per ACAMs study guide

upvoted 4 times

joanp22 4 years, 7 months ago

Answer is B - Board of Directors

upvoted 2 times

chekaz 4 years, 8 months ago

Answer should be D. See pg. 157 - Compliance Officer Accountability.

upvoted 1 times

Kingor123 4 years, 11 months ago

Ans is B

upvoted 2 times

MalBen 5 years, 1 month ago

Given answer is correct (B) - pg 165 of v6.32

upvoted 3 times

Alaa84 5 years, 5 months ago

reference is page 165 of the v6 study guide (culture of compliance)

upvoted 2 times

Question #81 *Topic 1*

A compliance officer provides an overview of the bank's anti-money laundering program to a group of new tellers during employee orientation.
Which training element should be delivered to this audience?

A. Results of recent risk assessments

B. Large cash transaction reporting procedures

C. The financial institution's surprise cash audit policy

D. Past check fraud losses incurred by the financial institution

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (75%) A (25%)

Writingsoon_2021 Highly Voted 4 years, 3 months ago
Answer is B
upvoted 16 times

SiewWai 3 years, 7 months ago
My opinion is A as it covers the recent trends of the ML, tellers are not just need to focus on LRT, how about structuring?Result of recent risk assessment to the new joiners ? i dont think so. B should be the correct answerprovides an OVERVIEW of the bank's anti-money laundering program. "Large cash transaction reporting procedures" is anything but a topic should be covered by an "'Overview" course. Anyways, the question is a dumb question. Because once they play with semantics, so you become obsessed with it, then they follow just common sense.
upvoted 5 times

SiewWai 3 years, 7 months ago
My opinion is A as it covers the recent trends of the ML, tellers are not just need to focus on LRT, how about structuring?
upvoted 5 times

ram_88 Highly Voted 3 years, 2 months ago
Result of recent risk assessment to the new joiners ? i dont think so. B should be the correct answerprovides an OVERVIEW of the bank's anti-money laundering program. "Large cash transaction reporting procedures" is anything but a topic should be covered by an "'Overview" course. Anyways, the question is a dumb question. Because once they play with semantics, so you become obsessed with it, then they follow just common sense.
upvoted 7 times

ram_88 3 years, 2 months ago
Result of recent risk assessment to the new joiners ? i dont think so. B should be the correct answer
upvoted 7 times

imperialchicken 2 years, 8 months ago
provides an OVERVIEW of the bank's anti-money laundering program. "Large cash transaction reporting procedures" is anything but a topic should be covered by an "'Overview" course. Anyways, the question is a dumb question. Because once they play with semantics, so you become obsessed with it, then they follow just common sense.
upvoted 3 times

Whatacell Most Recent 1 year, 9 months ago
The correct answer is B. Tellers are likely the only ones involved with cash; hence, cash transaction reporting procedures are necessary for them.
upvoted 1 times

AXYCL 2 years ago
Base on study guide pg 281 From 2009 to 2014, the bank's implementation of AML training was inadequate and not tailored to the needs of specific positions, departments, board members, or other personnel. For example, in 2009, senior bank officials took a basic AML course specifically designed for bank tellers, which was not appropriate, considering their functional responsibilities. So what is teller's function?? Pg 356. An investigation is initiated after a branch teller identifies a new customer who conducted large cash deposits at three different branches on consecutive days just below the statutory cash-reporting threshold. Therefore, my answer is B
upvoted 1 times

gymgirl19 2 years, 4 months ago

Likely B. LCTR training is tailored to the audiences (newly-onboarded tellers)

upvoted 1 times

JMax13 2 years, 5 months ago

Answer is B

upvoted 1 times

ilkergoker 3 years, 2 months ago

Appropriate training tailored to the individual's specific roles.So new teller should have a training on cash reporting which is in line with his role in the bank.

upvoted 2 times

junwangchloe 3 years, 7 months ago

B

P159-160 WHAT TO TRAIN ON The next factor in designing an effective AML/CFT training program is identifying the topics to be taught. This will vary according to the institution and the specific products or services it offers. Several basic matters should be factored into AML/CFT training.

• Review of the internal AML/CFT and sanctions risk assessments

upvoted 1 times

junwangchloe 3 years, 7 months ago

B P159-160 WHAT TO TRAIN ON The next factor in designing an effective AML/CFT training program is identifying the topics to be taught. This will vary according to the institution and the specific products or services it offers. Several basic matters should be factored into AML/CFT training. • Review of the internal AML/CFT and sanctions risk assessments• Suspicious transaction monitoring and reporting requirements • Currency transaction reporting requirementsB is a little bit tricky. It says procedures instead of requirements. Is it still correct? Anyone think A might be correct? If it is wrong, why?

upvoted 1 times

junwangchloe 3 years, 7 months ago

• Suspicious transaction monitoring and reporting requirements • Currency transaction reporting requirements

upvoted 2 times

junwangchloe 3 years, 7 months ago

• Suspicious transaction monitoring and reporting requirements • Currency transaction reporting requirementsB is a little bit tricky. It says procedures instead of requirements. Is it still correct? Anyone think A might be correct? If it is wrong, why?

upvoted 2 times

junwangchloe 3 years, 7 months ago

B is a little bit tricky. It says procedures instead of requirements. Is it still correct? Anyone think A might be correct? If it is wrong, why?

upvoted 2 times

Trinka5 4 years, 4 months ago

As the compliance officer is providing overview of the "bank's anti-money laundering program to a group of new tellers during employee orientation", the answer is B. Large cash transaction reporting procedures should be delivered to this audience in view of the materiality of such large cash transactions. Answer is B - correct

upvoted 2 times

Question #82 *Topic 1*

Which red flag indicates high potential for money laundering in a real estate purchase?

A. The purchaser is a nominee

B. The purchaser had a previous bankruptcy

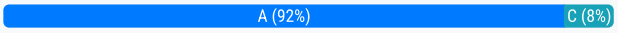
C. The purchaser owns a cash intensive business

D. The purchaser is not a resident where the property is located

Suggested Answer: *A*

Official Answer: A

Community vote distribution



RajAML Highly Voted 5 years, 4 months ago

A is answerReference FATF - MLTF through the real-estate sector https://www.fatf-gafi.org/media/fatf/documents/reports/ML%20and%20TF%20through%20the%20Real%20Estate%20Sector.pdf P35 Red Flag Natural and legal persons • Transactions in which there are signs, or it is certain, that the parties are not acting on their own behalf and are trying to hide the identity of the real customer.

upvoted 22 times

RajAML Highly Voted 5 years, 4 months ago

A is answer

upvoted 22 times

junwangchloe 4 years, 1 month ago

Reference FATF - MLTF through the real-estate sector https://www.fatf-gafi.org/media/fatf/documents/reports/ML%20and%20TF%20through%20the%20Real%20Estate%20Sector.pdf P35 Red Flag Natural and legal persons • Transactions in which there are signs, or it is certain, that the parties are not acting on their own behalf and are trying to hide the identity of the real customer.

upvoted 9 times

Polcos 4 years, 6 months ago

It's A to me. Can't be C because this answer didn't said that the customer was buying with cash (only that he owns a cash intensive business).

upvoted 10 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED A

upvoted 1 times

Jp994 1 year, 8 months ago

Its Option A, that sounds and looks the most appealing for a Red Flag. Maybe it can be option C, but given the context of the answer, it doesnt add much to the question. Therefor, Optoion A is the better choice

upvoted 1 times

Sorak 2 years, 3 months ago

Nominees are the cheeky guys.

upvoted 3 times

Sbl_89 2 years, 4 months ago

The use of a nominee is a more specific and direct indication of attempts to hide the true beneficial owner of the property or the source of funds, which aligns more closely with typical money laundering tactics. While non-resident purchasers can raise concerns, they may have legitimate reasons for buying property in a different location, such as investment or vacation homes. Therefore, while option D is a red flag, option A is often considered a stronger indicator of potential money laundering in real estate transactions.

upvoted 3 times

DQD001 2 years, 5 months ago

Should be A in this case.

upvoted 1 times

Elcucy 3 years ago

answer is A 100%

upvoted 1 times

MIA74 3 years ago

Agreed A

upvoted 1 times

ErickMB 3 years, 1 month ago

Response A The Canadian report identifies the following money laundering techniques used in conjunction with criminally controlled companies: • Using nominees as owners or directors: To distance a company from its criminal connections, nominees are used as company owners, officers, and directors. Nominees will often, but not always, have no criminal record. Further, companies established by lawyers are often registered in the lawyers' names.

upvoted 2 times

gogocurry 3 years, 3 months ago

A is the answer

upvoted 1 times

JDomar8128 3 years, 4 months ago

A 100%, look at the story of UK lawyer Ross McKay in the ACAMS study guide

upvoted 2 times

Auscirce 3 years, 4 months ago

FATF RBA Real Estate para 41 - nominees

upvoted 2 times

MaazACAMS 3 years, 5 months ago

Not A - because any purchaser is a default nominee as well.

upvoted 1 times

KamranShahzad 3 years, 6 months ago

The correct answer is A

upvoted 1 times

V2222 3 years, 6 months ago

AGree with C

upvoted 2 times

Vksh9 3 years, 9 months ago

cash intensive business is a potential but purchased through nominee is high potential.

upvoted 2 times

Question #83 *Topic 1*

A compliance officer at a small community bank has been asked to review existing customer onboarding policies and procedures to ensure they adequately address anti-money laundering risks.
How should customer due diligence be implemented?

A. With an annual compliance review and approval of customers

B. With a one-time event conducted at initial customer onboarding

C. As an ongoing activity that may vary commensurate with the risk profile of the customer

D. As applicable to customers that pose higher money laundering or terrorist financing risk

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

Prince240in Highly Voted 5 years, 2 months ago
Correct answer C
upvoted 9 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago
C is the answer
upvoted 5 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED C
upvoted 1 times

Neeti32 2 years, 2 months ago
C is the correct answer per CAMS practice exam 2024
upvoted 1 times

Whatacell 2 years, 10 months ago
The correct answer is C. A risk-based approach is to be adopted for AML-related monitoring.
upvoted 1 times

JDomar8128 3 years, 10 months ago
C is the correct answer per CAMS practice exam October 2022
upvoted 3 times

JDomar8128 3 years, 10 months ago
C, is the correct answer per ACAMs study guide
upvoted 1 times

PCJA1980 4 years, 4 months ago
C is the correct answer per CAMS practice exam April 2022.
upvoted 2 times

joanp22 4 years, 7 months ago
I choose C.
upvoted 1 times

Question #84 *Topic 1*

A bank compliance officer discovers cash deposit activity inconsistent with the expected and historical cash activity within the personal accounts of the chairman of the board. The cash activity appears structured to avoid the local legal filing requirements for large cash transactions, and a suspicious transaction report (STR) was
filed.
How should the compliance officer report the filing of the STR to the board of directors without revealing the existence of the filing to the subject?

A. Inform the legal counsel of the bank

B. Follow the financial institution's established STR reporting policy

C. Notify the financial institution's regulator to disclose the activity

D. The compliance officer and the chief executive officer should jointly interview the chairman

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (62%) A (38%)

AML_Investigator Highly Voted 5 years, 10 months ago
I believe the given answer is correct AAgree A is the right answer.This is a conflict-of-interest issue. Company's interest vs chairman's interest. The Compliance officer should inform the legal counsel who represents the best interest of the bank, at the same time avoid tipping off to the chairman. Once the chairman is aware of the situation, through regular channels (not tipping off), he or she should retain a separate counsel to represent his or her best interest. Study guide: P219 ATTORNEY-CLIENT PRIVILEGE APPLIED TO ENTITIES AND INDIVIDUALS In an internal investigation, all parties should be aware that attorneys for the organization represent the entity and not its employees. Counsel should understand these issues and should conduct the internal investigation accordingly. Work product and communications may be protected under attorney-client privilege. There may be major consequences if the interests of an entity and its employees diverge or conflict, or if an employee could implicate the employer or vice versa. In such cases, separate counsel may be required.
upvoted 31 times

AML_Investigator Highly Voted 5 years, 10 months ago
I believe the given answer is correct A
upvoted 31 times

junwangchloe 4 years, 7 months ago
Agree A is the right answer.
upvoted 2 times

junwangchloe 4 years, 7 months ago
This is a conflict-of-interest issue. Company's interest vs chairman's interest. The Compliance officer should inform the legal counsel who represents the best interest of the bank, at the same time avoid tipping off to the chairman. Once the chairman is aware of the situation, through regular channels (not tipping off), he or she should retain a separate counsel to represent his or her best interest. Study guide: P219 ATTORNEY-CLIENT PRIVILEGE APPLIED TO ENTITIES AND INDIVIDUALS In an internal investigation, all parties should be aware that attorneys for the organization represent the entity and not its employees. Counsel should understand these issues and should conduct the internal investigation accordingly. Work product and communications may be protected under attorney-client privilege. There may be major consequences if the interests of an entity and its employees diverge or conflict, or if an employee could implicate the employer or vice versa. In such cases, separate counsel may be required.
upvoted 7 times

Canadianlala 5 years, 5 months ago
B is the answer. Page 213. STR FILING OVERSIGHT/ESCALATION [An institution should have robust policies and procedures documenting the appropriate oversight of the investigations process and regulatory reporting requirements.] This should include specific actions to be taken, such as escalation to senior management in cases where a customer-facing employee or individual in the AML/CFT chain of command is complicit or willfully blind to suspicious financial activities.
upvoted 19 times

Tee04 Most Recent 2 years ago

B. Follow the financial institution's established STR reporting policy The compliance officer should adhere to the bank's established STR reporting policy, which would include the appropriate protocol for reporting such activities to the board of directors. This ensures that the compliance officer acts in accordance with internal procedures and regulatory requirements without directly revealing the existence of the STR to the subject

upvoted 2 times

Whatacell 2 years, 10 months ago

The correct answer is B. The question deals with reporting STR to BOD, which should be done per documented procedures and not via legal counsel, as they represent the entity.

upvoted 1 times

wiljul 2 years, 11 months ago

Answer should be B

upvoted 1 times

wawaiwai 2 years, 11 months ago

B. Follow the financial institution's established STR reporting policy. When a Suspicious Transaction Report (STR) is filed, it's essential to follow the institution's established policies and procedures. This ensures that the information is handled appropriately and confidentially. Informing the legal counsel or notifying the regulator might be part of the policy, but the first step should always be to follow the established policy. Jointly interviewing the chairman without following the proper channels could lead to potential conflicts and breaches of confidentiality.

upvoted 1 times

Dilara89 3 years, 3 months ago

I chose A over B because what if the entity's reporting policy includes reporting the matter to the Chairman and the board. We dont know what the reporting policy includes, so A makes sense the most.

upvoted 3 times

TIGER7521 3 years, 3 months ago

Answer should be A due to the ranking of the individual in question.

upvoted 1 times

gymgirl19 3 years, 4 months ago

i goes with B. A reporting of STRs to BoD is usually at an aggregated level and would likely not constitute "tip off" the Chairman. The documented procedure should always be followed.

upvoted 2 times

imperialchicken 3 years, 8 months ago

Selected Answer: A

In an internal investigation, all parties should be aware that ATTORNEYS FOR THE ORGANIZATION REPRESENT THE ENTITY AND NOT ITS EMPLOYEES. Counsel should understand these issues and conduct the internal investigation accordingly. There can be serious consequences when the interests of an entity and its employees diverge or conflict, and when an employee implicates the EMPLOYER, OR VICE VERSA. In such cases, SEPARATE COUNSEL COULD BE REQUIRED.

So the answer is A.

The Problem with this question is what if internal policies require different kind of action i.e. reporting the case directly to the regulator? What if the internal counsel who sits in the board is also close associate of the CEO?

If you design such a question, options like B should not be included in the answers....

upvoted 2 times

imperialchicken 3 years, 8 months ago

In an internal investigation, all parties should be aware that ATTORNEYS FOR THE ORGANIZATION REPRESENT THE ENTITY AND NOT ITS EMPLOYEES. Counsel should understand these issues and conduct the internal investigation accordingly. There can be serious consequences when the interests of an entity and its employees diverge or conflict, and when an employee implicates the EMPLOYER, OR VICE VERSA. In such cases, SEPARATE COUNSEL COULD BE REQUIRED. So the answer is A. The Problem with this question is what if internal policies require different kind of action i.e. reporting the case directly to the regulator? What if the internal counsel who sits in the board is also close associate of the CEO? If you design such a question, options like B should not be included in the answers....If the party involved in the case is expected to cause problems in the company's reputation, you should consult a lawyer

upvoted 2 times

maybe_717 3 years, 8 months ago

If the party involved in the case is expected to cause problems in the company's reputation, you should consult a lawyer

upvoted 1 times

JDomar8128 3 years, 10 months ago

A 100% in ACAMS guide

upvoted 2 times

Matilda2022 4 years, 1 month ago

Respuesta correcta es la B. En el apartado de ESCALAMIENTO Y SUPERVISION DE UN STR: Una institución debe tener políticas y procedimientos robustos para documentar con idoneidad el proceso de investigación y los requisitos de Presentación de Informes. Se debería incluir medidas especificas que se deben adoptar, en casos que un empleado de atención al cliente o una persona de la cadena de mando de ALD/CFT sea complice de actividades financieras sospechosas o muestre ceguera voluntaria. La respuesta A, podría hacer referencia al apartado de PRIVILEGIO ABOGADO CLIENTE APLICADO A ENTIDADES Y PARTICULARES, donde se especifica la contratación de un abogado DISTINTO al de la entidad si los intereses y los de sus empleados difieren o entran en conflicto o si un empleado podría implicar al empleador o viceversa. Se especifica ABOGADO DISTINTO DEL DE LA ORGANIZACION. En la pregunta del menciona al abogado jurídico del BANCO.

upvoted 4 times

Cj1995 4 years, 5 months ago

I understand the procedures aspect, but if you inform the BOD, then you are clearing tipping the chairman off, but telling him a suspicious activity report was filed. I mean we are not supposed to do that, so legally you need to speak to a professional on the legality of the matter.

upvoted 1 times

BrandonSun 4 years, 11 months ago

Agree with A. Notify regulator doesn't do anything and other options would be tipping off. A is most reasonable.

upvoted 2 times

Hany_86 4 years, 11 months ago

If the compliance officer follows the STR procedures, he will tipping off, so the chairman will take care while conducting the investigation with him later on by the Enforcement authority. So i believe A is correct.

upvoted 1 times

Tonymuaythai 4 years, 11 months ago

B is correct. The compliance officer must follow the normal P&P's of the Institution. Where in the procedures we a compliance officer ever notify legal of suspicious activity?

upvoted 5 times

Kingor123 4 years, 11 months ago

B is the ans

upvoted 4 times

Question #85 *Topic 1*

Under which two circumstances may law enforcement be given access to a financial institution customer's financial records? (Choose two.)

A. If the person is named in a suspicious transaction report

B. If law enforcement serves a legal summons or subpoena

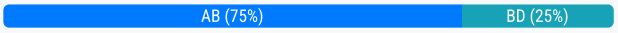
C. If the investigation of a customer is made public in the media

D. If law enforcement has circumstantial evidence to suspect money laundering

Suggested Answer: *A, B*

Official Answer: AB

Community vote distribution



Usmon Highly Voted 5 years, 8 months ago

Having mere suspicious on a person does not grant Law enforcement officers access to client information. Thus D is wrong. I think A is rather close to the right answer. If there is filed STR on that client, law enforcement officers can request more information on client's account activity. Also B is right. AB

upvoted 50 times

Usmon Highly Voted 5 years, 8 months ago

Having mere suspicious on a person does not grant Law enforcement officers access to client information. Thus D is wrong. I think A is rather close to the right answer. If there is filed STR on that client, law enforcement officers can request more information on client's account activity. Also B is right. ABA doesn't say STR was filed. It merely says that the person is named in an STR. A FI could decide not to file an STR. If a person is merely named in an STR which was not filed, maybe the evidence is not strong enough for investigation? P212 STR Decision-Making Process The decision of whether or not to file a suspicious transaction report (also known as a suspicious activity report or SAR in the United States) often involves …… The final decision should be documented and supported by the reasoning that was used to make the determination. Oftentimes, the reason not to file an STR maintains a similar level of importance as the reason to file an STR.It is on CAMS practice exam. AB

upvoted 50 times

junwangchloe 4 years, 7 months ago

A doesn't say STR was filed. It merely says that the person is named in an STR. A FI could decide not to file an STR. If a person is merely named in an STR which was not filed, maybe the evidence is not strong enough for investigation? P212 STR Decision-Making Process The decision of whether or not to file a suspicious transaction report (also known as a suspicious activity report or SAR in the United States) often involves …… The final decision should be documented and supported by the reasoning that was used to make the determination. Oftentimes, the reason not to file an STR maintains a similar level of importance as the reason to file an STR.

upvoted 1 times

YuShaw 3 years, 11 months ago

It is on CAMS practice exam. AB

upvoted 6 times

Polcos 5 years ago

I think B and D are correct. B there is no discussion. For D, as circumstantial evidence are one of the source to establish probable cause (and then obtain from a judge a search warrant, …), I think it can be the second answer to that question. There is a possibility to obtain these personal documents by the law enforcement officer if they have circumstantial evidences. We can also note that circumstantial evidences can also be evidences from a SAR. But in the other hand, a SAR are not always pertinent and can't be used anytime by law enforcement to ask for some private documents.

upvoted 12 times

Polcos 5 years ago

I think B and D are correct. B there is no discussion. For D, as circumstantial evidence are one of the source to establish probable cause (and then obtain from a judge a search warrant, …), I think it can be the second answer to that question. There is a possibility to obtain these personal documents by the law enforcement officer if they have circumstantial evidences. We can also note that circumstantial evidences can also be evidences from a SAR. But in the other hand, a SAR are not always pertinent and can't be used anytime by law enforcement to ask for some private documents.You have a point however financial documents used to support a SAR may be used as evidence. Meaning that the filing of a SAR

technically gives access to the customer's financial records. Albeit limited, but access nonetheless. Also circumstantial evidence is not mentioned in our study guide.Now I am more inclined to AB because when a bank issue a SAR they must comply to additional documentation request by LE.
upvoted 12 times

AlvinS77 4 years, 10 months ago
You have a point however financial documents used to support a SAR may be used as evidence. Meaning that the filing of a SAR technically gives access to the customer's financial records. Albeit limited, but access nonetheless. Also circumstantial evidence is not mentioned in our study guide.
upvoted 1 times

Polcos 5 years ago
Now I am more inclined to AB because when a bank issue a SAR they must comply to additional documentation request by LE.
upvoted 1 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED FOR A/ B
upvoted 1 times

Neeti32 2 years, 1 month ago
A,B are correct
upvoted 1 times

EllabellaD 2 years, 9 months ago
A and B as per the practice exam 2023
upvoted 4 times

Whatacell 2 years, 10 months ago
The correct answers are A and D. The option D is only valid when a warrant is issued and not purely on circumstantial evidence.
upvoted 1 times

JoseGeronimo 3 years, 3 months ago
B Y D CORRECTAS. Debemos entender los mandatos, indica fuerza del orden publico, no una inidad de inteligencia financiera, Las FIU son agencias nacionales que tienen por mandato gestionar la inteligencia financiera, no son fuerzas del orden. Las fuerza del orden no recben STR.
upvoted 1 times

MIA74 3 years, 6 months ago
Agreed AB
upvoted 1 times

TARAWA 3 years, 8 months ago
The answer is A & B. The reason C is not correct is that the any law enforcement authority must take the circumstantial evidence of money laundering to a judge for assessment (in the form of an application). If the judge is satisfied with the contents and beileves that evidence of money laudering may be found in the customers finanacial records, a legal summons or subpoena is issued to enable law enforcement to obtain these records to support the circumstantial evidence and gather further evidence of money laundering. If law enforcement could request this information based on circumstanital evidence there woud be no requirement for a legal summons or subpoena.
upvoted 1 times

JDomar8128 3 years, 10 months ago
AB 100%
upvoted 1 times

JDomar8128 3 years, 10 months ago
AB, is the correct answer per ACAMs study guide
upvoted 2 times

Echww 3 years, 11 months ago
A, B as per practice exam answer on ACAMS-CAMS6-EN-G-Study Guide-v6.45
upvoted 2 times

Ira1 4 years ago
AB per ACAMS practice exams with correct answers.
upvoted 1 times

passitapril 4 years, 3 months ago
ACAMS online practice, B & D are correct senction IV, number 17 question. the answer is B and D
upvoted 3 times

PCJA1980 4 years, 4 months ago
AB is the correct answer per CAMS practice exam April 2022.
upvoted 7 times

Welee 4 years, 5 months ago

According to Acams page 6 of 6 practice exam, the correct answer is AB

upvoted 3 times

BeckyFA 4 years, 5 months ago

Real exam question March 2022.

upvoted 4 times

Question #86 *Topic 1*

Findings from a regulatory examination report states that the job descriptions of personnel outside of the compliance department do not include references to anti-money laundering responsibilities.
Which action should the firm take?

A. Update all job descriptions to include anti-money laundering responsibilities

B. Respond that only compliance personnel have anti-money laundering responsibilities

C. Send an email to all staff stating that personnel must observe the anti-money laundering policy

D. Reply that a description of anti-money laundering responsibilities is included in the annual training

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (63%) D (37%)

Cos08 Highly Voted 5 years, 10 months ago
A is the correct answer: incorporate into all job descriptions and performance review processes the requirement to comply at all times with anti-money laundering policies and procedures. Noncompliance with these should be dealt with in accordance with existing disciplinary processes;
upvoted 43 times

Adhwa Highly Voted 5 years, 3 months ago
D is the right answer. In response to the findings, the firm should explain what other mitigating factors that could substitute the absence of the responsibilities clause in the JD. And hence D is the appropriate response to be made.
upvoted 10 times

0f9692f Most Recent 1 year ago
For me, the inclusion of the word "annual" jumped out as a problem for D. If it was new employee training or orientation training, it'd be a better answer.
upvoted 1 times

96a3dc3 1 year, 2 months ago
VOTED A
upvoted 1 times

Preethisrajan 2 years ago
agree with D
upvoted 2 times

Neeti32 2 years, 1 month ago
D is correct as per the study guide V.6.49 "Establish training requirements and standards to ensure that employers are made aware of and have a working understanding of the procedures to be followed and their relevance to mitigating AML/CFT risks in their departments or areas of responsibilities." the expectation is for employees to have understanding of reporting process of AML.
upvoted 2 times

Horvat93 2 years, 4 months ago
It's A, D would be the right answer if the finding was preliminary prior to becoming final because the examiners would be questioning if other staff are aware of AML responsibilities eventhough not mentioned in JD.
upvoted 1 times

Cmed 2 years, 9 months ago
Correct answer is A per the study guide version 6.47, page 261: "Although these controls are typically applied by the first line of defense (i.e., the employees who are responsible for onboarding customers), every employee throughout a financial organization, at all levels of the organization, must contribute to the creation, maintenance, and overall success of the AML/CFT program."
upvoted 2 times

Whatacell 2 years, 10 months ago
Selected Answer: A
The correct answer is A. It's a textbook question; refer to pg 261 (v6.48).

upvoted 3 times

Whatacell 2 years, 10 months ago

The correct answer is A. It's a textbook question; refer to pg 261 (v6.48).Page 264 version 6.5 AML Policies, procedures and controls

upvoted 3 times

totopopo84 1 year, 3 months ago

Page 264 version 6.5 AML Policies, procedures and controls

upvoted 1 times

Sbl_89 2 years, 10 months ago

In response to findings from a regulatory examination report that job descriptions of personnel outside of the compliance department do not include references to anti-money laundering responsibilities, the firm should take action to rectify this gap. It is essential to ensure that all employees are aware of their anti-money laundering responsibilities, as AML compliance is a shared responsibility across various roles within a financial institution. Updating job descriptions to include anti-money laundering responsibilities is a proactive way to communicate these expectations to personnel and ensure that compliance measures are integrated into their roles and responsibilities. This helps create a culture of AML compliance throughout the organization and aligns with regulatory requirements.

upvoted 3 times

Dilara89 3 years, 3 months ago

(A) does not make sense at all, and I don't understand why people may consider it as the correct answer. Because not all job descriptions need to include anti-money laundering responsibilities. Plus, the question didn't mention the type of the organization it is examining. If it's a bank or a regulated entity for example, I might think A as a possible option. (D) is the correct answer imo, because training related to anti-money laundering responsibilities is more important than just including these responsibilities in the job description. Without training, how are people going to understand the responsibilities and the importance of it.

upvoted 3 times

CiaranDallas 3 years, 3 months ago

D is the answer on the official ACAMs practice test.

upvoted 4 times

study6660 3 years, 4 months ago

A is the correct answer

upvoted 1 times

gogocurry 3 years, 9 months ago

Answer A. AML compliance as condition of employment

upvoted 1 times

JW2022 3 years, 10 months ago

D. Page 261 of study guide: "Establish training requirements and standards to ensure that employers are made aware of and have a working understanding of the procedures to be followed and their relevance to mitigating AML/CFT risks in their departments or areas of responsibilities." - personnel outside of compliance dept

upvoted 1 times

JDomar8128 3 years, 10 months ago

A 100%

upvoted 1 times

Vidi19 3 years, 10 months ago

Incorporate into all job descriptions and performance review processes the requirement to comply at all times with AML policies and procedures. Certified Anti-Money Laundering Specialist. Noncompliance should be addressed in accordance with existing disciplinary processes.

upvoted 3 times

Question #87 *Topic 1*

What must be materially true regarding transactions for United States (U.S.) sanctions laws to have jurisdiction?

A. Transactions are traced to illegal proceeds

B. Transactions are processed by a U.S. person

C. Transactions are stripped of beneficial owner information

D. Transactions are identified as proceeds of foreign corruption

Suggested Answer: *B*

Official Answer: B

Community vote distribution

B (100%)

Tugga Highly Voted 4 years, 3 months ago

B is correct.

upvoted 16 times

Ozii07 Highly Voted 4 years, 2 months ago

B is correct. "Who must comply with OFAC regulations?U.S. persons must comply with OFAC regulations, including all U.S. citizens and permanent resident aliens regardless of where they are located, all persons and entities within the United States, all U.S. incorporated entities and their foreign branches. In the cases of certain programs, foreign subsidiaries owned or controlled by U.S. companies also must comply. Certain programs also require foreign persons in possession of U.S.-origin goods. please refer to: https://home.treasury.gov/policy-issues/financial-sanctions/frequently-asked-questions/ofac-consolidated-frequently-asked-questions

upvoted 7 times

60c66d2 Most Recent 1 year, 1 month ago

B is correct

upvoted 1 times

96a3dc3 1 year, 2 months ago

VOTED B

upvoted 1 times

LocaLola 2 years ago

all U.S. citizens and permanent resident aliens, regardless of where they are located, must comply with OFAC regs

upvoted 1 times

JDomar8128 2 years, 4 months ago

The correct answer for the exam is B, even though i think it should be A (pick B for the exam)

upvoted 2 times

hahahhe 3 years, 2 months ago

B is correct. CAMS Page 137: "All U.S. people must comply with OFAC regulations, including: all U.S. citizens and permanent resident aliens, regardless of where they are located; all people and entities within the United States and all U.S.-incorporated entities and their foreign branches. "

upvoted 3 times

gtogay 3 years, 5 months ago

What about A

upvoted 2 times

Joannali 4 years, 2 months ago

https://www.williamsmullen.com/news/us-sanctions-laws-dangers-ahead-foreign-companies Application Of U.S. Sanctions Laws To Non-U.S. Parties. The U.S. sanctions typically apply to “U.S. persons.”

upvoted 2 times

Jolei 4 years, 3 months ago

Its D - CAMS Page 177 - Sanctions measures, under Article 41, encompass a broad range of enforcement options that do not involve the use of armed force. Security Council sanctions have taken a number of different forms in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans and financial or commodity

restrictions. The Security Council has applied sanctions to support peaceful transitions, deter nonconstitutional changes, constrain terrorism, protect human rights and promote nonproliferation.

upvoted 1 times

Jolei 4 years, 3 months ago

Its D - CAMS Page 177 - Sanctions measures, under Article 41, encompass a broad range of enforcement options that do not involve the use of armed force. Security Council sanctions have taken a number of different forms in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans and financial or commodity restrictions. The Security Council has applied sanctions to support peaceful transitions, deter nonconstitutional changes, constrain terrorism, protect human rights and promote nonproliferation.But they said US here specifically means B is correct any more explanation?

upvoted 1 times

Salmabariq 4 years, 3 months ago

But they said US here specifically means B is correct any more explanation?

upvoted 1 times

deepavinod 4 years, 3 months ago

think B is wrong, as foreign branches of entities, incorporated in US is part of sanctions.D seems to be the closest catch

upvoted 3 times

Question #88 *Topic 1*

How does the Financial Action Task Force (FATF) communicate its findings regarding jurisdictions with strategic anti-money laundering / Counter Financing of Terrorism deficiencies?

A. By issuing documentation to the private sector

B. By issuing two formal documents three times per year

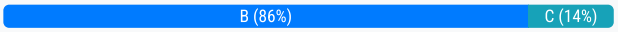
C. By issuing informal communication to FATF members

D. By issuing four formal documents to the deficient jurisdictions

Suggested Answer: *B*

Official Answer: B

Community vote distribution



Majid2094 Highly Voted 5 years, 11 months ago

The correct answer is B. P/100 CAMS Study guide v6.31

upvoted 33 times

Majid2094 Highly Voted 5 years, 11 months ago

The correct answer is B. P/100 CAMS Study guide v6.31Agreed

upvoted 33 times

Ghazi 5 years, 10 months ago

Agreed

upvoted 5 times

Writingsoon_2021 5 years, 3 months ago

"The FATF identifies jurisdictions with weak measures to combat money laundering and terrorist financing (AML/CFT) in two FATF public documents that are issued three times a year. The FATF's process to publicly list countries with weak AML/CFT regimes has proved effective (click here for more information about this process). " Correct answer is B ...

upvoted 8 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED B - 02 DOCUMENTS 03 TIMES PER YR

upvoted 1 times

zero0robot 1 year, 4 months ago

I m so confused, becuz in 2025 acams test answer is C, can anyone tell me y?

upvoted 1 times

Neeti32 2 years, 2 months ago

Answer is B as per ACAMS practice test 2024.

upvoted 2 times

LovetteBDA 2 years, 9 months ago

The FATF publication website publishes documents on high-risk jurisdictions in Feb/Mar, June & October. https://www.fatf-gafi.org/en/publications.html

upvoted 1 times

Whatacell 2 years, 10 months ago

The correct answer is B. It's a textbook question; refer to pg 170 (v6.48).

upvoted 1 times

Dilara89 3 years, 3 months ago

B is the correct answer

upvoted 1 times

JDomar8128 3 years, 10 months ago

B 100%

upvoted 2 times

PCJA1980 4 years, 4 months ago

B is the correct answer per CAMS practice exam April 2022.

upvoted 4 times

Tam_3 4 years, 5 months ago

Answer is B. Came up on the ACAMS practice test.

upvoted 3 times

MalBen 5 years, 1 month ago

Pg 100 of v6.32 - correct answer is B

upvoted 2 times

mdshr 5 years, 1 month ago

B is correct

upvoted 2 times

Lenny77 5 years, 2 months ago

The answer is on pg 100 in CAMS This new FATF process was in response to the G-20 countries' efforts to publicly identify high-risk jurisdictions and to issue regular updates on jurisdictions with strategic deficiencies. Today, FATF identifies these jurisdictions in two public documents issued three times a year

upvoted 3 times

AlohaMahalo 5 years, 6 months ago

I am so confused. My source is saying D while the Study guide is referencing B. Can anyone confirm?

upvoted 1 times

Kveer 5 years, 7 months ago

it's B.

upvoted 1 times

itsagoodday 5 years, 7 months ago

Correct should be B. p.100 Today, FATF identifies these jurisdictions in two public documents issued three times a year. FATF issues two documents; 1) Public Statement 2) Improving Global AML/CFT Compliance: Ongoing Process

upvoted 4 times

Question #89 *Topic 1*

A recent anti-money laundering audit revealed several regulatory reporting violations and lapses with the organization's anti-money laundering policy. As a result, the compliance officer has created a follow-up matrix to document progress in correcting the identified deficiencies.

To whom should the compliance officer provide regular updates of corrective action to help ensure the appropriate oversight?

A. Audit management

B. Human Resources

C. Business line managers

D. Designated board committee

Suggested Answer: *D*

Official Answer: D

Community vote distribution

D (100%)

Writingsoon_2021 Highly Voted 4 years, 3 months ago

D is the answer - Cams Study P.164 - All audit and regulatory recommendations for corrective action must tracked as well as indicate the target date for completion and the personnel responsible. Regular status reports should be provided to senior management and the board of directors. Supervisory authorities may request them. Failure to properly address audit issues is a frequent criticism in cases where regulators levy fines on institutions.

upvoted 19 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED FOR D

upvoted 1 times

EllabellaD 1 year, 9 months ago

D as per cams practice exam 2023

upvoted 2 times

JDomar8128 2 years, 10 months ago

D 100%

upvoted 2 times

PCJA1980 3 years, 4 months ago

D is the correct answer per CAMS practice exam April 2022.

upvoted 4 times

Tam_3 3 years, 5 months ago

D - Designated board committee

upvoted 1 times

bmb251 4 years, 6 months ago

Absolutely, D indeed!!

upvoted 2 times

Ozii07 4 years, 8 months ago

D indeed. Page 164- CAMs All audit and regulatory recommendations for corrective action must track as well as indicate the target date for completion and the personnel responsible. Regular status reports should be provided to senior management and the board of directors. Supervisory authorities may request them. Failure to properly address audit issues is a frequent criticism in cases where regulators levy fines on institutions.

upvoted 3 times

Question #90 *Topic 1*

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.

What are two red flags that could indicate money laundering or financing terrorism? (Choose two.)

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

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

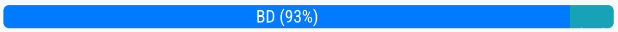
C. The prospect wishes to have a corporate structure with a holding company in EU country

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

Suggested Answer: *B, D*

Official Answer: BD

Community vote distribution



Babysg Highly Voted 5 years ago

I agree with answer B and D

upvoted 17 times

Tam_3 Highly Voted 4 years, 5 months ago

Answer is B & D - question came up on the practice ACAMS test.

upvoted 7 times

1ed1b72 Most Recent 3 months ago

D. Source of Wealth Mismatch (The Fitness Studio UBO): This is a glaring operational red flag. A fitness studio is a local, small-to-medium enterprise that simply does not generate the liquid net worth or capital necessary to serve as the ultimate beneficial owner backing a $75 million international infrastructure loan. This severe mismatch strongly indicates that the young lady is acting as a nominee owner (a front or straw person) to hide the identity of the true criminal or Politically Exposed Person (PEP) providing the funds. B. Overly Complex Corporate Structure: The security for the loan is routed through a trust

upvoted 1 times

Sadiii 1 year, 7 months ago

BD are the correct answer as per ACAMS practice exams

upvoted 1 times

Neeti32 2 years, 2 months ago

per acams practice test 2024

upvoted 2 times

JDomar8128 3 years, 10 months ago

BD, per ACAMS study questions

upvoted 2 times

Karaa 4 years ago

per acams practice test

upvoted 3 times

Matilda2022 4 years, 1 month ago

A es correcto por la poca transparencia que puede existir en un fideicomiso creado en un paraíso fiscal. B la complejidad de la estructura requiere una debida diligencia adicional y por lo tanto, mas susceptibilidad al blanqueo de capitales.

upvoted 1 times

Sipi 4 years, 5 months ago

It's A and B per the CAMS practice exam.

upvoted 1 times

ABenny7 4 years, 5 months ago

B&D are correct as per ACAMS official website mock exam

upvoted 6 times

Sipi 4 years, 5 months ago

It's A and B per the CAMS practice exam.A and B or B and D ?Incorrect !

upvoted 1 times

ESTELA926 4 years, 5 months ago

A and B or B and D ?

upvoted 1 times

bongacams 4 years, 5 months ago

Incorrect !

upvoted 2 times

StellJerry 4 years, 6 months ago

Answer is A&B - As per CAMS Page 51 "The use of legal persons and legal arrangements established in jurisdictions with weak or absent AML/CFT laws and/or poor record of supervision and monitoring of TCSPs. • The use of legal persons or legal arrangements that operate in jurisdictions with secrecy laws." "The use of TCSPs in jurisdictions that do not require TCSPs to capture, retain, or submit to competent authorities information on the beneficial ownership of corporate structures formed by them"

upvoted 1 times

joanp22 4 years, 7 months ago

See potentials for money laundering under Trust Company and Service Provider page 51 CAMS study manual

upvoted 1 times

joanp22 4 years, 7 months ago

Answers are A & B. Read more on the source of the fund and its location

upvoted 2 times

Eveej 5 years, 1 month ago

I do not see an issue with the source of wealth. Is it because we think that the small business does not comport with her ambitions? Somebody please explain.

upvoted 2 times

Eveej 5 years, 1 month ago

I selected A and B however if we are questioning the BO's source of funds then I think it would tie in with the size loan worth 75M. Hence the answers should be A and D.

upvoted 4 times

Eveej 5 years, 1 month ago

I do not see an issue with the source of wealth. Is it because we think that the small business does not comport with her ambitions? Somebody please explain.I think it's because 1. She's young; 2. She supposedly worth enough to guarantee a $75 million loan.

upvoted 2 times

YULUS 5 years, 1 month ago

A&D. It's Lana Zamba they are talking about :))

upvoted 4 times

Noodyjooby 5 years ago

I think it's because 1. She's young; 2. She supposedly worth enough to guarantee a $75 million loan.

upvoted 1 times

YULUS 5 years, 1 month ago

A&D. It's Lana Zamba they are talking about :))It's BD. Typo.

upvoted 4 times

YULUS 5 years, 1 month ago

It's BD. Typo.

upvoted 2 times

Prince240in 5 years, 2 months ago

Answer should be A & D.

upvoted 4 times

Mrutyunjaya110 5 years, 2 months ago

BD is the correct Answer

upvoted 2 times

Question #91 *Topic 1*

The anti-money laundering compliance officer for a small money transmitter has several agent locations in the same geographic area in the United States. The customers are immigrants from Country A and the majority of the funds are remitted to Country
A.
In a meeting with one of the agents, it is recently discovered that two new customers have been coming in three times a week and sending funds to the same recipient in Country B. Each cash transaction always totals exactly $8,000.
What should alert the agent to possible money laundering activity by the two customers?

A. They remit funds to the same person

B. They have been coming in three times a week

C. It is unusual for customers to remit to Country B

D. Each of their transactions is just below the cash reporting threshold

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

Saru_216 Highly Voted 4 years, 7 months ago
the ACAMS practice exam on the website has marked it as D and it makes sense because the statement in the scenario says "ALWAYS totals EXACTLY to $8000"Hi Saru_216, could you please provide the link you are referring to, where the practice exam is. Thanks in advance. :)D is correct per ACAMs practice test. First practice test after you paid for the exam.
upvoted 14 times

Saru_216 Highly Voted 4 years, 7 months ago
the ACAMS practice exam on the website has marked it as D and it makes sense because the statement in the scenario says "ALWAYS totals EXACTLY to $8000"
upvoted 14 times

a_aml 4 years, 6 months ago
Hi Saru_216, could you please provide the link you are referring to, where the practice exam is. Thanks in advance. :)
upvoted 1 times

a_aml 4 years, 6 months ago
Hi Saru_216, could you please provide the link you are referring to, where the practice exam is. Thanks in advance. :)D is correct per ACAMs practice test. First practice test after you paid for the exam.
upvoted 1 times

arunkc 4 years, 6 months ago
D is correct per ACAMs practice test. First practice test after you paid for the exam.
upvoted 4 times

hulkster59 4 years, 12 months ago
Should be A - PG. 189 " Wire transfers are sent or received from the same person to or from different accounts. In this case, sent from (3) different accounts to (1) person.
upvoted 8 times

Preethisrajan Most Recent 2 years ago
Why would be A. D is the correct answer
upvoted 1 times

0f31d0f 2 years ago
This is straight out structuring or am I missing something
upvoted 1 times

mhandoo 2 years, 4 months ago
D is correct per ACAMs practice test

upvoted 2 times

MDAVIDM 2 years, 9 months ago

Answer is D While remitting funds to the same person (option A) could be a concern, the specific issue in this scenario is the pattern of structuring transactions to keep them just below the reporting threshold, which is indicative of potential money laundering.

upvoted 3 times

Sbl_89 2 years, 10 months ago

As per cams exam

upvoted 2 times

Karaa 4 years ago

per CAMS practice test August 2022

upvoted 3 times

PCJA1980 4 years, 4 months ago

D is the correct answer per CAMS practice exam April 2022.

upvoted 6 times

KKY93 4 years, 5 months ago

D is the right answer

upvoted 2 times

hekireki 4 years, 5 months ago

D is the answer. I confirmed it in the mock exam.

upvoted 2 times

Tam_3 4 years, 5 months ago

D is the answer. This was on the ACAMS practice test.hi were can i get the ACAMS practice test?

upvoted 3 times

Tam_3 4 years, 5 months ago

D is the answer. This was on the ACAMS practice test.

upvoted 3 times

Foxglove123 4 years, 5 months ago

hi were can i get the ACAMS practice test?

upvoted 1 times

RickM15 4 years, 5 months ago

Answer is D. They are referring to CASH deposits.

upvoted 3 times

joanp22 4 years, 7 months ago

I will go with answer B, the frequency in which funds are remitted

upvoted 2 times

junwangchloe 4 years, 7 months ago

Answer is D. Study guide P192 UNUSUAL ACTIVITY IN A MONEY REMITTER/ CURRENCY EXCHANGE HOUSE SETTING • Customer comes in frequently to purchase less than $3,000 in instruments each time (or whatever the local record-keeping threshold is).

upvoted 1 times

IbiH 4 years, 10 months ago

As the reporting threshold for MSBs is 2K, the answer is A as D is ruled out.

upvoted 7 times

canerkaya 5 years, 1 month ago

v6.32 page 189 - answer A UNUSUAL WIRE TRANSFER TRANSACTIONS • Wire transfers are sent or received from the same person to or from different accounts.These are cash transactions - answer should be D

upvoted 5 times

canerkaya 5 years, 1 month ago

v6.32 page 189 - answer A UNUSUAL WIRE TRANSFER TRANSACTIONS • Wire transfers are sent or received from the same person to or from different accounts.

upvoted 5 times

Madeline1028 5 years ago

These are cash transactions - answer should be D

upvoted 4 times

Question #92 *Topic 1*

A bank receives an anonymous tip from an employee about another employee through its confidential hotline.
Which activity warrants further review?

A. A mortgage officer works with home loan applicants to resolve adverse credit issues

B. An employee in bookkeeping accepts funds transfer requests from customers via telephone

C. An employee in accounting works with customers to help understand how to reduce service charges

D. A teller distributes bank brochures to customers who regularly conduct cash transactions below reporting limits

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (91%) D (9%)

MBose Highly Voted 5 years, 6 months ago
B is the right answer. Employee in book keeping has no business doing transfers over phone
upvoted 14 times

ABenny7 Highly Voted 4 years, 5 months ago
B is correct as per ACAM official websites mock exam
upvoted 8 times

smas2 Most Recent 11 months ago
Teller advising customers who routinely transact below reporting limits directly suggests structuring(a core AML violation). Option B is wrong because a bookkeeping employee accepting transfer requests is unusual operationally, so it should be reviewed internally to check if procedures are being followed. However, this is primarily an internal controls / policy compliance issue(not a clear AML red flag). It suggests a possible training or segregation-of-duties problem, not necessarily laundering.
upvoted 1 times

96a3dc3 1 year, 2 months ago
VOTED B
upvoted 1 times

Mooseiscle 1 year, 8 months ago
The Answer is B
upvoted 1 times

PCJA1980 4 years, 4 months ago
B is the correct answer per CAMS practice exam April 2022.
upvoted 4 times

Tam_3 4 years, 5 months ago
Answer is B. This was on the ACAMS practice test.
upvoted 4 times

joanp22 4 years, 7 months ago
Answer is B.
upvoted 1 times

IbiH 4 years, 10 months ago
Think logically, which bookkeeper is ever involved in performing transactions for customers? The job is literally data entry.
upvoted 5 times

acams1234 4 years, 11 months ago
some of you really type to confuse the rest
upvoted 4 times

moshimoshi 4 years, 11 months ago
agree B
upvoted 2 times

Beish 5 years, 1 month ago

What's the right answer?

upvoted 1 times

Writingsoon_2021 5 years, 3 months ago

B is the answer. D could be an informative brochure about what's required to conduct that type of transaction - fees etc. Doesn't means something nefarious is going on. A and C IMO aren't an issue.

upvoted 4 times

awan 5 years, 6 months ago

should be Dsorry C

upvoted 1 times

awan 5 years, 6 months ago

should be D

upvoted 1 times

awan 5 years, 6 months ago

sorry C

upvoted 1 times

AML_Investigator 5 years, 9 months ago

agreed

upvoted 2 times

Question #93 *Topic 1*

A bank located in New York has identified suspicious transactions at a correspondent bank in China. For one of the international customers, the correspondent bank is not following agreed upon
protocols.
Which factor indicates that the bank should terminate the relationship?

A. The correspondent bank has opened branches in a country on the Office of Foreign Assets Control list.

B. The compliance officer at the correspondent bank is currently being investigated due to bribery allegations.

C. The correspondent bank has recently exceeded acceptable limits in the primary banks' recently developed risk model.

D. The primary institution has requested transactional details from the correspondent bank to aide in their investigation.

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (80%) A (20%)

AML_Investigator Highly Voted 5 years, 9 months ago
C is the correct answer as a compliance officer and bank itself - their risk is different. as institutions may choose to fire employees or can press criminal charges as well. therefore C is the riskiest option
upvoted 17 times

AML_Investigator Highly Voted 5 years, 9 months ago
C is the correct answer as a compliance officer and bank itself - their risk is different. as institutions may choose to fire employees or can press criminal charges as well. therefore C is the riskiest optionAgreed.
upvoted 17 times

LHH 5 years, 4 months ago
Agreed.
upvoted 1 times

junwangchloe 4 years, 7 months ago
The question is mixed up about correspondent bank and respondent bank. -The New York bank is the correspondent bank. -The bank in China is the respondent bank (client of the correspondent bank and can be also called correspondent bank client) Study guide P13 CORRESPONDENT BANKING Correspondent banking is the provision of banking services by one bank (the correspondent bank) to another bank (the respondent bank).
upvoted 7 times

96a3dc3 Most Recent 1 year, 2 months ago
voted c
upvoted 1 times

AIV27 1 year, 9 months ago
I think the key word is a "transaction". Opening a branch and the other 2 are not transactions. Otherwise A would be the worst violation. Answering sn below, Russia as a country is not in OFAC.
upvoted 3 times

K216 1 year, 11 months ago
Ans C on CAMS practice exam 2024
upvoted 2 times

Whatacell 2 years, 9 months ago
The correct answer is C. Purely opening branches in a country sanctioned by OFAC is not a reason to terminate a relationship, as OFAC is a US-specific list. Still, respondent banks can operate in such jurisdictions, provided it is legal. For example, banks in China can operate in Russia even though (I presume) Russia is on the OFAC list.Correct, but the question is worded very badly which leads to confusion. C is the correct answer though.
upvoted 3 times

Whatacell 2 years, 9 months ago
Selected Answer: C

The correct answer is C. Purely opening branches in a country sanctioned by OFAC is not a reason to terminate a relationship, as OFAC is a US-specific list. Still, respondent banks can operate in such jurisdictions, provided it is legal. For example, banks in China can operate in Russia even though (I presume) Russia is on the OFAC list.

upvoted 3 times

Hamfuller6123 1 year, 5 months ago

Correct, but the question is worded very badly which leads to confusion. C is the correct answer though.

upvoted 1 times

Rjones 2 years, 12 months ago

C is the correct answer per CAMS practice exam AUGUST 2023 :)

upvoted 6 times

joacheng 2 years, 12 months ago

why not A?

upvoted 1 times

Ira1 4 years ago

C is the correct answer per CAMS practice exam JUL 2022.

upvoted 2 times

PCJA1980 4 years, 4 months ago

C is the correct answer per CAMS practice exam April 2022.

upvoted 5 times

ABenny7 4 years, 5 months ago

C is correct

upvoted 1 times

Tam_3 4 years, 5 months ago

The answer here is C. Question was on the ACAMS practice test and that was the answer.

upvoted 1 times

joanp22 4 years, 7 months ago

I agree the answer is C. The correspondent bank should be focused on risk mitigation.

upvoted 1 times

Eveej 5 years, 1 month ago

This one beats me. The fact that the CO is being investigated, I view that as a serious risk. Is that not a reason to terminate the relationship? Someone please explain.

upvoted 2 times

Eveej 5 years, 1 month ago

This one beats me. The fact that the CO is being investigated, I view that as a serious risk. Is that not a reason to terminate the relationship? Someone please explain.I see the reason for the answer now. The correspondence bank exceeded acceptable limits of the "agreed upon protocols". C is correct. Very tricky!

upvoted 2 times

Eveej 5 years, 1 month ago

I see the reason for the answer now. The correspondence bank exceeded acceptable limits of the "agreed upon protocols". C is correct. Very tricky!

upvoted 2 times

Prince240in 5 years, 3 months ago

why not A?

upvoted 4 times

Writingsoon_2021 5 years, 3 months ago

Answer is C

https://www.researchgate.net/publication/305636466_The_Withdrawal_of_Correspondent_Banking_Relationships_A_Case_for_Policy_Action The Withdrawal of Correspondent Banking Relationships: A Case for Policy Action Individual banks may decide to withdraw CBRs based on a number of considerations. Generally, such decisions reflect banks' cost-benefit analysis, shaped by the ****re-evaluation of business models ****in the new macroeconomic environment and changes in the regulatory and enforcement landscape, notably with respect to more rigorous prudential requirements, economic and trade sanctions, anti-money laundering and combating the financing of terrorism (AML/CFT) and tax transparency. ***These factors inform banks' risk and reputational cost perceptions***. Further pressures to withdraw CBRs (Correspondent Banking Relationships) may arise where regulatory expectations are unclear, risks cannot be mitigated, or there are legal impediments to cross-border information sharing. These factors operate concurrently, although their relative significance varies case-by-case.

upvoted 4 times

Suvarna 5 years, 6 months ago

Answer A Primary Money Laundering Concerns Point number - 5 5. Close certain payable-through or correspondent accounts.

upvoted 4 times

Suvarna 5 years, 6 months ago

Answer A Primary Money Laundering Concerns Point number - 5 5. Close certain payable-through or correspondent accounts.A is the answer

upvoted 4 times

RaselEBL 4 years, 5 months ago

A is the answer

upvoted 2 times

Question #94 *Topic 1*

Which two channels can be utilized during a cross-border money laundering investigation to assist in gathering information according to Financial Action Task Force? (Choose two.)

A. Contacting existing liaison officers in the foreign jurisdiction

B. Exchanging information between national law enforcement agencies

C. Contacting the potential suspect or their family members to request information

D. Submitting only formal requests for information to a financial intelligence unit

Suggested Answer: *A, B*

Official Answer: AB

Community vote distribution

AB (100%)

Ozii07 Highly Voted 3 years, 8 months ago

The correct answer is AB. Please refer the FATF doc- page 31. https://www.fatf-gafi.org/media/fatf/documents/reports/Operational%20Issues_Financial%20investigations%20Guidance.pdf

upvoted 23 times

PCJA1980 Highly Voted 2 years, 4 months ago

AB is the correct answer per CAMS practice exam April 2022.

upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago

voted forA/B

upvoted 1 times

Ira1 2 years ago

AB is the correct answer per CAMS practice exam JUL 2022.

upvoted 4 times

Tam_3 2 years, 5 months ago

Answers are A and B

upvoted 2 times

MalBen 3 years, 1 month ago

A&B. The questions asks for 2 answers - C is definitely not an option, and D speaks to "formal requests" however, CAMS guide v6.32 pg 225- information exchange should be informal and quickly as possible (paraphrasing).

upvoted 5 times

Lenny77 3 years, 2 months ago

https://www.fatf-gafi.org/media/fatf/documents/reports/Operational%20Issues_Financial%20investigations%20Guidance.pdf There are particular channels for international co-operation which can be used by financial investigators: Contact existing liaison officers22 in or of the foreign jurisdiction. Exchange information between national (or regional) police units using channels such as INTERPOL, Europol and other regional law enforcement bodies. Inform the national FIU which has a possibility to contact its foreign counterparts and collect further intelligence through the Egmont Secure Web or by other means. Through the central authority for transmitting MLA requests to foreign countries.

upvoted 2 times

KamranShahzad 3 years, 2 months ago

Definitely the correct answer is AB

upvoted 1 times

Writingsoon_2021 3 years, 3 months ago

Agree answer is A&B - Fatf Doc P.31 (https://www.fatf-gafi.org/media/fatf/documents/reports/Operational%20Issues_Financial%20investigations%20Guidance.pdf) • Contact existing liaison officers22 in or of the foreign jurisdiction. • Exchange information between national (or regional) police units using channels such as INTERPOL, Europol and other regional law enforcement bodies.

upvoted 2 times

Sohail03 3 years, 5 months ago

AB is the correct answer. page: 255 cams 6th edition: The exchange of information between FIUs should take place as informally and as rapidly as possible and with no excessive formal prerequisites, while guaranteeing protection of privacy and confidentiality of the shared data.

upvoted 2 times

awan 3 years, 6 months ago

definitely B &D

upvoted 1 times

Salmabariq 3 years, 7 months ago

AB about D is wrong FIU works informally not formally

upvoted 1 times

Sundar1990 3 years, 8 months ago

B AND D CORRECT

upvoted 1 times

AML_Investigator 3 years, 8 months ago

it cant be B and D..contact with FIU cannot be formal ..it has to be an informal way (MOU) with a spontaneous exchange of information

upvoted 4 times

AML_Investigator 3 years, 8 months ago

it cant be B and D..contact with FIU cannot be formal ..it has to be an informal way (MOU) with a spontaneous exchange of informationagreed

upvoted 4 times

Oziah 3 years, 8 months ago

agreed

upvoted 2 times

gnohz 3 years, 8 months ago

I would think is B and D, why would you contact an embassy or liason office for this.

upvoted 1 times

Question #95 *Topic 1*

During a law enforcement investigative interview regarding potential money laundering, the suspect starts making assertions and statements that the investigator believes are false.
How should the investigator respond?

A. Inform the suspect that deception is obvious and continue the interview

B. Advise the suspect that the interview will be terminated if there is suspicion of deception

C. Direct the interview in another direction until there is better rapport before returning back to the troubling questions

D. Ask questions of a material nature about the suspected false statements without revealing the suspected deception

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (83%) C (17%)

Tugga Highly Voted 4 years, 3 months ago
This is not about rapport. It is about false allegations so D is correct.
upvoted 13 times

BeckyFA Highly Voted 2 years, 11 months ago
Real exam question march 2022
upvoted 8 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED D
upvoted 1 times

Dilara89 1 year, 9 months ago
Last time I answered this question, I answered it C, but after re-studying and hoing though questions, my answer is D.
upvoted 3 times

Elcucy 2 years ago
100% in the prep tests
upvoted 2 times

MIA74 2 years ago
Agreed D
upvoted 1 times

SAleksandrova 2 years, 2 months ago
As per CAMS practice exam Nov 2022
upvoted 4 times

imperialchicken 2 years, 2 months ago
Study Guide: CAMS Page 376 "'Most employees are not accustomed to or comfortable with being interviewed—either by law enforcement investigators or counsel for the organization. Therefore, care should be taken to put them at ease to the extent possible. It is also helpful for interviews to be as noncontentious as possible. Background and open-ended questions should be used at the beginning of the interview, together with a nonconfrontational review of documents. When necessary, more contentious questions should be delayed to the end of the interview.'" Now I understand you guys have seen D as correct answer in mock tests but option C is also correct per the pasted text from the study guide.
upvoted 2 times

JDomar8128 2 years, 4 months ago
D, per ACAMS study questions
upvoted 1 times

PCJA1980 2 years, 10 months ago
D is the correct answer per CAMS practice exam April 2022.
upvoted 5 times

ABenny7 2 years, 11 months ago

D - confirmed in mock ACAMS exam on their official website

upvoted 4 times

Tam_3 2 years, 11 months ago

Answer is D according to the ACAMS practice test.

upvoted 3 times

hahahhe 3 years, 2 months ago

D. It is related to law principles regarding obtaining evidence from suspect concerning voluntariness. Investigators should avoid using any leading questions during interview, despite suspect starts making assertions and statements that the investigator believes are false. Technically, suspects have the legal right to do so during interview.

upvoted 1 times

BrandonSun 3 years, 5 months ago

Agree D. In this case, the investigator is not sure if suspect is lying. So logical move is to further confirm. C would show weakness and there is a risk that the topic will be by passed.

upvoted 2 times

mdshr 3 years, 7 months ago

D is correct

upvoted 2 times

JayNR 3 years, 7 months ago

This question is worded terribly. It makes it sound like a law enforcement investigator is conducting the interview.

upvoted 2 times

supern0va 3 years, 8 months ago

Answer is C. Refer to page 220 It is also helpful to have interviews as noncontentious as possible. Background and open-ended questions should be used at the beginning of the interview, together with a nonconfrontational review of documents. More contentious questions, if necessary, should be held off for later."Page 220 is talking about investigator in a bank or institution interviewing an employee. This question is asking about law enforcement. Page 220 does not apply.

upvoted 1 times

supern0va 3 years, 8 months ago

Answer is C. Refer to page 220 It is also helpful to have interviews as noncontentious as possible. Background and open-ended questions should be used at the beginning of the interview, together with a nonconfrontational review of documents. More contentious questions, if necessary, should be held off for later."

upvoted 1 times

Noodyjooby 3 years, 6 months ago

Page 220 is talking about investigator in a bank or institution interviewing an employee. This question is asking about law enforcement. Page 220 does not apply.

upvoted 3 times

Question #96 *Topic 1*

A bank employee recently opened an account for a new restaurant. Daily cash deposits
over a three-month period are close to
$9,500.
What are two red flags that indicate possible money laundering or terrorist financing? (Choose two.)

A. The restaurant is located in a different city

B. The daily cash deposits are so close in amount

C. It is a new account that has daily cash deposits

D. The new account demonstrates a steady flow of income

Suggested Answer: *A, B*
Official Answer: AB

Community vote distribution
AB (90%)

WakkaWakkaWakka Highly Voted 5 years, 3 months ago
A is wrong doesnt mention business if from another city, B is correct, D is correct a new restaurent with such steady flow of cash is shady if it was an established business it would have a steady flow of income
upvoted 28 times

WakkaWakkaWakka Highly Voted 5 years, 3 months ago
A is wrong doesnt mention business if from another city, B is correct, D is correct a new restaurent with such steady flow of cash is shady if it was an established business it would have a steady flow of incomewell explained :)Nope, it is from CAMS practice, and the anwsers are ABI agree. I was confused and wondering if I missed where it mentioned a restaurant in a different city but it does not. Therefore, how do we know it's located elsewhere. So that leave us to B and D as the answer with B being a bit more of a red flag in the close amounts than C.
upvoted 28 times

gangmo09 4 years, 4 months ago
well explained :)
upvoted 1 times

YuShaw 3 years, 4 months ago
Nope, it is from CAMS practice, and the anwsers are AB
upvoted 10 times

AlohaMahalo 5 years ago
I agree. I was confused and wondering if I missed where it mentioned a restaurant in a different city but it does not. Therefore, how do we know it's located elsewhere. So that leave us to B and D as the answer with B being a bit more of a red flag in the close amounts than C.
upvoted 4 times

Adhwa 4 years, 10 months ago
B&D is the correct answer. Just a tip for everyone, when you think about the answer, please only work around with the given facts. Option A is obviously out of context, nothing about location was mentioned in the question paragraph. Option C is also wrong, F&B business like restaurant is synonym with cash.D doesn't make sense as far as AML risk. A new restaurant opens in town. There's hype about it in local media. People want to check it out and the restaurant is always busy at the beginning (which is what usually happens when restaurants open). It makes absolute sense to have steady cash flow when the business opens especially a restaurant. Although the question doesn't mention that the restaurant is in a different location, A is a red flag, D isn't, hence why A and B are correct per ACAMS official guide.
upvoted 21 times

Adhwa 4 years, 10 months ago
B&D is the correct answer.

Just a tip for everyone, when you think about the answer, please only work around with the given facts. Option A is obviously out of context, nothing about location was mentioned in the question paragraph. Option C is also wrong, F&B business like restaurant is synonym with cash.
upvoted 20 times

Art_G92 3 years, 7 months ago

D doesn't make sense as far as AML risk. A new restaurant opens in town. There's hype about it in local media. People want to check it out and the restaurant is always busy at the beginning (which is what usually happens when restaurants open). It makes absolute sense to have steady cash flow when the business opens especially a restaurant. Although the question doesn't mention that the restaurant is in a different location, A is a red flag, D isn't, hence why A and B are correct per ACAMS official guide.

upvoted 4 times

a39b82c Most Recent 1 year, 4 months ago

They didn't mentioned anything about other branches

upvoted 1 times

1eb9668 1 year, 12 months ago

The answer is A and B. The question is incorrect. According to the ACAMS practice exam the question indicated the restaurant was in a different city. So this question is missing information

upvoted 8 times

Jaffar_95 2 years, 1 month ago

B and D as the question did not state anything about the location of the restaurant

upvoted 1 times

Lovefolks 2 years, 2 months ago

Per ACAMS practice

upvoted 2 times

wawaiwai 2 years, 5 months ago

The two red flags that indicate possible money laundering or terrorist financing in this scenario are: B. The daily cash deposits are so close in amount. Consistently depositing amounts just below a reporting threshold (e.g., $10,000 in the U.S.) is a common structuring technique used to avoid triggering mandatory reporting requirements. This is a significant red flag for potential money laundering. C. It is a new account that has daily cash deposits. Frequent and consistent cash deposits, especially in a newly opened account, can be indicative of an attempt to introduce illicit funds into the financial system

upvoted 1 times

ThalThal23 2 years, 11 months ago

This question is not the same as the CAMS Practice Test. The practice test does indeed have the "Different City" wording on the question itself. If this wording was included A and B would make sense.

upvoted 1 times

St12 2 years, 12 months ago

D is my answer

upvoted 1 times

JDomar8128 3 years, 4 months ago

AB, per ACAMS study questions

upvoted 7 times

KamranShahzad 3 years, 6 months ago

The correct answer is AB

upvoted 3 times

Karaa 3 years, 6 months ago

per acams practice test

upvoted 6 times

Matilda2022 3 years, 7 months ago

Respuestas correctas por descarte. El negocio es un RESTAURANTE, es normal que tenga flujos de ingresos constante y que sean en efectivo, por lo tanto C y D no puede ser.

upvoted 2 times

hhjai 3 years, 8 months ago

answers is AB according to acams practice exam

upvoted 5 times

eurekaCAMS 3 years, 9 months ago

AB. A new account with daily cash deposits is not terribly out of pattern for a restaurant - C is out. A new account with a steady flow of income isn't necessarily a ML/TF risk - D is out. AB.

upvoted 2 times

PCJA1980 3 years, 10 months ago

AB is the correct answer per CAMS practice exam April 2022.

upvoted 5 times

gracello 3 years, 10 months ago

A/B!!!!!!!!!!!!

upvoted 1 times

Question #97 *Topic 1*

A customer has held an account at a bank and has lived locally for over 25 years. Historically he has come into the bank monthly to deposit a $1,500 retirement check from the company where he worked. He is well known at the bank and often brings the staff cookies. Over the past four months, he has come into the bank every Monday, Wednesday, and Thursday to make $3,000 cash deposits into his account. A review of his account shows that an $8,500 check made out to cash clears his account each week. The bank has decided to file a suspicious transaction report (STR).
What is the important fact to include in the STR?

A. The recent change in the timing of deposits and withdrawals in the account

B. The customer's work history and the amount of his monthly retirement check

C. The fact that the account holder is well known to the bank staff

D. The fact that the customer has lived in the area and has banked at this bank for 25 years

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (96%) (4

Abby32 Highly Voted 5 years, 7 months ago
The answer is B. A is the red flag that triggered the filing of the STR and B is the information needed in the STR reporting because the institution filing the STR should state why the recent transactions are suspicious and obviously it's inconsistent with his history so they must provide those additional info of the account history the back up the filing of the STR because the regulatory agency receiving the report do not know the customer that's why the bank needs such info to back their claims to prove that the transactions are irregular.Thank you for the detailed explanation. I was confused as to why B over A but this helps a lot.The correct answer is A.Answer is A. The most important fact is definitely his recent deposits. Please stick with the question only. There's no mention of work history. How can they include when the info isn't available?Correct answer per cams practice question is A. How can a financial institution send an STR without saying why they're sending it in the first place ... you need to include the suspicious activity (A) so the FIU knows what they're looking at.The correct answer is A, not B.
upvoted 41 times

Abby32 Highly Voted 5 years, 7 months ago
The answer is B. A is the red flag that triggered the filing of the STR and B is the information needed in the STR reporting because the institution filing the STR should state why the recent transactions are suspicious and obviously it's inconsistent with his history so they must provide those additional info of the account history the back up the filing of the STR because the regulatory agency receiving the report do not know the customer that's why the bank needs such info to back their claims to prove that the transactions are irregular.
upvoted 41 times

AlohaMahalo 5 years, 6 months ago
Thank you for the detailed explanation. I was confused as to why B over A but this helps a lot.The correct answer is A.
upvoted 2 times

AlohaMahalo 5 years, 6 months ago
Thank you for the detailed explanation. I was confused as to why B over A but this helps a lot.
upvoted 2 times

JDomar8128 3 years, 10 months ago
The correct answer is A.
upvoted 1 times

junebug6 4 years, 9 months ago
Answer is A. The most important fact is definitely his recent deposits. Please stick with the question only. There's no mention of work history. How can they include when the info isn't available?
upvoted 5 times

Art_G92 4 years ago

Correct answer per cams practice question is A. How can a financial institution send an STR without saying why they're sending it in the first place ... you need to include the suspicious activity (A) so the FIU knows what they're looking at.

upvoted 2 times

JDomar8128 3 years, 10 months ago

The correct answer is A, not B.

upvoted 2 times

ZD_2020 5 years, 10 months ago

A: This mentions nothing about the customer's work history and the key change is the customer going from depositing once each month to 3x each week

upvoted 13 times

ZD_2020 5 years, 10 months ago

A: This mentions nothing about the customer's work history and the key change is the customer going from depositing once each month to 3x each weekAgreedagreed - should be A!

upvoted 13 times

Ghazi 5 years, 10 months ago

Agreedagreed - should be A!

upvoted 2 times

Ghazi 5 years, 10 months ago

Agreed

upvoted 2 times

anna_sia 5 years, 5 months ago

agreed - should be A!

upvoted 2 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED A

upvoted 1 times

CallumChan 1 year, 3 months ago

A for sure

upvoted 1 times

Neeti32 2 years, 2 months ago

A is the answer as per the CAMS practice test 2024

upvoted 4 times

Jaffar_95 2 years, 7 months ago

(A) as CAMS practice exam questions

upvoted 3 times

wiljul 2 years, 10 months ago

The question here is "What is the important fact to include in the STR". So the answer should be A. The recent change in the timing of deposits and withdrawals

upvoted 3 times

Dilara89 3 years, 3 months ago

The red flag here is the recent change in the timing of deposits and withdrawals in the account, so I would include that in the report, and not the customer's work history and the amount of his monthly retirement check. So answer is A.

upvoted 2 times

Elcucy 3 years, 6 months ago

it A in the acams prep test

upvoted 4 times

MIA74 3 years, 6 months ago

Agreed A

upvoted 1 times

SimbaLion 3 years, 7 months ago

The correct Answer is A. Please research your answers, this site is helpful but has some many wrong answers.

upvoted 1 times

matovu 3 years, 9 months ago

Correct answer is A.

upvoted 1 times

lajsd 3 years, 10 months ago

should be A

upvoted 1 times

JDomar8128 3 years, 10 months ago

Please choose answer A. This is straight from the ACAMs study guide. Not sure why people are saying B.

upvoted 1 times

JDomar8128 3 years, 10 months ago

A, per ACAMS study questions

upvoted 3 times

eurekaCAMS 4 years, 3 months ago

A. What does his work history have to do with anything? The man is retired and deposits $1500 retirement check weekly. The focus should be on the drastic change in account activity.

upvoted 2 times

PCJA1980 4 years, 4 months ago

A is the correct answer per CAMS practice exam April 2022.

upvoted 5 times

Question #98 *Topic 1*

A financial institution receives a regulatory enforcement action because of deficiencies in its anti-money laundering program.
Which action should the board of directors take?

A. Terminate the compliance officer and staff

B. Purchase and install a new suspicious activity monitoring system

C. Hire an attorney with instructions to protest the enforcement action

D. Instruct the compliance officer to develop a plan to remediate the institution's anti-money laundering program

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

Writingsoon_2021 Highly Voted 3 years, 3 months ago
Answer is D - Remedial actions are corrective actions - a plan of action (which is included in this definition, is initially the 1st step to lay out steps, which might include reprimands and/ or terminations as well). https://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatfguidanceontherisk-basedapproachtocombatingmoneylaunderingandterroristfinancing-highlevelprinciplesandprocedures.html "Examples of remedial actions are corrective actions such as written agreements, board resolutions/letters, supervisory letters, action plans, timelines, reprimands and fines."
upvoted 15 times

PCJA1980 Highly Voted 2 years, 4 months ago
D is the correct answer per CAMS practice exam April 2022.
upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED D
upvoted 1 times

CallumChan 1 year, 3 months ago
answer is D
upvoted 1 times

JDomar8128 1 year, 10 months ago
D, per ACAMS study questions
upvoted 1 times

Ricardofrt 2 years, 5 months ago
Concordo com a D.
upvoted 2 times

Tam_3 2 years, 5 months ago
The answer is D.
upvoted 1 times

Kingor123 2 years, 11 months ago
Should be C
upvoted 1 times

Kingor123 2 years, 11 months ago
Should be CD is the answer in common senseD not C
upvoted 1 times

hekireki 2 years, 5 months ago
D is the answer in common senseD not C
upvoted 1 times

hekireki 2 years, 5 months ago

D is the answer in common sense

upvoted 1 times

JDomar8128 1 year, 10 months ago

D not C

upvoted 1 times

SDBoss 3 years, 7 months ago

ans is D

upvoted 3 times

Question #99 *Topic 1*

A banker in the credit department wants to assess the risk of all customers, and contacts the compliance officer to request a list of customers with suspicious transaction report filings.
What should be done to protect suspicious transaction report information?

A. Provide the suspicious transaction report information to the credit department

B. Decline to provide the suspicious transaction report information to the credit department

C. Seek approval from the board of directors to disclose the suspicious transaction report information

D. Contact the credit department manager to determine how the suspicious transaction report information can be provided

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (76%) C (19%) (5%)

jgallag11 Highly Voted 5 years, 10 months ago
Anyone else think it should be B, Decline to provide the STR info? STRs are only supposed to be available to law enforcement and the board should get an overview of STRs, like trends.
upvoted 32 times

jgallag11 Highly Voted 5 years, 10 months ago
Anyone else think it should be B, Decline to provide the STR info? STRs are only supposed to be available to law enforcement and the board should get an overview of STRs, like trends.Page 362: "'In many jurisdictions, it is a requirement to report certain information regarding SARs to senior management and/or the board of directors. This information COULD BE limited to the number of reports filed, the dollar amounts involved, and significant trends observed by compliance personnel. In some cases, if the activity presents a significant or potentially ongoing risk to the organization, the leaders should be notified so that high-level decisions can be made regarding potential changes to systems, staffing, products, services, or specific relationships maintained by the organization."
upvoted 32 times

imperialchicken 3 years, 8 months ago
Page 362: "'In many jurisdictions, it is a requirement to report certain information regarding SARs to senior management and/or the board of directors. This information COULD BE limited to the number of reports filed, the dollar amounts involved, and significant trends observed by compliance personnel. In some cases, if the activity presents a significant or potentially ongoing risk to the organization, the leaders should be notified so that high-level decisions can be made regarding potential changes to systems, staffing, products, services, or specific relationships maintained by the organization."
upvoted 4 times

Ghazi 5 years, 10 months ago
Its ' D ' refer to private sector information sharing FATF page number 15 https://www.fatf-gafi.org/media/fatf/documents/recommendations/Private-Sector-Information-Sharing.pdf
upvoted 20 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED FOR B
upvoted 1 times

CallumChan 1 year, 3 months ago
I believe it's D There are different ways to share the limited STR informations within the financial group, please refer to below link at Page 15 https://www.fatf-gafi.org/content/dam/fatf-gafi/reports/Private-Sector-Information-Sharing.pdf
upvoted 1 times

Tee04 2 years ago
B. Decline to provide the suspicious transaction report information to the credit department Suspicious transaction report (STR) information is highly confidential and should be protected to ensure compliance with legal and regulatory requirements. Disclosing such information to unauthorized individuals, even within the same organization, could jeopardize the integrity of the investigation and violate confidentiality laws.

upvoted 7 times

Binokku 2 years, 1 month ago

C,Regular status reports on the audit and closure of findings should be provided to senior management and the board of directors. Supervisory authorities may request them

upvoted 1 times

Sorak 2 years, 8 months ago

it is B regarding C BoD would laugh at the request.

upvoted 3 times

OMFG 3 years, 1 month ago

Board of Directors have not rights to decide whether a STR can be disclosed. Sharing of STR report within the organization is prohibited. If you share the report to credit department, that means you are disclosing a STR. In other words, you are tipping off. C is definitely incorrect. Practically you cant ask for a STR report from a compliance officer, even though youi have obtained approvals from the board of directors.The board of directors dont even know the content of the STR, they just know about the STR trends and stats. Why board of directors cant access the STR report but a credit department can? Therefore the ans is definitely not C. A is definitely incorrect because it is tipping off, apparently! For D, not related to the question. Correct ans should be B.

upvoted 2 times

gymgirl19 3 years, 4 months ago

Credit department should not have access to STR. they are 1 line of defense. STR is confidential and filed by 2nd line. People should not even tell coworker that an STR is filed.

upvoted 3 times

Elcucy 3 years, 6 months ago

it's C in the post exam at the ACAMS website

upvoted 2 times

MIA74 3 years, 6 months ago

Agreed B

upvoted 1 times

SAleksandrova 3 years, 8 months ago

It can't be even disclosed that STR was filed, so I would go with answer B.

upvoted 1 times

Ju78 3 years, 9 months ago

Some more thoughts on this question? I think it could be D, but between B and C I am also hesitating..

upvoted 1 times

MaazACAMS 3 years, 12 months ago

I dont think "Compliance Officer" will have authority to agree/disagree on sharing of information until it comes from BoD

upvoted 2 times

KikoX 4 years ago

Answer is B. See https://www.nafcu.org/compliance-blog/keeping-secrets-sar-confidentiality. "Internal Sharing. Section 1020.320(e)(1)(ii)(B) permits a credit union or any director, officer, employee or agent of a credit union to disclose a SAR, or information revealing the existence of a SAR, “within the [credit union’s] corporate organizational structure” for purposes consistent with Title II of the Bank Secrecy Act as determined by regulation or in guidance.” *consistent with the purposes of Title II of the BSA,” namely, for “criminal, tax, or regulatory investigations or proceedings, or in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism.” The purpose proposed in the question does not suffice the Title II requirement.

upvoted 4 times

genahaw 4 years, 5 months ago

Safeguards to protect information shared 54. Financial institutions should establish sufficient safeguards concerning the information shared to ensure that (a) confidentiality of information so shared is protected (including against tipping-off) and (b) information is used only for AML/CFT purposes and not for any other purpose (b) prohibited by law from disclosing (“tipping-off”) the fact that a suspicious transaction report (STR) or related information is being filed with the FIU. These provisions are not intended to inhibit information sharing under Recommendation 18. https://www.fatf-gafi.org/media/fatf/documents/recommendations/Private-Sector-Information-Sharing.pdf

upvoted 1 times

ABenny7 4 years, 5 months ago

I think B - based on my practical knowledge and being in AML , you cannot provide STR details to a banker. They cannot even know the reason an STR was filed on an client let alone share the STR. i think B

upvoted 3 times

Question #100 *Topic 1*

Which two aspects of precious metals pose the highest risk of money laundering?
(Choose two.)

A. Some precious metals can be formed into other objects, making them easier to transport

B. Precious metals have high intrinsic value in a relatively compact form and are easy to convert into currency

C. The value of precious metals can be inflated easily, making it easy to increase the amount of money laundered

D. Precious metals can be readily used in many high-tech commercial applications, making them all the more valuable

Suggested Answer: *A, B*
Official Answer: AB

Community vote distribution
AB (100%)

Szymbrush Highly Voted 5 years, 5 months ago
Shouldn't this be AB? How does D relate to money laundering. Example in CAMS study guide also provides an example of gold smelted into small items for transport to the US.
upvoted 40 times

Kingor123 Highly Voted 4 years, 5 months ago
AB should be the ans
upvoted 8 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED FOR A/ B
upvoted 1 times

Hamfuller6123 1 year, 5 months ago
A (Transportability) & B (High Value)
upvoted 1 times

Dilara89 2 years, 9 months ago
Correct answer is AB as per CAMS study guide. "Converting illicit proceeds into precious metals and gems is attractive to financial criminals because: • They have high value in a compact form, and their value tends to hold for long periods of time. • They are easy to transport, so value can be transferred across borders without customs declarations. • Their origins are difficult to trace. • They can be easily exchanged for cash or used as currency in most areas of the world."
upvoted 5 times

CiaranDallas 2 years, 9 months ago
AB. Another incorrect answer published. SMH.
upvoted 2 times

imperialchicken 3 years, 2 months ago
A and B is the correct answer LOL. Apple don't get its gold for iphones from individuals or unknown suppliers.
upvoted 2 times

matovu 3 years, 3 months ago
A and B should be the answer according to the Acams study guide.
upvoted 1 times

Matilda2022 3 years, 7 months ago
A y B son las respuestas mas acertadas.
upvoted 1 times

KKY93 3 years, 11 months ago
AB should be the answers
upvoted 3 times

Tam_3 3 years, 11 months ago
Answer is A and B
upvoted 1 times

chekaz 4 years, 2 months ago

BC makes more sense?

upvoted 1 times

BABTEE 4 years, 5 months ago

ab- the first 2 factors to be considered

upvoted 1 times

hulkster59 4 years, 6 months ago

Should be A and B. Pg. 41 Gold has high intrinsic value in a relatively compact and easy to transport form. It can be bought and sold easily and often with anonymity for currency in most areas of the world. It is more readily accepted than precious stones, especially since it can be melted down into many different forms.

upvoted 6 times

madduck2 4 years, 7 months ago

B is relevant, A is true C is dubious, D is irrelevant (in context of ML), thus the answer is AB

upvoted 2 times

Writingsoon_2021 4 years, 9 months ago

Answer is A & B - Cams Study guide P.41 -- DEALERS IN HIGH VALUE ITEMS (PRECIOUS METALS, JEWELRY, ART, ETC.)

Example – "Gold has high intrinsic value in a relatively compact and easy to transport form."

upvoted 2 times

Writingsoon_2021 4 years, 9 months ago

Answer is A & B - Cams Study guide P.41 -- DEALERS IN HIGH VALUE ITEMS (PRECIOUS METALS, JEWELRY, ART, ETC.) Example – "Gold has high intrinsic value in a relatively compact and easy to transport form."B & D is correct. Changed my answer Answer B) --- P.41 -- DEALERS IN HIGH VALUE ITEMS (PRECIOUS METALS, JEWELRY, ART, ETC.) Example – "Gold has high intrinsic value in a relatively compact and easy to transport form." Answer D) --- [[https://www.files.ethz.ch/isn/90586/2008-06-28_Metal-Fingerprint.pdf] BEYOND "BLOOD DIAMONDS": SEIZING THE TREND FOR ETHICAL TRADE P.1 – "These precious metals and gemstones end up in jewelry, consumer electronics, and other high tech devices in developed countries, while the profits they generate support trade in narcotics and illegal arms trafficking, which in turn provides funds for terrorist networks and other criminal activities"The reference for D is not related to money laundering, it is related to financing of terrorist networks and other criminal activities.

upvoted 2 times

Writingsoon_2021 4 years, 9 months ago

B & D is correct. Changed my answer Answer B) --- P.41 -- DEALERS IN HIGH VALUE ITEMS (PRECIOUS METALS, JEWELRY, ART, ETC.) Example – "Gold has high intrinsic value in a relatively compact and easy to transport form."

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upvoted 1 times

Writingsoon_2021 4 years, 9 months ago

B & D is correct. Changed my answer Answer B) --- P.41 -- DEALERS IN HIGH VALUE ITEMS (PRECIOUS METALS, JEWELRY, ART, ETC.) Example – "Gold has high intrinsic value in a relatively compact and easy to transport form." Answer D) --- [[https://www.files.ethz.ch/isn/90586/2008-06-28_Metal-Fingerprint.pdf] BEYOND "BLOOD DIAMONDS": SEIZING THE TREND FOR ETHICAL TRADE P.1 – "These precious metals and gemstones end up in jewelry, consumer electronics, and other high tech devices in developed countries, while the profits they generate support trade in narcotics and illegal arms trafficking, which in turn provides funds for terrorist networks and other criminal activities"The reference for D is not related to money laundering, it is related to financing of terrorist networks and other criminal activities.

upvoted 1 times

junwangchloe 4 years, 1 month ago

The reference for D is not related to money laundering, it is related to financing of terrorist networks and other criminal activities.

upvoted 3 times

Approved 4 years, 12 months ago

A is not allowed legally to transport, D option always we generally see in news.

upvoted 2 times

Question #101 *Topic 1*

Which two methods have terrorist groups used to diversify their revenue stream and to fund their operations? (Choose two.)

A. Human trafficking

B. Engaging in civil conflict

C. Smuggling cultural artifacts

D. Engaging in wire transfer activity

Suggested Answer: *A, C*

Official Answer: AC

Community vote distribution

AC (100%)

jgallag11 Highly Voted 5 years, 10 months ago

AC A CAMS Pg 76 "Terrorists continue to adapt their tactics and diversify their funding sources...trafficking of humans" C: CAMS pg 83 "Terrorist organizations that hold or maintain control over territory or operation in a country with poor governmental control...may take control of natural resources such as ...historical artifacts"

upvoted 46 times

ABenny7 Highly Voted 4 years, 5 months ago

A and C - confirmed on the ACAMS practice exam

upvoted 18 times

Preethisrajan Most Recent 2 years ago

As per cams

upvoted 1 times

serunjogi 2 years, 11 months ago

AC A CAMS Pg 145 "Terrorists continue to adapt their tactics and diversify their funding sources...trafficking of humans" C: CAMS pg 83 "Terrorist organizations that hold or maintain control over territory or operation in a country with poor governmental control...may take control of natural resources such as ...historical artifacts

upvoted 1 times

Nsiki 3 years, 5 months ago

AC per ACAMS study guide.

upvoted 2 times

MIA74 3 years, 6 months ago

Agreed AC

upvoted 1 times

imperialchicken 3 years, 8 months ago

Page 135: Terrorists continue to adapt their tactics and diversify their funding sources," which he noted include raising money through the oil trade, extortion, undetected cash couriers, kidnapping for ransom, trafficking of humans and arms, and racketeering. Exploitation of natural resources Page 146: Terrorist organizations that hold or maintain control over territory or operate in a country with poor governmental control of the territory can take control of natural resources, such as gas, oil, timber, diamonds, gold and other precious metals, wildlife (e.g., ivory trading), and historical artifacts, or extort companies that extract those resources to both fund terrorist acts and support day-to-day activities. These resources themselves might be sold on the black market or to complicit companies, where they can then be integrated into the global trade sector

upvoted 2 times

JDomar8128 3 years, 10 months ago

AC, per ACAMS study questions

upvoted 1 times

Karaa 4 years ago

per CAMS practice test August 2022

upvoted 3 times

SirNagsAlot 4 years ago

A & C for previous reasons already listed.

upvoted 1 times

Ntu 4 years, 3 months ago

A,C https://www.fatf-gafi.org/media/fatf/documents/Guidance%20for%20financial%20institutions%20in%20detecting%20terrorist%20financing.pdf.Guidance For Detecting terrorist Financing.Besides kidnapping and extortion, terrorist groups may engage in large-scale smuggling, various types of fraud (for example, through credit cards or charities), thefts and robbery, and narcotics trafficking.

upvoted 2 times

KKY93 4 years, 5 months ago

A & C are the right options as per ACAMS practice exam too

upvoted 4 times

Tam_3 4 years, 5 months ago

Answer is A and C

upvoted 3 times

NikkiB 4 years, 6 months ago

I read through the Emerging Terrorist Financing Risks and it talks about Human Trafficking being a source of revenue. Then in the study guide it talks about the Exploitation of natural resources including historical artifacts. A&C

upvoted 1 times

Ankit_G 4 years, 6 months ago

D leaves trail, while B giving revenue is doubutful... Aslo ther is mention of A& C at pg 76& 83 of study guide

upvoted 1 times

joanp22 4 years, 7 months ago

Answers A and C

upvoted 1 times

michaelcams 4 years, 10 months ago

AC correct

upvoted 1 times

Question #102 *Topic 1*

Which two statements are true regarding the European Union Money Laundering Directives? (Choose two.)

A. They apply to member states of the European Union

B. They require member states to enact laws and/or regulations to comply with the directives

C. They set forth non-binding best practices for financial institutions within the member states

D. They have extraterritorial impact and apply to states that have diplomatic relations with member states

Suggested Answer: *A, B*

Official Answer: AB

Community vote distribution



Igorsobolev Highly Voted 5 years, 4 months ago

A and B is correct

upvoted 6 times

Racquel Highly Voted 4 years, 10 months ago

A & B are correct.

upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED A/ B

upvoted 1 times

Mooseiscle 1 year, 8 months ago

A and B is correct

upvoted 1 times

Preethisrajan 2 years ago

A and B

upvoted 1 times

Neeti32 2 years, 1 month ago

A,B are correct

upvoted 1 times

SophieSN 3 years, 11 months ago

A and B

upvoted 3 times

Ntu 4 years, 3 months ago

A,B. Study Guide P109

upvoted 2 times

Tam_3 4 years, 5 months ago

A and B

upvoted 3 times

joanp22 4 years, 7 months ago

A & B answers

upvoted 3 times

michaelcams 4 years, 10 months ago

A & B are correct

upvoted 2 times

Writingsoon_2021 5 years, 3 months ago

A & B are correct

upvoted 3 times

Writingsoon_2021 5 years, 3 months ago

A & B are the correct answer

upvoted 4 times

Question #103 *Topic 1*

A compliance officer was recently reviewing transactional data for an international charity and found transactions that present a higher risk.
Which reason is cause for terminating the banking relationship?

A. The charity has had a high turnover rate of official positions

B. The charity has several incoming international funds transfers

C. The flow of funds both in and out are complex and hard to trace

D. The charity is headquartered in a country on the Office of Foreign Assets Control list

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (91%) D (9%)

Charliemac55 Highly Voted 5 years, 6 months ago
Which question are you answering? The Call of the question is important. This questions reads, which TRANSACTION" pay attention to the call of the question and what you are answering. The answer is C. The key to passing this exam is to visit The Bahamas, eat some crack conch and pay attention to the call of the question...what is the question directing your attention to!I disagree. I the question is literally asking "which reason is cause for terminating the banking relationship?". Page 144 of the study guide clearly indicates that countries designated on the OFAC list is prohibited. If the charity is headquartered in a country that OFAC has listed, as dealings of any kind are prohibited, the relationship would need to be terminated. I don't know that the complexity of transactions is necessarily grounds to terminate a banking relationship, but I do know that dealings in countries that are on an OFAC list are prohibited. I am going with D.It's a semantics question. If you're examining transactions, you don't look at where the charity is headquartered. That would've been obviously examined in detail when performing CDD during on-boarding, or when the country got OFAC'd.
upvoted 24 times

Charliemac55 Highly Voted 5 years, 6 months ago
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upvoted 24 times

AlvinS77 4 years, 10 months ago
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upvoted 12 times

AlvinS77 4 years, 10 months ago
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upvoted 12 times

Iain844 3 years, 7 months ago
It's a semantics question. If you're examining transactions, you don't look at where the charity is headquartered. That would've been obviously examined in detail when performing CDD during on-boarding, or when the country got OFAC'd.
upvoted 2 times

Ozii07 5 years, 8 months ago

It should be C. For D- we dont know if there is an US person involved in the transaction. OFAC -Prohibited transactions are trade or financial transactions and other dealings in which U.S. persons may not engage unless authorized by OFAC or expressly exempted by statute. Because each program is based on different foreign policy and national security goals, prohibitions may vary between programs. https://home.treasury.gov/policy-issues/financial-sanctions/frequently-asked-questions/ofac-consolidated-frequently-asked-questions

upvoted 6 times

60c66d2 1 year, 1 month ago

c is the correct answerEven though C feels like a big red flag, the cause for termination is D (OFAC-listed country), because sanctions compliance is black-and-white law, while complex flows fall under risk management. C is a red-flag which requires EDD/further investigation and not straight termination.

upvoted 1 times

60c66d2 1 year, 1 month ago

Selected Answer: C

c is the correct answer

upvoted 1 times

smas2 Most Recent 10 months, 2 weeks ago

Even though C feels like a big red flag, the cause for termination is D (OFAC-listed country), because sanctions compliance is black-and-white law, while complex flows fall under risk management. C is a red-flag which requires EDD/further investigation and not straight termination.

upvoted 1 times

96a3dc3 1 year, 2 months ago

VOTED FOR C

upvoted 1 times

Neeti32 2 years, 2 months ago

the answer is C as per the ACAMS practice test 2024

upvoted 5 times

Lovefolks 2 years, 8 months ago

C, per ACAMS study

upvoted 1 times

wawaiwai 2 years, 11 months ago

The correct answer is: D. The charity is headquartered in a country on the Office of Foreign Assets Control (OFAC) list. The OFAC administers and enforces economic and trade sanctions based on US foreign policy and national security goals. If a charity (or any entity) is headquartered in a country on the OFAC list, it presents a significant risk for financial institutions due to potential sanctions violations. This is a valid reason for considering the termination of a banking relationship.

upvoted 1 times

JDomar8128 3 years, 10 months ago

C, per ACAMS study questions

upvoted 2 times

Ira1 4 years ago

C is the answer per CAMS practice exam JUL 2022

upvoted 1 times

PCJA1980 4 years, 4 months ago

C is the correct answer per CAMS practice exam April 2022.

upvoted 5 times

hekireki 4 years, 5 months ago

The answer is c.

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is C - The flow of funds both in and out are complex and hard to trace.

upvoted 1 times

coolman_spooky 4 years, 6 months ago

The bank won't even open an account if the charity is in a country on OFAC list. Hence, with the charity having an account with the bank, the answer will naturally be C.

upvoted 1 times

ItonP 4 years, 10 months ago

C. "A compliance officer was recently reviewing transactional data"

upvoted 1 times

Amy2021 5 years, 1 month ago

D Page 144 Prohibited—The institution will not tolerate any dealings of any kind given the risk. This category could include transactions with countries subject to economic sanctions or designated as state sponsors of terrorism, such as those on the United Nations or Office of Foreign Assets Control lists.

upvoted 4 times

Writingsoon_2021 5 years, 3 months ago

C is the answer - Over complexity is a Red flag

upvoted 5 times

Writingsoon_2021 5 years, 3 months ago

C is the answer - https://aml-cft.net/library/npo-red-flags/ - NPO uses unnecessarily complex banking arrangements or financial networks for its operations, particularly overseas.

upvoted 1 times

Question #104 *Topic 1*

Which action does the Financial Action Task Force (FATF) recommend be taken against jurisdictions that have strategic deficiencies?

A. Conduct due diligence

B. Apply counter-measures

C. Add the jurisdiction to the United Nations' list of sanctioned jurisdictions

D. Create an action plan to address the deficiencies without the support of the FATF

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (100%)

Charliemac55 Highly Voted 5 years, 6 months ago
B. Apply countermeasures as stated pg 7 CAMS "Countries can be subject to comprehensive or targeted sanctions. Comprehensive sanctions prohibit virtually all transactions with a specific country. Targeted sanctions prohibit transac-tions with specified industries, entities or individuals listed on OFAC's Specially Designated Nationals and Blocked Parties List. Failure to comply may result in criminal and civil penalties. FATF also maintains a list of jurisdictions identified as high-risk and noncooperative, whose AML/CFT regimes have strategic deficiencies and are not at international standards. As a result, FATF calls on its members to implement COUNTERMEASURES against the jurisdiction, such as financial institutions applying enhanced due diligence to business relationships and transactions with natural and legal persons from the identified jurisdiction in an attempt to persuade the jurisdiction to improve its AML/CFT regime."
upvoted 10 times

PCJA1980 Highly Voted 4 years, 4 months ago
B is the correct answer per CAMS practice exam April 2022.
upvoted 5 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED B
upvoted 1 times

Neeti32 2 years, 1 month ago
B is correct
upvoted 1 times

LovetteBDA 2 years, 9 months ago
p. 12 CAMS notes (v. 6.48): "FATF also maintains a list of jurisdictions identified as high risk and noncooperative, where AML/CFT regimes have strategic deficiencies and do not meet international standards. As a result, FATF calls on its members to implement countermeasures against these jurisdictions..."
upvoted 2 times

Dilara89 3 years, 3 months ago
D is a really weird answer, hope they include weird answers like this in the real exam so we can easily eliminate them as options.
upvoted 1 times

Karaa 4 years ago
Real test question August 2022
upvoted 4 times

BeckyFA 4 years, 5 months ago
Real exam question March 2022
upvoted 5 times

Tam_3 4 years, 5 months ago
Answer is B - Apply counter-measures
upvoted 2 times

StellJerry 4 years, 6 months ago

Answer is B Page 100 of CAMS Guide "1. FATF's Public Statement identifies: • Countries or jurisdictions with strategic deficiencies that are so serious that FATF calls on its members and non-members to apply counter-measures."

upvoted 2 times

michaelcams 4 years, 10 months ago

B is the answer

upvoted 1 times

Writingsoon_2021 5 years, 3 months ago

B is the answer - CAMS P.7 Apply countermeasures

upvoted 3 times

Ozii07 5 years, 8 months ago

B confirmed-CAMS pg 7- FATF maintains a list of jurisdictions identified as high-risk and non-cooperative, whole AML/CFT regimes have strategic deficiencies and are not at international standards. As a result, FATF calls on its members to implement countermeasures against the jurisdiction.

upvoted 3 times

Question #105 *Topic 1*

A client opens a bank account for a multi-level marketing company. The debits and credits of the account are numerous and very involved. Further, there are a lot of international transactions. Also, funds are being funneled from the company to the client's personal account in another jurisdiction.
Which two steps should law enforcement take in investigating this matter? (Choose two.)

A. Determine who are the signatories on the account

B. Ask the bank for the history of this multi-level marketing company

C. Examine the flow of money from the company to the individual in an effort to determine if it is legitimate

D. Examine possible Suspicious Activity Report information received from the local Financial Intelligence Units

Suggested Answer: *C, D*
Official Answer: CD

Community vote distribution
CD (72%) AC (28%)

jenzee Highly Voted 5 years, 4 months ago
Should be C and D. Look at the Egmont list of 100 sanitised cases and there are many such cases where other FI that have raised SARs provide a useful link to follow the money.
upvoted 27 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago
A & C is the answer. The first part to this question, is indicated in the opening sentence – "A client opens a bank account for a multi-level marketing company" A "multi-level marketing company" is also known as a pyramid marketing. Effectively a pyramid scheme. This type of scheme will have a lot of turn over in staff and high volume of transactions. The key attribute to this account is the complexity of the transactions and withdrawals. So, it's important to understand who actually controls the "flow" of the funds regarding this type of account. Not the beneficiary, but the administrator or nominee that "ultimately" can authorize the immediate movement i.e., transfer of the funds in and out of the account. Typically, in this type of account the funds are usually transferred out to the directors associated with this business. So, law enforcement would need to know who has operational authority to permit activity in the account. And determine whether there is any form of legitimacy in terms of the flow of the funds from this account.
upvoted 25 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED C/ D
upvoted 1 times

0b70f32 1 year, 3 months ago
For sure
upvoted 1 times

0b70f32 1 year, 3 months ago
The correct answers
upvoted 1 times

Preethisrajan 2 years ago
C and D as per cams practice exam
upvoted 4 times

Tee04 2 years ago
In this scenario, the two most relevant steps for law enforcement to take in investigating this matter are: A. Determine who are the signatories on the account - Understanding who has control over the account is crucial in identifying potential suspects and understanding the flow of funds. C. Examine the flow of money from the company to the individual in an effort to determine if it is legitimate - Tracking the flow of funds can help identify any fraudulent or illegal activities and establish connections between the company and the individual's personal account in another jurisdiction. While options B and D might provide useful context or supporting information, they are not as directly focused on the specific details and immediate actions needed to investigate the suspicious transactions effectively.
upvoted 1 times

3592ea7 2 years, 1 month ago

CAMS Practice Exam

upvoted 3 times

Neeti32 2 years, 1 month ago

agree with C,D

upvoted 2 times

nickkang77 2 years, 3 months ago

no need discussion. C.D from CAMS Practice test

upvoted 6 times

Kumarsanu 2 years, 6 months ago

C&D per CAMS6 2023.

upvoted 4 times

Jaffar_95 2 years, 7 months ago

A and C as per CAMS practice exam questions

upvoted 3 times

wawaiwai 2 years, 11 months ago

The correct steps that law enforcement should take in investigating this matter are: A. Determine who are the signatories on the account. Knowing the signatories on the account can provide insight into who has control over the funds and can authorize transactions. This is a crucial step in understanding the nature of the account's activities and identifying potential individuals involved in suspicious activities. C. Examine the flow of money from the company to the individual in an effort to determine if it is legitimate. Understanding the flow of funds, especially when they are being funneled from a company to an individual's personal account, is essential. This can help determine if the transfers are legitimate business transactions or if they are indicative of money laundering or other illicit activities.

upvoted 3 times

JZR 3 years, 10 months ago

C & D per Acams Post - Assessment

upvoted 4 times

JDomar8128 3 years, 10 months ago

CD, per ACAMS study questions

upvoted 5 times

SirNagsAlot 4 years ago

I can see how a case for A C & D would make sense however A is a bit obscure as a signing authority isn't always a party tot he transaction. Would they want to know who can sign, sure. To follow the flow of funds, being aware of signing authorities can aid in the investigation for LE. C - Many investigations involve the actual flow of funds to determine illicit activity. D - LE's examine if other SARs are present to make and build their case. Really not sure which ones take priority over the other but if I was a guessing man I would say C & D.

upvoted 1 times

PCJA1980 4 years, 4 months ago

CD is the correct answer per CAMS practice exam April 2022.

upvoted 8 times

Question #106 *Topic 1*

Which method is used to launder money via wire remittances sent through a bureau de change or money services business?

A. A customer in country A makes a weekly small wire transfer to the bank account of an individual in country B.

B. A customer in country A makes frequent wire transfers to a single customer in country B that are slightly under the legal reporting threshold.

C. A large number of wire transfers are sent from a large number of senders in country A to a large number of recipients in country B during the period of December 1 to December 15.

D. A customer in country A receives four small wire transfers from four different individuals located in country B on December 21. The aggregate of the wire transfers falls below the legal reporting threshold.

Suggested Answer: *B*

Official Answer: B

Community vote distribution



Ozii07 Highly Voted 5 years, 8 months ago

i guess "frequent cross-border transactions" is the key element heregoing by this logic, the answer should be B. Keywords are 'frequent' and 'slightly under reporting threshold'

upvoted 8 times

Ozii07 5 years, 8 months ago

i guess "frequent cross-border transactions" is the key element here

upvoted 8 times

jubloop Highly Voted 5 years, 1 month ago

going by this logic, the answer should be B. Keywords are 'frequent' and 'slightly under reporting threshold'

upvoted 13 times

fatrapb1t 4 years, 10 months ago

Answer should be B. For B, each transaction has amount fall slightly below reporting threshold -- an indication of structuring and reporting avoidance. While D said the aggregate amount is still below reporting limit. This emphasize that it's not structuring (at least in the context of this question). So, answer should be B.D is structuring. It is one of the structuring techniques: smurfing. Study guide P20 STRUCTURING Designing a transaction to evade triggering a reporting or record keeping requirement is called STRUCTURING. Structuring is possibly the most commonly known money laundering method. It is a crime in many countries and must be reported by filing a suspicious transaction report. The individuals engaged in structuring may be runners hired by the launderers. These individuals go from bank to bank depositing cash and purchasing monetary instruments in amounts under reporting thresholds. Structuring can be done in many settings or industries, including banking, money services businesses and casinos. A common technique involved in structuring is called SMURFING, which involves multiple individuals making multiple cash deposits and/or buying multiple monetary instruments or bank drafts in amounts under the reporting threshold in an attempt to evade detection.

upvoted 5 times

fatrapb1t 4 years, 10 months ago

Answer should be B. For B, each transaction has amount fall slightly below reporting threshold -- an indication of structuring and reporting avoidance. While D said the aggregate amount is still below reporting limit. This emphasize that it's not structuring (at least in the context of this question). So, answer should be B.

upvoted 5 times

junwangchloe 4 years, 7 months ago

D is structuring. It is one of the structuring techniques: smurfing. Study guide P20 STRUCTURING Designing a transaction to evade triggering a reporting or record keeping requirement is called STRUCTURING. Structuring is possibly the most commonly known money laundering method. It is a crime in many countries and must be reported by filing a suspicious transaction report. The individuals engaged in structuring may be runners hired by the launderers. These individuals go from bank to bank depositing cash and purchasing monetary instruments in amounts under reporting thresholds. Structuring can be done in many settings or industries, including banking, money services businesses and casinos. A common technique involved in structuring is called SMURFING, which involves multiple individuals making multiple cash deposits and/or buying multiple monetary instruments or bank drafts in amounts under the reporting threshold in an attempt to evade detection.

upvoted 2 times

a5d32f9 Most Recent 1 year, 1 month ago

The answer should be B because of the key word frequentand under the reporting limit each time. The reason why it's not D is because of "Dec 21st " which could mean that the individual is receiving funds for the holidays. Key words are crucial in this question.

upvoted 1 times

BonBon1991_ 1 year, 2 months ago

B. A customer in country A makes *frequent* wire transfers to a single customer in country B that are *slightly under the legal reporting threshold*.
D: Four small transfers from different senders might suggest smurfing, but the aggregate below the threshold reduces urgency for reporting.

upvoted 1 times

0b70f32 1 year, 3 months ago

For sure

upvoted 1 times

CallumChan 1 year, 3 months ago

this question was in the real exam in 2022

upvoted 1 times

Neeti32 2 years, 1 month ago

B - as it indicates consistency

upvoted 2 times

MDAVIDM 2 years, 9 months ago

The answer is B. This method, known as structuring or smurfing, involves breaking down a large sum of money into smaller transactions that are just below the legal reporting threshold. D is not the answer, because received money is not exceed the reporting threshold.

upvoted 3 times

Raj_2703 3 years, 1 month ago

Answer is B Client make frequent wire transfers under reporting threshold so it's ongoing activity while option D appears one time activity

upvoted 1 times

GottaPass75 3 years, 1 month ago

The answer is B ; Large incoming funds transfers are received on behalf of a foreign client, with little or no explanation or apparent reason. also the answer says "FREQUENT" whereas D is just on ONE day. If it was on a usual basis and not on one occasion, then i would've chosen D. However, B is frequently transferring money to a foreign country just slightly under the reporting threshold. Sorry guys, but it's B

upvoted 1 times

Dilara89 3 years, 3 months ago

Answer seems like D, which is a way of structuring. Im seeing people answering B. Can someone provide a reference for the correct answerMethod D is also a potential money laundering technique, but it doesn't involve wire remittances sent through a bureau de change or money services business as mentioned in the question, Because it doesnt exceed the threshold of reporting.

upvoted 2 times

Dilara89 3 years, 3 months ago

Selected Answer: D

Answer seems like D, which is a way of structuring. Im seeing people answering B. Can someone provide a reference for the correct answer

upvoted 2 times

MDAVIDM 2 years, 9 months ago

Method D is also a potential money laundering technique, but it doesn't involve wire remittances sent through a bureau de change or money services business as mentioned in the question, Because it doesnt exceed the threshold of reporting.

upvoted 1 times

Tam_3 4 years, 5 months ago

The answer is B

upvoted 2 times

Rox1983 4 years, 10 months ago

D...is one of the most commun unusual behaviour in the MT world. Multiple senders to one benef...But for D, the aggregate amount is still lower than reporting threshold -- indicating that the customer is not trying to do structuring.Answer D never said how much below the reporting threshold. For all we know the aggregate amount could be $10. Answer B is 'slightly below' to the reporting threshold.

upvoted 3 times

Rox1983 4 years, 10 months ago

D...is one of the most commun unusual behaviour in the MT world. Multiple senders to one benef...

upvoted 3 times

fatrapb1t 4 years, 10 months ago

But for D, the aggregate amount is still lower than reporting threshold -- indicating that the customer is not trying to do structuring.

upvoted 2 times

lain844 3 years, 7 months ago

Answer D never said how much below the reporting threshold. For all we know the aggregate amount could be $10. Answer B is 'slightly below' to the reporting threshold.

upvoted 1 times

boston1651 4 years, 10 months ago

So what is the answerB is answer

upvoted 2 times

boston1651 4 years, 10 months ago

So what is the answer

upvoted 2 times

RukawaKaede 3 years, 8 months ago

B is answer

upvoted 1 times

Noodyjooby 5 years ago

The reason why D doesn't make sense is because if the wires are from 4 different individuals, there is no need for the AGGREGATE of the 4 wires to be under the threshold.

upvoted 3 times

Noodyjooby 5 years ago

The reason why D doesn't make sense is because if the wires are from 4 different individuals, there is no need for the AGGREGATE of the 4 wires to be under the threshold.This just indicate that it's not a structuring. Hence, answer should be B.Yes, it is. In the MT word is an unusual pattern. The money could be splitted between 4 different senders just to avoid the controls.As someone that works for a regulator this is a common example of ML through a MT. Multiple international wire remitters to one receiver, all under the reporting threshold will trigger a SAR/STR regardless of the aggregated amount

upvoted 3 times

fatrapb1t 4 years, 10 months ago

This just indicate that it's not a structuring. Hence, answer should be B.

upvoted 1 times

Rox1983 4 years, 10 months ago

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upvoted 3 times

Rox1983 4 years, 10 months ago

Yes, it is. In the MT word is an unusual pattern. The money could be splitted between 4 different senders just to avoid the controls.

upvoted 3 times

Royboy123 4 years, 8 months ago

As someone that works for a regulator this is a common example of ML through a MT. Multiple international wire remitters to one receiver, all under the reporting threshold will trigger a SAR/STR regardless of the aggregated amount

upvoted 1 times

Eveej 5 years, 1 month ago

I think the amount of the funds is not the red flag here but more so the funds received from 4 different individuals is the red flag. The answer is D.

upvoted 1 times

JB_trust 5 years, 2 months ago

It´s D

upvoted 3 times

Question #107 *Topic 1*

Historically, a tour guide has made monthly cash deposits averaging $10,000. Over the past three months, the monthly deposits have averaged $100,000. When the financial institution questions the increased deposits, the tour guide explains that there have been numerous conventions in town so business has increased substantially.
Which further action(s) should the financial institution take?

A. Immediately terminate the relationship

B. Schedule a periodic review of activity

C. Perform further investigation, if appropriate report the activity to the authorities and consider terminating the relationship

D. Perform further investigation, if appropriate report the activity to the authorities and place a limit on future transactions

Suggested Answer: *C*
Official Answer: C

Community vote distribution



MIA74 2 years ago
Agreed C
upvoted 1 times

SirNagsAlot 2 years, 6 months ago
The obvious is C. If you delegate just a periodic review, aside from normal transaction monitoring, you are being willfully blind to the activity if its already deemed unusual. If unusual, you perform your investigation, report as necessary and close the account according to the institutions guidelines. For some, that could be right away, for others, after a series of CARs.
upvoted 4 times

NDH01 2 years, 8 months ago
I think C because Step 1: further investigation and only in case of issues identified the FI files a STR and terminating the relationship is optional in answer c ---> therefore best choice is Answer C
upvoted 1 times

Guitarman86 2 years, 9 months ago
Think C is correct. As the question implies, this transaction seems temporary. So schedule for periodic(or future) would be meaningless. I was wavering between C and D. Thought the D could be an answer first because terminating relationship sounds drastic reaction. But to think of it, if a decesion should be made after further investigation (which implies something went wrong) then i guess we have to consider terminating further relationship with the customer.
upvoted 4 times

KUNAL1022 2 years, 10 months ago
d: why not place a limit?I would choose D as well.I think D is a form of tipping offagreed D might be a form of tipping off, so C makes more sense.
upvoted 2 times

KUNAL1022 2 years, 10 months ago
d: why not place a limit?
upvoted 2 times

Dominiiick 2 years, 10 months ago
I would choose D as well.I think D is a form of tipping offagreed D might be a form of tipping off, so C makes more sense.
upvoted 1 times

Dominiiick 2 years, 10 months ago
I would choose D as well.
upvoted 1 times

determined_to_succeed 2 years, 9 months ago
I think D is a form of tipping off
upvoted 4 times

determined_to_succeed 2 years, 9 months ago

I think D is a form of tipping offagreed D might be a form of tipping off, so C makes more sense.

upvoted 4 times

Dilara89 Most Recent 1 year, 9 months ago

agreed D might be a form of tipping off, so C makes more sense.

upvoted 1 times

bongacams 2 years, 11 months ago

Answer should be B? reporting to the authorities whilst closing the account? Never happens in practice. There's a plausible explanation provided for the change. If anything, document the reason not to file STR

upvoted 1 times

SelvakumarRaj 3 years ago

C is correct'

upvoted 2 times

Koios 3 years ago

Answer is BC, the question states action(s) and scheduling a periodic review is a definite option.

upvoted 1 times

Aml2021 3 years, 4 months ago

Answer is C cause after an EDD, the conclusion will be probably to declare to FIU and termination of relationship. I's the classic processus

upvoted 2 times

lovesickboy 3 years, 4 months ago

i think C cannot be answer. maybe b or d

upvoted 1 times

Eveej 3 years, 7 months ago

I am having a little trouble here. Terminating the relationship seems drastic to me considering that the customer explained the increase in the deposits. Can conducting a periodic review suffice until more suspicion is identified and cannot be substantiated?

upvoted 4 times

Eveej 3 years, 7 months ago

I am having a little trouble here. Terminating the relationship seems drastic to me considering that the customer explained the increase in the deposits. Can conducting a periodic review suffice until more suspicion is identified and cannot be substantiated?I agree and reporting to the authorities whilst closing the account? Never happens in practice. There's a plausible explanation provided for the change. If anything, document the reason not to file STR

upvoted 4 times

bongacams 2 years, 11 months ago

I agree and reporting to the authorities whilst closing the account? Never happens in practice. There's a plausible explanation provided for the change. If anything, document the reason not to file STR

upvoted 1 times

Writingsoon_2021 3 years, 9 months ago

C is correct

upvoted 1 times

LordMarco 3 years, 10 months ago

C is correct

upvoted 1 times

anna_sia 3 years, 10 months ago

think B or D. any explanaions?B sounds good but , we have to go a little further. we need to conduct an investigation...

upvoted 2 times

anna_sia 3 years, 10 months ago

think B or D. any explanaions?

upvoted 2 times

timbarr 3 years, 9 months ago

B sounds good but , we have to go a little further. we need to conduct an investigation...

upvoted 1 times

bmb251 4 years ago

I think C is the correct answer

upvoted 1 times

Question #108 *Topic 1*

One key aspect of the Office of Foreign Assets Control's extraterritorial reach includes the blocking of certain non-United States initiated transactions for or through the United States (U.S.) for benefit of a restricted person or entity.
Under which three circumstances are U.S. banks required to block transactions? (Choose three.)

A. The transactions are to, or go through, a blocked entity

B. Those that are by, or on behalf of, a blocked individual or entity

C. Those that are by or on behalf of a blocked individual and a licensed entity

D. Those that are in connection with a transaction in which a blocked individual or entity has an interest

E. Those that are in connection with a transaction in which a blocked individual or entity has no interest

Suggested Answer: *A, B, D*
Official Answer: ABD

Community vote distribution
ABD (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
A, B, D is the answer - Blocked Transactions U.S. law requires that assets and accounts of an OFAC-specified country, entity, or individual be blocked when such property is located in the United States, is held by U.S. individuals or entities, or comes into the possession or control of U.S. individuals or entities. For example, if a funds transfer comes from offshore and is being routed through a U.S. bank to an offshore bank, and there is an OFAC-designated party to the transaction, it must be blocked. The definition of assets and property is broad and is specifically defined within each sanction program. Assets and property includes anything of direct, indirect, present, future, or contingent value (including all types of bank transactions). Banks must block transactions that: • Are by or on behalf of a blocked individual or entity; • Are to or go through a blocked entity; or • Are in connection with a transaction in which a blocked individual or entity has an interest.https://bsaaml.ffiec.gov/manual/OfficeOfForeignAssetsControl/01
upvoted 24 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago
A, B, D is the answer - Blocked Transactions U.S. law requires that assets and accounts of an OFAC-specified country, entity, or individual be blocked when such property is located in the United States, is held by U.S. individuals or entities, or comes into the possession or control of U.S. individuals or entities. For example, if a funds transfer comes from offshore and is being routed through a U.S. bank to an offshore bank, and there is an OFAC-designated party to the transaction, it must be blocked. The definition of assets and property is broad and is specifically defined within each sanction program. Assets and property includes anything of direct, indirect, present, future, or contingent value (including all types of bank transactions). Banks must block transactions that: • Are by or on behalf of a blocked individual or entity; • Are to or go through a blocked entity; or • Are in connection with a transaction in which a blocked individual or entity has an interest.
upvoted 24 times

chekaz 4 years, 8 months ago
https://bsaaml.ffiec.gov/manual/OfficeOfForeignAssetsControl/01
upvoted 2 times

Sweep2951 4 years, 8 months ago
Why is C not correct?
upvoted 12 times

Sweep2951 4 years, 8 months ago
Why is C not correct?C is not correct because "and licensed entity" is not a blocked entity
upvoted 12 times

beezkneez1 1 year, 11 months ago
C is not correct because "and licensed entity" is not a blocked entity
upvoted 2 times

Mooseiscle Most Recent 1 year, 8 months ago
A,B & D are the answers

upvoted 1 times

Neeti32 2 years, 2 months ago

A,B & D are the answers

upvoted 1 times

EllabellaD 2 years, 9 months ago

As per cams test exam 2023

upvoted 3 times

JDomar8128 3 years, 10 months ago

ABD, per ACAMS study questions

upvoted 2 times

Karaa 4 years ago

Real test question August 2022

upvoted 5 times

PCJA1980 4 years, 4 months ago

ABD is the correct answer per CAMS practice exam April 2022.

upvoted 6 times

Tam_3 4 years, 5 months ago

Answer is A, B and D

upvoted 1 times

joanp22 4 years, 7 months ago

ABD answers https://bsaaml.ffiec.gov/manual/OfficeOfForeignAssetsControl/01

upvoted 1 times

Mahadi 5 years, 3 months ago

Its ABD write answer

upvoted 1 times

Question #109 *Topic 1*

To ensure compliance with economic sanctions established by governmental authorities in the jurisdictions where it operates, a financial institution requires that all new and existing customers be screened at onboarding and quarterly thereafter.
Is this step sufficient to ensure compliance?

A. No, screening should occur promptly after list updates

B. Yes, this is recommended by the international guidance

C. No, it is necessary to screen and perform enhanced due diligence on new relationships

D. Yes, screening all existing customer relationships ensures the institution is not dealing with a sanctioned individual or entity

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (100%)

Szymbrush Highly Voted 4 years, 10 months ago
This should be A, per wolfsberg guidance: An FI's policies and procedures should clearly define when reference data screening takes place. As a general principle, screening should be done when establishing a new relationship, to ensure the relationship is permissible, and then at regular intervals, either upon a trigger event or as customer and/or list information changes, to validate that the relationships remain permissible.Which Wolfsberg document is this from?A -partially correct. because A is not giving the complete answer. it does not include the screening requirement for on boarding entities.agreedFound it https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/Wolfsberg%20Guidance%20on%20Sanctions%20Screening.pdf
upvoted 23 times

Szymbrush Highly Voted 4 years, 10 months ago
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upvoted 23 times

jgallag11 4 years, 9 months ago
Which Wolfsberg document is this from?
upvoted 1 times

Ozii07 4 years, 8 months ago
A -partially correct. because A is not giving the complete answer. it does not include the screening requirement for on boarding entities.
upvoted 1 times

tRang1 4 years, 10 months ago
agreed
upvoted 2 times

jgallag11 4 years, 9 months ago
Found it https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/Wolfsberg%20Guidance%20on%20Sanctions%20Screening.pdf
upvoted 2 times

BeckyFA 3 years, 5 months ago
I used to do this process for a living. Its everytime the list updates.
upvoted 5 times

60c66d2 Most Recent 1 year, 1 month ago
A is correct - everytime the list updates
upvoted 1 times

LovetteBDA 1 year, 9 months ago
Wolfsberg Private Banking Principles 2012, p. 7: "A sufficient Sanctions Programme must be in place. Prospective clients must be screened on the basis of applicable sanctions and existing clients must be screened as applicable sanctions are updated. "

upvoted 1 times

StellJerry 1 year, 10 months ago

As per : https://bsaaml.ffiec.gov/manual/OfficeOfForeignAssetsControl/01 "Updating OFAC lists.A bank's OFAC compliance program should include policies, procedures, and processes for timely updating of the lists of sanctioned countries and blocked entities, and individuals, and disseminating such information throughout the bank's domestic operations and its offshore offices, branches and, in the case of Iran and Cuba, foreign subsidiaries. This would include ensuring that any manual updates of interdiction software are completed in a timely manner"

upvoted 2 times

pinkmoon 1 year, 11 months ago

Bcz question said "...at onboarding and quarterly..." Study guide v6.43 in section "Sanction list screen", "Organizations subject to sanctions compliance are required to screen customers and transaction records against periodically updated lists that include individuals and entities designated or identified by governmental bodies."

upvoted 1 times

Iain844 2 years, 7 months ago

A is the obvious answer. When Russia suddenly got sanctioned, are you going to wait a quarter before you start to screen your existing Russian clients? it's up to you to keep track of any updates to sanctions lists.

upvoted 2 times

imperialchicken 2 years, 8 months ago

Before a financial organization starts doing business with a new customer or engages in certain transactions (e.g., international wire payments), it should review the various country sanctions program requirements, as well as published lists of known or suspected terrorists, narcotics traffickers, and other criminals, for potential matches. Organizations subject to sanctions compliance are required to screen customers and transaction records against periodically updated lists that include individuals and entities designated or identified by governmental bodies.

upvoted 1 times

JDomar8128 2 years, 10 months ago

Please choose C (not A): The order of the answers have changed. It is C. per wolfsberg guidance: An FI's policies and procedures should clearly define when reference data screening takes place. As a general principle, screening should be done when establishing a new relationship, to ensure the relationship is permissible, and then at regular intervals, either upon a trigger event or as customer and/or list information changes, to validate that the relationships remain permissible

upvoted 1 times

gogoaiying 3 years, 3 months ago

How about answer D?? Also, where does the correct answers come from? are they all verified? I always found many unbelieavable "correct answers".

upvoted 2 times

Adhwa 3 years, 5 months ago

The answer should be B. Read the requirement carefully, it talks about local sanction list, and not UNSC list. if it is UNSC, then only its true that screening should take place promptly after the list updated. Internationally, you are only obliged to perform prompt screening on UNSC list, and not to any country-specific sanction list. Hence quarterly screening as indicate in B answer is correct as a general recommendation. It just that many countries have adopted much stricter approach.

upvoted 1 times

kath07 3 years, 5 months ago

Pg 178 study guide Institutions subject to sanctions compliance are required to screen customers and transactio.n records against periodically updated lists that include individuals and entities designated or identi-fied by governmental bodies So answer should be A

upvoted 1 times

ASHU1408 3 years, 7 months ago

If List is modified then why we will wait for quarter. A is correct answer

upvoted 2 times

Rinkuji 4 years, 2 months ago

A is the right answer. These lists are updated all the time... either upon a trigger event or as customer and/or list information changes and periodic screening may be as often as daily.

upvoted 5 times

Writingsoon_2021 4 years, 3 months ago

B is the answer - "https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/Wolfsberg%20Guidance%20on%20Sanctions%20Screening.pdf" - "As a general principle, screening ****should be done when establishing a new relationship, to ensure the relationship is permissible, and then at regular intervals, either upon a trigger event or as customer and/or list information changes,**** to validate that the relationships remain permissible."

upvoted 3 times

Writingsoon_2021 4 years, 3 months ago

B is the answer - "https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/Wolfsberg%20Guidance%20on%20Sanctions%20Screening.pdf" - "As a general principle, screening ****should be done when establishing a new relationship, to ensure the relationship is permissible, and then at regular intervals, either upon a trigger event or as customer and/or list information changes,**** to validate that the relationships remain permissible."That's answer A then

upvoted 3 times

JayNR 4 years, 1 month ago

That's answer A then

upvoted 6 times

Canadianlala 4 years, 5 months ago

The answer is B.

An FI's policies and procedures should clearly define when reference data screening takes place. As a general principle, screening should be done when establishing a new relationship, to ensure the relationship is permissible, and then at regular intervals, either upon a trigger event or as customer and/or list information changes, to validate that the relationships remain permissible. Where either internal or external data sets change frequently, periodic screening may be as often as daily, but longer intervals between periodic rescreening may be acceptable in situations where change is less frequent or the risk of a potential sanctions exposure is low.

https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/Wolfsberg%20Guidance%20on%20Sanctions%20Screening.pdf

upvoted 4 times

Canadianlala 4 years, 5 months ago

The answer is B. An FI's policies and procedures should clearly define when reference data screening takes place. As a general principle, screening should be done when establishing a new relationship, to ensure the relationship is permissible, and then at regular intervals, either upon a trigger event or as customer and/or list information changes, to validate that the relationships remain permissible. Where either internal or external data sets change frequently, periodic screening may be as often as daily, but longer intervals between periodic rescreening may be acceptable in situations where change is less frequent or the risk of a potential sanctions exposure is low. https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/Wolfsberg%20Guidance%20on%20Sanctions%20Screening.pdfMeant A - [screening should be done when establishing a new relationship, to ensure the relationship is permissible, and then at regular intervals, either upon a trigger event or as customer and/or list information changes]

upvoted 4 times

Canadianlala 4 years, 5 months ago

Meant A - [screening should be done when establishing a new relationship, to ensure the relationship is permissible, and then at regular intervals, either upon a trigger event or as customer and/or list information changes]

upvoted 3 times

Salmabariq 4 years, 6 months ago

Answer is A key word is updates must be real time screening after any updates

upvoted 2 times

Question #110 *Topic 1*

What is the currency threshold under the European Union Fourth Anti-Money Laundering Directive?

A. 3,000 Euros

B. 5,000 Euros

C. 10,000 Euros

D. 15,000 Euros

Suggested Answer: *C*

Reference: https://www.acams.org/aml-resources/eu-fourth-aml-directive/

Community vote distribution

C (100%)

Spaniel Highly Voted 4 years, 10 months ago

C is correct, as asking about 4th Directive. Study Guide, p. 112 : "Natural or legal persons trading in goods will be covered to the extent that they make or receive cash payments of EUR 10,000 or more (decreased from EUR 15,000)". In 3rd directive it was 15,000

upvoted 15 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago

C is the answer

upvoted 5 times

Mooseiscle Most Recent 1 year, 8 months ago

Answer is C as per

upvoted 1 times

Joseph39 3 years, 5 months ago

C is the answer

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is C

upvoted 1 times

jubloop 5 years, 1 month ago

pg 112 of guide

upvoted 2 times

ccz 5 years, 4 months ago

should be D

upvoted 3 times

ccz 5 years, 4 months ago

should be DC typo

upvoted 3 times

ccz 5 years, 4 months ago

C typo

upvoted 2 times

Question #111 *Topic 1*

What are two requirements of United States financial institutions when conducting business with an international financial institution as a result of the USA
PATRIOT Act? (Choose two.)

A. Performing enhanced due diligence on shell banks

B. Performing due diligence on correspondent accounts

C. Visiting the head office of the international financial institution

D. Complying with Special Measures issued under the USA PATRIOT Act

Suggested Answer: *B, D*
Official Answer: BD

Community vote distribution
BD (100%)

Szymbrush Highly Voted 5 years, 11 months ago
A is incorrect, PATRIOT act prohibits dealing with Shell banks. Should be BDAgreed.
upvoted 62 times

Szymbrush Highly Voted 5 years, 11 months ago
A is incorrect, PATRIOT act prohibits dealing with Shell banks. Should be BD
upvoted 62 times

Majid2094 5 years, 11 months ago
Agreed.
upvoted 3 times

ZD_2020 5 years, 10 months ago
B & D: No business with shell banks allowed so cannot be A for obvious reasons...
upvoted 9 times

1ed1b72 Most Recent 3 months ago
B. Performing due diligence on correspondent accounts (Section 312): D. Complying with Special Measures issued under the USA PATRIOT Act (Section 311): This grants the U.S. Treasury (via FinCEN) the authority to designate a foreign jurisdiction, institution, or class of transactions as being of "primary money laundering concern." When this happens, U.S. banks are legally required to comply with specific "Special Measures," which can range from enhanced recordkeeping to an outright ban on correspondent accounts with the target.
upvoted 1 times

Preethisrajan 2 years ago
B & D as per cams practice exam
upvoted 2 times

Jaffar_95 2 years, 7 months ago
B and D are the correct answers
upvoted 3 times

marykate1 2 years, 9 months ago
B, D, Shell banks relationship is prohibited; per FinCen, USA Patriot ACT "Section 312 of the USA PATRIOT Act requires U.S. financial institutions to perform due diligence and, in some cases, enhanced due diligence, with regard to correspondent accounts established or maintained for foreign financial institutions and private banking accounts established or maintained for non-U.S. persons."
upvoted 1 times

EllabellaD 2 years, 9 months ago
B and D as per exam practice
upvoted 1 times

Sbl_89 2 years, 10 months ago
As per cams paper
upvoted 1 times

e48bfb1 3 years, 2 months ago

BD is the correct answer

upvoted 1 times

Nsiki 3 years, 5 months ago

A is in the exclusion list and is not therefore a candidate response in this situation. BD fit in very well.

upvoted 1 times

JDomar8128 3 years, 10 months ago

B and D. 100%

upvoted 1 times

PCJA1980 4 years, 4 months ago

BD is the correct answer per CAMS practice exam April 2022.

upvoted 7 times

Tam_3 4 years, 5 months ago

B and D

upvoted 2 times

jlhickman8 4 years, 6 months ago

Agree, answer should be B&C

upvoted 1 times

joanp22 4 years, 7 months ago

The answers are B & D

upvoted 1 times

jy0330 4 years, 10 months ago

A and D is correct in ACAMS v6.32 p134 The term shell bank does not include a bank that is a regulated affiliate of a bank that maintains a physical presence.

upvoted 1 times

Shahqayam1 4 years, 7 months ago

B & D are correct

upvoted 1 times

jy0330 4 years, 10 months ago

A and D is correct in ACAMS v6.32 p134 The term shell bank does not include a bank that is a regulated affiliate of a bank that maintains a physical presence.True, but nothing in the question refers to "regulated affiliate of a bank that maintains a physical presence." So the definition of shell banks should be interpreted literally without exception, and that being the case, the Patriot Act prohibits dealing with shell banks. Finito!

upvoted 1 times

Kingor123 4 years, 11 months ago

B D forsure

upvoted 1 times

Oba1_ 4 years, 10 months ago

True, but nothing in the question refers to "regulated affiliate of a bank that maintains a physical presence." So the definition of shell banks should be interpreted literally without exception, and that being the case, the Patriot Act prohibits dealing with shell banks. Finito!

upvoted 1 times

Question #112 *Topic 1*

What are two risks to institutions for violating anti-money laundering laws as demonstrated by the 2012 HSBC settlement with United States authorities? (Choose two.)

A. Forfeiture of assets

B. Civil money penalties

C. Loss of bank charter/license

D. Imprisonment of bank employees

Suggested Answer: *A, B*

Official Answer: AB

Community vote distribution

AB (100%)

HoneyBeeBear Highly Voted 5 years ago

A, B - Under the agreement, which was reported by Reuters last week, the bank agreed to take steps to fix the problems, forfeit $1.256 billion, and retain a compliance monitor. The bank also agreed to pay $665 million in civil penalties to regulators including to the Office of the Comptroller of the Currency, the Federal Reserve, and the Treasury Department. https://www.reuters.com/article/us-hsbc-probe-idUSBRE8BA05M20121211

upvoted 19 times

Kingor123 Highly Voted 4 years, 5 months ago

Should be BC

upvoted 6 times

wiljul Most Recent 2 years ago

Link: https://www.justice.gov/opa/pr/hsbc-holdings-plc-and-hsbc-bank-usa-na-admit-anti-money-laundering-and-sanctions-violations

upvoted 2 times

Fransun 2 years, 6 months ago

Correct answer is A and B Link: https://www.justice.gov/opa/pr/hsbc-holdings-plc-and-hsbc-bank-usa-na-admit-anti-money-laundering-and-sanctions-violations "In addition to forfeiting $1.256 billion as part of its deferred prosecution agreement (DPA) with the Department of Justice, HSBC has also agreed to pay $665 million in civil penalties – $500 million to the Office of the Comptroller of the Currency (OCC) and $165 million to the Federal Reserve – for its AML program violations."

upvoted 1 times

Dilara89 2 years, 9 months ago

just read the article, answer is AB as per the article

upvoted 1 times

SirNagsAlot 3 years, 6 months ago

Their all risks, but in the context of HSBC, both A & B

upvoted 2 times

joanp22 4 years, 1 month ago

A & B read the article

upvoted 1 times

ArielC 4 years, 6 months ago

sadly, HSBC case didn't result in inprisonment of the white colar criminals....

upvoted 3 times

Writingsoon_2021 4 years, 9 months ago

A & B is correct

upvoted 4 times

BDAVIS9 5 years ago

It should be ABC: "The establishment and maintenance of an effective AML/CFT program is usually part of a financial institution's charter to operate; noncompliance can result not only in significant civil money penalties but also in the loss of its charter."

upvoted 2 times

BDAVIS9 5 years ago

It should be ABC: "The establishment and maintenance of an effective AML/CFT program is usually part of a financial institution's charter to operate; noncompliance can result not only in significant civil money penalties but also in the loss of its charter."Sigh. The question is very clearly in the context of HSBC, which did not lose any charter.

upvoted 2 times

Willyz89 4 years, 10 months ago

Sigh. The question is very clearly in the context of HSBC, which did not lose any charter.

upvoted 5 times

ricktony 5 years ago

BC is the correct answer

upvoted 4 times

jgallag11 5 years, 4 months ago

CAMS pg 152 "...agreed to forfeit $1.2 Billion to several U.S. agencies.." A/B is correct

upvoted 4 times

Question #113 *Topic 1*

When must a United States (U.S.) bank block or reject an international funds transfer when there is an Office of Foreign Assets Control designated party to the transaction?

A. Only if the U.S. bank is involved in the funds transfer

B. Only if a U.S. person or entity is the ultimate beneficiary

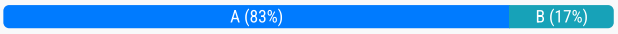
C. Only if a non-U.S. person or entity is the ultimate beneficiary

D. Only if the U.S. bank's correspondent informs it of the involvement of the designated party

Suggested Answer: *A*

Official Answer: A

Community vote distribution



LordMarco Highly Voted 5 years, 4 months ago

A is the correct information

upvoted 25 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago

A is the answer The question is about “an international funds transfer” i.e., foreign wire transfer, under the operational mandate of OFAC being conducted under a correspondent relationship between a US and foreign FI. Questions B and C aren’t relevant to this issue. And answer D, doesn’t correlate to OFAC - Every transaction that a U.S. financial institution engages in is subject to OFAC regulations. If a bank knows or has reason to know that a target is party to a transaction, the bank's processing of the transaction would be unlawful. [https://home.treasury.gov/policy-issues/financial-sanctions/faqs/topic/1621/print]. Understanding the relationship between International ACH Payments, SWIFT, NACHA and IAT.

upvoted 12 times

FMGA Most Recent 1 year ago

correct answer according to OFAC section of CAMS study material is B. Only if a U.S. person or entity is the ultimate beneficiary

upvoted 1 times

Neeti32 2 years, 1 month ago

i would choose A

upvoted 1 times

MDAVIDM 2 years, 9 months ago

I go more with B, because U.S. banks have an obligation to prevent transactions that involve OFAC designated parties, even if they are not directly involved in the transfer, to ensure compliance with OFAC regulations and sanctions.

upvoted 2 times

StellJerry 2 years, 10 months ago

A is the answer https://bsaaml.ffiec.gov/manual/OfficeOfForeignAssetsControl/01

upvoted 3 times

JDomar8128 3 years, 10 months ago

A IS THE ANSWER.

upvoted 1 times

SirNagsAlot 4 years ago

Not seeing how D is the answer. You are essentially relying blindly on correspondent information. If you can confirm independently that a wire violates sanctions/OFAC and falls under US jurisdiction, the FI can reject and block, independent of information provided (or lack thereof) by the correspondent. Going with A on this.

upvoted 2 times

Aboanas92 4 years, 4 months ago

A IS THE ANSWER

upvoted 2 times

bongacams 4 years, 5 months ago

A IS THE CORRECT ANSWER

upvoted 2 times

jlhickman8 4 years, 6 months ago

A is the correct answer

upvoted 1 times

IbiH 4 years, 10 months ago

A. Simply put, if a US bank is not involved at all how are they expected to block a transaction?? The question is asking "when must a U.S bank block or reject". You have to be in the game to play the game.

upvoted 7 times

IbiH 4 years, 10 months ago

A. Simply put, if a US bank is not involved at all how are they expected to block a transaction?? The question is asking "when must a U.S bank block or reject". You have to be in the game to play the game.100% agreed

upvoted 7 times

Dilara89 3 years, 3 months ago

100% agreed

upvoted 1 times

matchstickmen 4 years, 11 months ago

I believe its A, page 178 of ACAMS guide

upvoted 1 times

OKorets 5 years, 1 month ago

Answers B and C mention ultimate beneficiary. A payment can be rejected or blocked for OFAC reasons regardless where the sanctioned party is (bene, originator or in the reference field). This leaves either A or D. FFIEC manual states "Unlike the BSA, the laws and OFAC-issued regulations apply not only to U.S. banks, their domestic branches, agencies, and international banking facilities, but also to their foreign branches, and often overseas offices and subsidiaries." https://bsaaml.ffiec.gov/manual/OfficeOfForeignAssetsControl/01. So this leaves only D, not that i agree with the way it's worded, but by virtue of deduction of other answers, this is the only one left

upvoted 2 times

Writingsoon_2021 5 years, 3 months ago

A is the answer - adding to my previous answer D is incorrect - according to the BSA (link below): Screening Automated Clearing House (ACH) transactions. "With respect to cross-border screening, similar but somewhat more stringent OFAC obligations hold for International ACH transactions (IAT). In the case of inbound IATs, and regardless of whether the OFAC flag in the IAT is set, an RDFI is responsible for compliance with OFAC sanctions programs." definitions: Originating Depository Financial Institution (ODFI) Receiving Depository Financial Institution (RDFI) IAT is a new standard class entry (SEC) code that will replace the CBR and PBR SEC codes that are currently in use today. NACHA rules will require the IAT code and format of all ACH payments entering or exiting the U.S. [https://www.frbservices.org/resources/financial-services/ach/faq/iat.html]

upvoted 2 times

Salmabariq 5 years, 6 months ago

Answer B OFAC only applied to US Persons, entities.....

upvoted 1 times

Abby32 5 years, 7 months ago

D is correct because where there is any suspicion about an incoming correspondent transaction, the correspondent bank must verify with respondent bank whether EDD has been performed to confirm the legitimacy of the transaction. So therefore it is for the respondent bank to confirm or inform the correspondent bank of any SDN person/entity's involvement of the incoming transaction.

upvoted 2 times

Question #114 *Topic 1*

A law enforcement agent calls a bank anti-money laundering investigator for supporting information about a suspicious transaction report that was filed the previous month.
How should the investigator respond?

A. Refer the agent to the bank's compliance officer

B. Send the information to an address provided by the agent

C. Share the requested information during the telephone call

D. Require a search warrant before releasing the information

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (100%)

Shadoowww Highly Voted 5 years, 5 months ago
All communication to law enforcement should be compliance officer who is responsible for managing regulatory examinations
upvoted 36 times

Shadoowww Highly Voted 5 years, 5 months ago
All communication to law enforcement should be compliance officer who is responsible for managing regulatory examinationsAgreed. Further other source indicates that A is answer (https://quizlet.com/38935335/acams-certification-flash-cards/)
upvoted 36 times

tRang1 5 years, 4 months ago
Agreed. Further other source indicates that A is answer (https://quizlet.com/38935335/acams-certification-flash-cards/)
upvoted 4 times

jgallag11 5 years, 4 months ago
CAMS page 215 "Moreover, a law enforcement agent may contact the financial institution that filed the STR seeking the underlying information used in the investigation that resulted in the STR. Therefore, it is critical that each institution develop its own policy and procedures for communicating with law enforcement regarding STRs."

soooo depends?
upvoted 7 times

jgallag11 5 years, 4 months ago
CAMS page 215 "Moreover, a law enforcement agent may contact the financial institution that filed the STR seeking the underlying information used in the investigation that resulted in the STR. Therefore, it is critical that each institution develop its own policy and procedures for communicating with law enforcement regarding STRs." soooo depends?Yes, it depends on the FI's policy and procedure. Therefore it should be A.
upvoted 7 times

BrandonSun 4 years, 5 months ago
Yes, it depends on the FI's policy and procedure. Therefore it should be A.
upvoted 1 times

Jp994 Most Recent 1 year, 8 months ago
What would be the difference between A and D?
upvoted 1 times

2bebf21 2 years, 1 month ago
□□□ a P,362
upvoted 1 times

Edoli93 2 years, 7 months ago
D can not correct answer. Because Search Warrant - is about seize a document or building. The court make decision for search warrant. This case about to STR additinal info. İt is not decision by court etc. B and C are wrong because without confirmation it should not share and send the info. A is Remain.

upvoted 1 times

SimbaLion 3 years ago

As Per ACAMS test questions, the Answer is A.

upvoted 4 times

JDomar8128 3 years, 4 months ago

Horrible answers. This is normally completed by email, where you validate the requester. If done by phone, have them send an email. In this situation refer higher, hence the compliance officer.

upvoted 4 times

SirNagsAlot 3 years, 6 months ago

I strongly dislike the wording of these questions that provide little context. The way in which FI's interact with legal authorities is also dependent upon bank policy. For an example, the FI I was writing SARs for screened everything first with compliance and legal and then forwarded the LE's request to the investigator to assist in the investigation. Once the screening was complete, the investigator could then assist LE with their questions or relevant documentation. This question provides no context on if this is the initial inquiry by LE, a second, third, etc. If this is the initial inquiry, then escalate up top to the compliance officer or legal to be able to receive a POC any appropriate subpoena. Afterwards, the investigator can assist with forwarding relevant documentation.

upvoted 5 times

Guitarman86 3 years, 9 months ago

The investigator has no authority in this matter.The compliance officer will delegate a person or a team who will fulfill the request after verifying the identity of the LEO.

upvoted 2 times

Guitarman86 3 years, 9 months ago

Selected Answer: A

The investigator has no authority in this matter.

upvoted 2 times

furay3 3 years, 1 month ago

The compliance officer will delegate a person or a team who will fulfill the request after verifying the identity of the LEO.

upvoted 1 times

jlhickman8 4 years ago

Should be A.

upvoted 1 times

SiewWai 4 years ago

Should be A. as the communication to regulator should be centralized, but not from different individual without proper control across the bank.

upvoted 1 times

joanp22 4 years, 1 month ago

I choose A. Agree that the agent should consult with the bank's compliance officer for additional information. A standard procedure

upvoted 2 times

junwangchloe 4 years, 1 month ago

I think the answer is A.

Appropriate senior management needs to be informed and to determine how best to respond to the inquiry and to determine if the inquiry or the underlying activity might pose a risk to the institution. Compliance officer is in charge of the overall compliance of the FI and should be considered senior compared to the investigator who was instructed to investigate specific suspicious activities. Providing information to law enforcement by the investigator without informing senior management is probably not proper.

upvoted 1 times

junwangchloe 4 years, 1 month ago

I think the answer is A. Appropriate senior management needs to be informed and to determine how best to respond to the inquiry and to determine if the inquiry or the underlying activity might pose a risk to the institution. Compliance officer is in charge of the overall compliance of the FI and should be considered senior compared to the investigator who was instructed to investigate specific suspicious activities. Providing information to law enforcement by the investigator without informing senior management is probably not proper.Study guide P217 Responding to a Law Enforcement Investigation Against a Financial Institution Upon receipt of a law enforcement inquiry, the financial institution needs to ensure that the APPROPRIATE SENIOR MANAGEMENT IS INFORMED AND THAT SOMEONE IS DESIGNATED TO RESPOND TO ALL LAW ENFORCEMENT REQUESTS, TO MONITOR THE PROGRESS OF THE INVESTIGATION AND TO KEEP SENIOR MANAGEMENT, INCLUDING THE BOARD OF DIRECTORS, INFORMED OF THE NATURE AND PROGRESS OF THE INVESTIGATION.Monitoring a Law Enforcement Investigation Against a Financial Institution Financial institutions should ensure that all grand jury subpoenas, AS WELL AS OTHER INFORMATION REQUESTS FROM GOVERNMENT AGENCIES, ARE REVIEWED BY SENIOR MANAGEMENT AND AN INVESTIGATIONS GROUP OR COUNSEL TO DETERMINE HOW BEST TO RESPOND TO THE INQUIRY AND TO DETERMINE IF

THE INQUIRY OR THE UNDERLYING ACTIVITY MIGHT POSE A RISK TO THE INSTITUTION. In addition, the institution should maintain CENTRALIZED CONTROL OVER ALL REQUESTS AND RESPONSES TO ENSURE THAT THE REQUESTS ARE RESPONDED TO ON A COMPLETE AND TIMELY BASIS AND TO ESTABLISH A COMPLETE RECORD OF WHAT IS PROVIDED. This centralized record will also assist in the institution's internal investigation.

upvoted 1 times

junwangchloe 4 years, 1 month ago

Study guide P217 Responding to a Law Enforcement Investigation Against a Financial Institution

Upon receipt of a law enforcement inquiry, the financial institution needs to ensure that the APPROPRIATE SENIOR MANAGEMENT IS INFORMED AND THAT SOMEONE IS DESIGNATED TO RESPOND TO ALL LAW ENFORCEMENT REQUESTS, TO MONITOR THE PROGRESS OF THE INVESTIGATION AND TO KEEP SENIOR MANAGEMENT, INCLUDING THE BOARD OF DIRECTORS, INFORMED OF THE NATURE AND PROGRESS OF THE INVESTIGATION.

upvoted 1 times

junwangchloe 4 years, 1 month ago

Study guide P217 Responding to a Law Enforcement Investigation Against a Financial Institution Upon receipt of a law enforcement inquiry, the financial institution needs to ensure that the APPROPRIATE SENIOR MANAGEMENT IS INFORMED AND THAT SOMEONE IS DESIGNATED TO RESPOND TO ALL LAW ENFORCEMENT REQUESTS, TO MONITOR THE PROGRESS OF THE INVESTIGATION AND TO KEEP SENIOR MANAGEMENT, INCLUDING THE BOARD OF DIRECTORS, INFORMED OF THE NATURE AND PROGRESS OF THE INVESTIGATION.Monitoring a Law Enforcement Investigation Against a Financial Institution Financial institutions should ensure that all grand jury subpoenas, AS WELL AS OTHER INFORMATION REQUESTS FROM GOVERNMENT AGENCIES, ARE REVIEWED BY SENIOR MANAGEMENT AND AN INVESTIGATIONS GROUP OR COUNSEL TO DETERMINE HOW BEST TO RESPOND TO THE INQUIRY AND TO DETERMINE IF THE INQUIRY OR THE UNDERLYING ACTIVITY MIGHT POSE A RISK TO THE INSTITUTION. In addition, the institution should maintain CENTRALIZED CONTROL OVER ALL REQUESTS AND RESPONSES TO ENSURE THAT THE REQUESTS ARE RESPONDED TO ON A COMPLETE AND TIMELY BASIS AND TO ESTABLISH A COMPLETE RECORD OF WHAT IS PROVIDED. This centralized record will also assist in the institution's internal investigation.

upvoted 1 times

junwangchloe 4 years, 1 month ago

Monitoring a Law Enforcement Investigation Against a Financial Institution Financial institutions should ensure that all grand jury subpoenas, AS WELL AS OTHER INFORMATION REQUESTS FROM GOVERNMENT AGENCIES, ARE REVIEWED BY SENIOR MANAGEMENT AND AN INVESTIGATIONS GROUP OR COUNSEL TO DETERMINE HOW BEST TO RESPOND TO THE INQUIRY AND TO DETERMINE IF THE INQUIRY OR THE UNDERLYING ACTIVITY MIGHT POSE A RISK TO THE INSTITUTION. In addition, the institution should maintain CENTRALIZED CONTROL OVER ALL REQUESTS AND RESPONSES TO ENSURE THAT THE REQUESTS ARE RESPONDED TO ON A COMPLETE AND TIMELY BASIS AND TO ESTABLISH A COMPLETE RECORD OF WHAT IS PROVIDED. This centralized record will also assist in the institution's internal investigation.

upvoted 1 times

Polcos 4 years, 6 months ago

I think B is correct. According to this website : https://bsaaml.ffiec.gov/manual/AssessingComplianceWithBSARegulatoryRequirements/04 (see « Record Retention and Supporting Documentation » part), supporting information must be provided and there is « no legal process required for disclosure of this supporting documentation », so I think it's ok for the banks's internal investigator to send info to law enforcement.However, if people had done most of the questions in examtopic, they would notice a similar question in the previor pages about a law enforcement agency calling for information. Since it's a call, we don't know if it's a legit request from the law enforcement. Therefore, an investigator shouldn't pass along info randomly without verifying the identify of the law enforcement.

upvoted 1 times

Polcos 4 years, 6 months ago

I think B is correct. According to this website : https://bsaaml.ffiec.gov/manual/AssessingComplianceWithBSARegulatoryRequirements/04 (see « Record Retention and Supporting Documentation » part), supporting information must be provided and there is « no legal process required for disclosure of this supporting documentation », so I think it's ok for the banks's internal investigator to send info to law enforcement.

upvoted 1 times

ArielC 4 years, 6 months ago

However, if people had done most of the questions in examtopic, they would notice a similar question in the previor pages about a law enforcement agency calling for information. Since it's a call, we don't know if it's a legit request from the law enforcement. Therefore, an investigator shouldn't pass along info randomly without verifying the identify of the law enforcement.

upvoted 7 times

mdshr 4 years, 7 months ago

A is correct

upvoted 1 times

Writingsoon_2021 4 years, 9 months ago

Agree A is the answer

upvoted 1 times

ccz 4 years, 9 months ago

I think it should be D. All request should be in written.

upvoted 5 times

Question #115 *Topic 1*

Which action should countries take related to the financing of terrorist acts in accordance with the Financial Action Task Force 40 Recommendations?

A. Oppose

B. Sanction

C. Prosecute

D. Criminalize

Suggested Answer: *D*

Reference: https://www.fatf-gafi.org/publications/methodsandtrends/documents/fatf-action-against-terrorist-financing-feb-2019.html

Community vote distribution

D (100%)

HoneyBeeBear Highly Voted 5 years, 6 months ago

D - page 73, Recommendation 5 encourages countries to criminalize terrorist financing and the financing of terrorist organizations and individual terrorists with or without a link to a specific terrorist act, as well as ensuring these crimes are designated as money laundering predicate offenses.

upvoted 9 times

Neeti32 Most Recent 2 years, 1 month ago

D is correct

upvoted 1 times

JDomar8128 3 years, 10 months ago

D, 100%

upvoted 1 times

joanp22 4 years, 7 months ago

D while FATF has a list of actions, criminalize is definitely one of the options https://www.fatf-gafi.org/media/fatf/documents/reports/FATF%20Standards%20-%20IX%20Special%20Recommendations%20and%20IN%20rc.pdf

upvoted 2 times

Writingsoon_2021 5 years, 3 months ago

D is correct

upvoted 2 times

Abby32 5 years, 7 months ago

Sanctions i believe. Hmmmmm...it's confusing cuz under the main formation of the TF law by Prez Busch after 9/11 was to freeze assets of terrorists and that's sanctioning the to restrict or impede their activities not incriminating them. Also under group 3 of FATF 40 which is recommendations 5 through 8, it talks about terrorist financing and financial proliferation. All the measures to combat it are sanctions not criminalization so I don't know why examtopics chose "D".

upvoted 4 times

evann159 5 years, 9 months ago

Ans D https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf Recommendation 5 (the criminalisation of terrorist financing);

upvoted 2 times

RajAML 5 years, 10 months ago

D is correct. Countries should criminalise terrorist financing on the basis of the Terrorist Financing Convention

upvoted 4 times

Carolcc 5 years, 10 months ago

Is it sanction?

upvoted 1 times

Carolcc 5 years, 10 months ago

Is it sanction?I won't be sanction because it is terrorist financing.The question asks what action the countries should take. They cannot sanction themselves as countries are being sanctioned by other entities (other countries, other IOs, etc.)

upvoted 1 times

BigNesh 5 years, 4 months ago

I won't be sanction because it is terrorist financing.

upvoted 1 times

JYU 5 years, 4 months ago

The question asks what action the countries should take. They cannot sanction themselves as countries are being sanctioned by other entities (other countries, other IOs, etc.)

upvoted 3 times

Question #116 *Topic 1*

A client is a wholesale auto business that operates as a used car lot. The client regularly ships vehicles internationally. In a four-month period, the client received wires totaling $1,250,000 from a dealer in Benin in West Africa. All wires originated from Benin and were in increments of $50,000.
Account debits made to the account were payable to various transport companies. All incoming checks reference various vehicles purchased.
Dock shipping receipts produced by the client to support account activity identify the vehicles but cannot easily be tied to the wires received.
What is the suspicious behavior?

A. The dock shipping receipts match the vehicles

B. Vehicles are regularly shipped internationally

C. Wires received are in large, even dollar amounts

D. Account debits are payable to transport companies

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

JDomar8128 Highly Voted 1 year, 10 months ago
I see whole round number, i choose that answer every time, and it is right
upvoted 10 times

joanp22 Highly Voted 2 years, 7 months ago
C. RE: Unusual Activity in Trade-Based ML Frequent transaction in round or whole dollars. Must say thanks ALL for helping me to unravel this one.
upvoted 7 times

96a3dc3 Most Recent 1 year, 2 months ago
voted c
upvoted 1 times

SirNagsAlot 2 years ago
Definitely C. While the activity appears to be related to legitimate trade, the entity appears to be avoiding or circumventing foreign wire restrictions by splitting or structuring the payments in that manner.
upvoted 3 times

desp03 3 years ago
I would say C because the value of the vehicles (while possibly shipped in bulk) cannot all also be in precise increments of $50,000. I would have thought that the value of the checks would match the value of the 'lot' of cars shipped, which would fluctuate, not be in precise round-dollar amounts.Agree. Also the questions says: All incoming checks reference various vehicles purchased. Various vehicles cannot be sold at the same price. And also study guide P195 UNUSUAL ACTIVITY INDICATIVE OF TRADE-BASED MONEY LAUNDERING • Frequent transactions in round or whole dollars.
upvoted 3 times

desp03 3 years ago
I would say C because the value of the vehicles (while possibly shipped in bulk) cannot all also be in precise increments of $50,000. I would have thought that the value of the checks would match the value of the 'lot' of cars shipped, which would fluctuate, not be in precise round-dollar amounts.
upvoted 3 times

junwangchloe 2 years, 7 months ago
Agree. Also the questions says: All incoming checks reference various vehicles purchased. Various vehicles cannot be sold at the same price. And also study guide P195 UNUSUAL ACTIVITY INDICATIVE OF TRADE-BASED MONEY LAUNDERING • Frequent transactions in round or whole dollars.
upvoted 1 times

Lila22 3 years, 2 months ago
Sorry but where it is written round dollar? I am confused... TksIncrements of $50000.00...
upvoted 1 times

Lila22 3 years, 2 months ago

Sorry but where it is written round dollar? I am confused... Tks

upvoted 1 times

EPP_81 3 years, 1 month ago

Increments of $50000.00...

upvoted 4 times

Ash1004 3 years, 2 months ago

C is correct. ROUND DOLLAR amount is the key.

upvoted 1 times

Writingsoon_2021 3 years, 3 months ago

C is correct

upvoted 2 times

Adhwa 3 years, 3 months ago

yes, agree with C

upvoted 1 times

Sundar1990 3 years, 9 months ago

C is correct answer

upvoted 1 times

Sundar1990 3 years, 9 months ago

C correct answer

upvoted 1 times

AML_Investigator 3 years, 10 months ago

C is the correct answer. It is normal for a wholesale auto business to ship internationally

upvoted 1 times

tRang1 3 years, 10 months ago

Other source choose B is correct answer? Please help to explain your reasonale? (quizelet.com)pg 196: unusual activity indicative of trade based money laundering: frequent transactions in round or whole dollars.

upvoted 1 times

tRang1 3 years, 10 months ago

Other source choose B is correct answer? Please help to explain your reasonale? (quizelet.com)

upvoted 1 times

Cos08 3 years, 10 months ago

pg 196: unusual activity indicative of trade based money laundering: frequent transactions in round or whole dollars.

upvoted 5 times

Question #117 *Topic 1*

A high-volume dealer of precious metals and stones in a high-risk jurisdiction is approached by a new customer interested in selling gold worth $200,000. The customer was referred by a longtime family friend of the dealer and provides no indication of background or business purpose for the sale. The dealer agrees to make the purchase based solely on the reference.
What is the money laundering red flag?

A. The customer was referred by a longtime friend of the dealer

B. The precious metals dealer is operating in a high-risk jurisdiction

C. A new customer is selling gold worth $200,000 to a high volume dealer

D. The customer provides no background information or business purpose for the transaction

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

CassieG Highly Voted 5 years, 3 months ago
The customer provides no background information or business purpose for the transaction is the ML red flag answer is D
upvoted 10 times

Neeti32 Most Recent 2 years, 2 months ago
per CAMS practice test 2024
upvoted 2 times

Lovefolks 2 years, 8 months ago
Practice exam
upvoted 1 times

Karaa 4 years ago
Real test question August 2022
upvoted 2 times

Karaa 4 years ago
per CAMS practice test August 2022
upvoted 2 times

ABenny7 4 years, 5 months ago
D is correct - shows up on the ACAMS practice test on their official website
upvoted 3 times

Tam_3 4 years, 5 months ago
Answer is D
upvoted 1 times

rocky2022 4 years, 5 months ago
D is the answer and this was the answer in the practice acams exam
upvoted 3 times

joanp22 4 years, 7 months ago
The answer is D
upvoted 1 times

IbiH 4 years, 10 months ago
D. high-risk jurisdiction alone cannot be considered a significant flag without further context.
upvoted 3 times

Kingor123 4 years, 11 months ago
B is th ans
upvoted 1 times

Writingsoon_2021 5 years, 3 months ago

D is the answer

upvoted 3 times

Mahadi 5 years, 3 months ago

Agreed

upvoted 2 times

Question #118 *Topic 1*

What does the Financial Action Task Force 40 Recommendations address on transparency of beneficial ownership?

A. Gatekeepers

B. Correspondent banking

C. Payable through accounts

D. Legal persons and arrangements

Suggested Answer: *D*

Reference: https://www.fatf-gafi.org/documents/news/transparency-and-beneficial-ownership.html

Community vote distribution

D (100%)

bmb251 Highly Voted 5 years, 6 months ago

Correct D

upvoted 9 times

Locustkeke90 Highly Voted 4 years, 6 months ago

real exam question form Jan 2022

upvoted 8 times

Neeti32 Most Recent 2 years, 1 month ago

D is correct

upvoted 1 times

Achoux 2 years, 3 months ago

D est la bonne reponse

upvoted 1 times

JDomar8128 3 years, 10 months ago

D, per ACAMS study questions

upvoted 1 times

PCJA1980 4 years, 4 months ago

D is the correct answer per CAMS practice exam April 2022.

upvoted 4 times

ABenny7 4 years, 5 months ago

Correct answer is D

upvoted 2 times

Ricardofrt 4 years, 5 months ago

Concordo com a D

upvoted 1 times

Tam_3 4 years, 5 months ago

D - Legal persons and arrangements

upvoted 1 times

joanp22 4 years, 7 months ago

The answer is D.

upvoted 2 times

junwangchloe 4 years, 7 months ago

P93 Some highlights of the 2012 revision of the 40 Recommendations are as follows. • Transparency and beneficial ownership of legal persons and arrangements: Countries should take appropriate measures to prevent the misuse of legal persons for money laundering or terrorist financing, including ensuring information about the beneficial ownership and control of such legal persons is available to competent authorities, particularly with regard to legal persons who can issue bearer shares or have nominee shareholders or directors.

upvoted 3 times

Kingor123 4 years, 11 months ago

P.91 guys

upvoted 2 times

MalBen 5 years, 1 month ago

Agreed

upvoted 2 times

LordMarco 5 years, 4 months ago

Correct answer

upvoted 2 times

Question #119 *Topic 1*

A compliance officer identifies a potentially significant risk in a popular financial product. Further investigation reveals there is no mitigating control.
Which course of action should the compliance officer take?

A. Launch a long-term project to remediate the control deficiency

B. Note the risk and address it during the next round of policy and procedure review

C. Immediately cease providing the product and only offer it after effective permanent mitigation is implemented

D. Implement a temporary mitigation plan that enables effective management of the risk until a permanent plan can be developed

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
D is the answer - FATF RBA approach is applicable to this answer
upvoted 10 times

PCJA1980 Highly Voted 4 years, 4 months ago
D is the correct answer per CAMS practice exam April 2022.PCJA 1980....THANK YOU!
upvoted 6 times

PCJA1980 4 years, 4 months ago
D is the correct answer per CAMS practice exam April 2022.
upvoted 6 times

KUNAL1022 4 years, 3 months ago
PCJA 1980....THANK YOU!
upvoted 1 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED FOR D
upvoted 1 times

Neeti32 2 years, 2 months ago
D per practice ACAMS test 2024
upvoted 3 times

Achoux 2 years, 2 months ago
D est correct
upvoted 1 times

Iain844 3 years, 7 months ago
Answer is D. If the temporary measure is, as they say, effective, then it's not a big issue.
upvoted 1 times

JDomar8128 3 years, 10 months ago
D, per ACAMS study questions
upvoted 1 times

ABenny7 4 years, 5 months ago
D is the answer - its on the official ACAMS practice test
upvoted 5 times

Tam_3 4 years, 5 months ago
Answer is D
upvoted 1 times

kayangel 4 years, 12 months ago
anyone thinks it's C? The question said there's no mitigating control

upvoted 2 times

kayangel 4 years, 12 months ago

anyone thinks it's C? The question said there's no mitigating controlTherefore it's D, as there's NO mitigating control, the temporary control system must be developed and implemented until the permanent mitigating control is developed and implemented.GgggggggrttttttCan share which page in the book

upvoted 2 times

amlspecialisttobe 4 years, 11 months ago

Therefore it's D, as there's NO mitigating control, the temporary control system must be developed and implemented until the permanent mitigating control is developed and implemented.

upvoted 5 times

amlspecialisttobe 4 years, 11 months ago

Therefore it's D, as there's NO mitigating control, the temporary control system must be developed and implemented until the permanent mitigating control is developed and implemented.GgggggggrttttttCan share which page in the book

upvoted 5 times

Buriki72 4 years, 11 months ago

Ggggggggrtttttt

upvoted 1 times

Kingor123 4 years, 11 months ago

Can share which page in the book

upvoted 2 times

Question #120 *Topic 1*

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

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

Majid2094 Highly Voted 5 years, 4 months ago
The correct answer is C. P/167 CAMS Study Guide v6.31agreed w you
upvoted 39 times

Majid2094 Highly Voted 5 years, 4 months ago
The correct answer is C. P/167 CAMS Study Guide v6.31
upvoted 39 times

tRang1 5 years, 4 months ago
agreed w you
upvoted 2 times

Writingsoon_2021 4 years, 9 months ago
C is the answer - Cams – P167 – "Before releasing customer information, it is important to review applicable privacy laws and the firm's privacy policy to understand any limitations".
upvoted 9 times

Writingsoon_2021 4 years, 9 months ago
C is the answer - Cams – P167 – "Before releasing customer information, it is important to review applicable privacy laws and the firm's privacy policy to understand any limitations".okay. but reading further "no regulatory problems with sharing customer information with other internal departments within same legal entity"; and in the previous paragraph it is saying about "to share valuable data with other areas of the firm". nothing about sharing with external entitiesP167 - Before releasing customer information, it is important to review APPLICABLE PRIVACY LAWS AND THE FIRM'S PRIVACY POLICY to understand any limitations. There are usually no regulatory problems with sharing customer information with other internal departments within the same legal entity; however, THERE MAY BE LIMITATIONS ON SHARING WITH OTHER AFFILIATED COMPANIES WITHIN A LARGER ORGANIZATION. Some firms restrict the sharing of customer information outside the organization and customers may opt-out of the right for the firm to provide their information to third-party companies.
upvoted 9 times

kwiecik 4 years, 8 months ago
okay. but reading further "no regulatory problems with sharing customer information with other internal departments within same legal entity"; and in the previous paragraph it is saying about "to share valuable data with other areas of the firm". nothing about sharing with external entitiesP167 - Before releasing customer information, it is important to review APPLICABLE PRIVACY LAWS AND THE FIRM'S PRIVACY POLICY to understand any limitations. There are usually no regulatory problems with sharing customer information with other internal departments within the same legal entity; however, THERE MAY BE LIMITATIONS ON SHARING WITH OTHER AFFILIATED COMPANIES WITHIN A LARGER ORGANIZATION. Some firms restrict the sharing of customer information outside the organization and customers may opt-out of the right for the firm to provide their information to third-party companies.
upvoted 1 times

kwiecik 4 years, 8 months ago
okay. but reading further "no regulatory problems with sharing customer information with other internal departments within same legal entity"; and in the previous paragraph it is saying about "to share valuable data with other areas of the firm". nothing about sharing with external entities
upvoted 1 times

junwangchloe 4 years, 1 month ago

P167 - Before releasing customer information, it is important to review APPLICABLE PRIVACY LAWS AND THE FIRM'S PRIVACY POLICY to understand any limitations. There are usually no regulatory problems with sharing customer information with other internal departments within the same legal entity; however, THERE MAY BE LIMITATIONS ON SHARING WITH OTHER AFFILIATED COMPANIES WITHIN A LARGER ORGANIZATION. Some firms restrict the sharing of customer information outside the organization and customers may opt-out of the right for the firm to provide their information to third-party companies.

upvoted 1 times

Achoux Most Recent 1 year, 8 months ago

C est la bonne reponse

upvoted 1 times

Sudar89 2 years, 4 months ago

Ans : C - Pg 289 - As per version 6.48 ACAMS study guide - Before releasing customer information, it is important to review applicable privacy laws (e.g., Europe's General Data Protection Regulations [GDPR]) and the firm's privacy policy to understand any limitations.

upvoted 2 times

Dilara89 2 years, 9 months ago

I think C is the correct answer. This is from the CAMS study guide "There are usually no regulatory limits on sharing customer information with other internal departments within the same legal entity; however, there might be limitations on sharing with other affiliated companies within a larger organization. Some organizations restrict the sharing of customer information outside the organization, and customers may opt-out of the right for the organization to provide their information to third-party companies."

upvoted 2 times

Dilara89 2 years, 9 months ago

C looks like the correct answer

upvoted 2 times

Waqas12345waqas 3 years, 3 months ago

MLAT for corporation between countries

upvoted 1 times

genahaw 3 years, 11 months ago

B is for countries, the question is about banks and broker-dealer affiliate. Also C is about Basel and info sharing between their entities.

upvoted 2 times

ABenny7 3 years, 11 months ago

Correct answers seems to be C

upvoted 1 times

KKY93 3 years, 11 months ago

C is the answer

upvoted 1 times

Ankit_G 4 years ago

C should be the answer

upvoted 1 times

michaelcams 4 years, 4 months ago

C is the answer.

upvoted 1 times

Kingor123 4 years, 5 months ago

Lol the ans is so confused

upvoted 1 times

mdshr 4 years, 7 months ago

C correct answer

upvoted 3 times

anna_sia 4 years, 11 months ago

correct answer is C

upvoted 2 times

Ahde 4 years, 11 months ago

I lean towards C & I am not 100% confident about this. But 1 thing i am 1000% sure is that it can never be B lol

upvoted 2 times

CBSingh 5 years ago

C should be correct answer.

upvoted 1 times

Question #121 *Topic 1*

A client who owns a swimming pool company requests to open 19 accounts at a bank, each with a debit card for its swimming pool technicians. When asked about the purpose of each account, the client explains that each technician needs a separate checking account to purchase pool chemicals.
Which available source could be used in the bank's internal investigation on this client's activities?

A. Client's credit bureau report

B. Local law enforcement investigation report

C. Interview swimming pool technicians and chemical suppliers

D. Internet search showing how such business are typically operated

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

StellJerry Highly Voted 4 years ago
Ans is D CAMS GUIDE Page 210 "Tips on Searching the Internet: Before beginning to search the internet, the investigator should prepare a plan, focusing on the topics under investigation and the types of information needed. This will ensure that the work is undertaken in an efficient and focused manner. The investigator should start with a metasearch using a number of different search engines and then move to specific search engines with different capabilities. From the metasearch, the investigator can also start narrowing the parameters using keywords. The plan devised in advance will help the investigation to select the keywords and areas where greater focus should be applied. For example, if a customer's transaction activity has raised concerns, the search may begin with the customer's personal and professional background, and then focus on the nature of the commercial activities they have been undertaking. This will assist the investigator in assessing whether the transactions appear to be consistent with the reasons given by the customer for opening the account and the expected commercial activity they proposed to used it for
upvoted 11 times

xiaojw Most Recent 5 months, 2 weeks ago
A bank's internal investigator should first conduct independent internal and open-source research to determine whether the customer's activity is reasonable and consistent with normal business operations.
upvoted 1 times

Srsu77 2 years, 3 months ago
Agree with D
upvoted 1 times

JDomar8128 3 years, 4 months ago
D 100%
upvoted 1 times

V2222 3 years, 6 months ago
Agree with D.
upvoted 2 times

chekaz 4 years, 2 months ago
Agreed with answer D - source
upvoted 2 times

Question #122 *Topic 1*

A bank sells reloadable open-loop prepaid cards to both customers and non-customers.
What is a red flag associated with these cards that may indicate money laundering?

A. A bank customer historically purchases several prepaid cards near year-end.

B. A non-bank customer regularly loads large amounts of cash onto several prepaid cards.

C. A non-bank customer consistently uses the bank to obtain cash advances using a prepaid card.

D. A bank customer routinely purchases five prepaid cards in small even-dollar amounts on a monthly basis.

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (67%) D (33%)

SirNagsAlot Highly Voted 4 years ago
The answer is B. The customer is not known to the bank, and the source of cash is unclear. This is also the point to which we observe the first stage of money laundering - placement. Not D as the answer uses mitigating language (small). A assumes a cyclical, yearly pattern, likely indicative of gift giving. C is tricky but we aren't privvy to the existing balance, frequency or amounts that are being advanced.
upvoted 12 times

JohnnyCAMS12_24 Most Recent 1 year, 9 months ago
This activity is suspicious because frequent loading of large cash amounts onto multiple prepaid cards by a non-customer is a common tactic used in money laundering schemes. It allows criminals to break down large sums of illicit money into smaller amounts across several cards, making the funds harder to trace. This pattern of behavior aligns with the "layering" stage of money laundering, where the goal is to obscure the source of illegal funds.
upvoted 1 times

Neeti32 2 years, 1 month ago
B is a clear answer
upvoted 1 times

pinkmoon 2 years, 11 months ago
B is closer to the answer. "Non-bank customer" is higher risk than "bank customer"
upvoted 4 times

MIA74 3 years, 6 months ago
Agreed B, a red flag associated with prepaid cards is anonymous transactions
upvoted 2 times

Shady_Abul_Enin 3 years, 7 months ago
B is more relevant to ML while C is more relevant to TF.
upvoted 1 times

JDomar8128 3 years, 10 months ago
B 100%
upvoted 4 times

V2222 4 years ago
B is the correct answer.
upvoted 3 times

Vksh9 4 years, 3 months ago
Why a person want 5 prepaid cards every month when he can reload previously obtained cards ? Is he distributing the cards to his affiliates ? IMO D is the answerseems like a parent gives an "even amount" allowance to 5 children; in addition, a bank customer has been due diligenced, not the highest risk among all. I think B is the answer.The card is RELOADABLE. I can't see any logical reason to acquire 5 reloadable prepaid cards each month. Option B is correct. However, option D would attract attentions. I mean you certainly can't disregard client buying 5 reloadable prepaid cards each month. It's 60 cards annually. The client can sell it to criminals who could later load those cards with illegal proceedings or use them during layering for losing track..I agree with you it should be D.

upvoted 3 times

Vksh9 4 years, 3 months ago

Selected Answer: D

Why a person want 5 prepaid cards every month when he can reload previously obtained cards ? Is he distributing the cards to his affiliates ? IMO D is the answer

upvoted 3 times

WatchingYou 4 years, 2 months ago

seems like a parent gives an "even amount" allowance to 5 children; in addition, a bank customer has been due diligenced, not the highest risk among all. I think B is the answer.The card is RELOADABLE. I can't see any logical reason to acquire 5 reloadable prepaid cards each month. Option B is correct. However, option D would attract attentions. I mean you certainly can't disregard client buying 5 reloadable prepaid cards each month. It's 60 cards annually. The client can sell it to criminals who could later load those cards with illegal proceedings or use them during layering for losing track..I agree with you it should be D.

upvoted 2 times

WatchingYou 4 years, 2 months ago

seems like a parent gives an "even amount" allowance to 5 children; in addition, a bank customer has been due diligenced, not the highest risk among all. I think B is the answer.

upvoted 2 times

imperialchicken 3 years, 8 months ago

The card is RELOADABLE. I can't see any logical reason to acquire 5 reloadable prepaid cards each month. Option B is correct. However, option D would attract attentions. I mean you certainly can't disregard client buying 5 reloadable prepaid cards each month. It's 60 cards annually. The client can sell it to criminals who could later load those cards with illegal proceedings or use them during layering for losing track..

upvoted 2 times

imperialchicken 3 years, 8 months ago

The card is RELOADABLE. I can't see any logical reason to acquire 5 reloadable prepaid cards each month. Option B is correct. However, option D would attract attentions. I mean you certainly can't disregard client buying 5 reloadable prepaid cards each month. It's 60 cards annually. The client can sell it to criminals who could later load those cards with illegal proceedings or use them during layering for losing track..I agree with you it should be D.

upvoted 2 times

Sorak 2 years, 10 months ago

I agree with you it should be D.

upvoted 1 times

ABenny7 4 years, 5 months ago

I think B is correct - makes the most sense

upvoted 3 times

joanp22 4 years, 7 months ago

B is the answer• ability"to"load/reload"cards"with"cash. See Wolfsberg guidance on prepaid and stored value card

upvoted 3 times

Ash1004 5 years, 2 months ago

B is the right answer.

upvoted 2 times

Writingsoon_2021 5 years, 3 months ago

B is the answer

upvoted 3 times

Canadianlala 5 years, 5 months ago

B. "Additionally," some" card" programmes" have" the" following" characteristics," which" can" increase"money"laundering"risk: • ability"to"load/reload"cards"with"cash "The"Wolfsberg"Group"2011 Wolfsberg"Guidance"on"Prepaid"&"Stored"Value"Cards 5 https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/11.%20Wolfsberg_Guidance_on_Prepaid_and_Stored_Value_Cards_Oct_14,_2011.pdf

upvoted 3 times

Hani2020 5 years, 9 months ago

agree with B

upvoted 3 times

jgallag11 5 years, 9 months ago

I think I agree with B. But my original thought was C, because the funds are already loaded onto the prepaid cards and he is further distancing the source of funds when he withdraws cash.

upvoted 3 times

Martino 5 years, 10 months ago

Can anyone please explain to me why the answer isn't B?the answer is B

upvoted 2 times

Martino 5 years, 10 months ago

Can anyone please explain to me why the answer isn't B?

upvoted 2 times

StevenAkoury 5 years, 10 months ago

the answer is B

upvoted 4 times

Question #123 *Topic 1*

Which product is considered to be of highest money laundering risk?

A. Credit cards

B. Savings accounts

C. Time deposit accounts

D. International wire transfers

Suggested Answer: *D*

Official Answer: D

Community vote distribution

D (100%)

PCJA1980 Highly Voted 3 years, 10 months ago

D is is the correct answer per CAMS practice exam April 2022.Can you please guide CAMS practice exam April 2022 means which site you are refering

upvoted 11 times

PCJA1980 Highly Voted 3 years, 10 months ago

D is is the correct answer per CAMS practice exam April 2022.

upvoted 11 times

Amit_484 2 years, 11 months ago

Can you please guide CAMS practice exam April 2022 means which site you are refering

upvoted 1 times

Sandy68 4 years, 8 months ago

Obviously is wrong answer should be update the site. Correct answer is D per CAMS. guide2.6 pag 56 International wire transfers are one of the most frequent and highest risk financial instruments used in money laundering operations

upvoted 7 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED FOR D

upvoted 1 times

wiljul 1 year, 12 months ago

Per Version 6.48, page 247, . High-risk products and services could include correspondent banking, private banking, cash services (e.g., bulk currency shipments), and international wire transfers

upvoted 1 times

Sorak 2 years, 3 months ago

International wire transfer is a Product? It is an activity.

upvoted 1 times

HUGGOEPM 3 years, 5 months ago

D is the answer, wire transfers/cross border payments historically represent the highest risk for transaction

upvoted 2 times

V2222 3 years, 6 months ago

I believe it is B as Money Launderers can overpay the credit card using cash and request refund.

upvoted 1 times

AS01 4 years ago

Why the answer is not A (Credit Card) as it's also a product that attracts Money launderers

upvoted 1 times

AS01 4 years ago

Why the answer is not A (Credit Card) as it's also a product that attracts Money launderersIt's not the highest ML riskbecause as per CAMS practice exam, the answer is D

upvoted 1 times

Sipi 3 years, 11 months ago

It's not the highest ML risk

upvoted 1 times

AUSTINKIM 3 years, 10 months ago

because as per CAMS practice exam, the answer is D

upvoted 4 times

junwangchloe 4 years, 1 month ago

D cannot be eliminated based on the argument that it is a service instead of a product. Per study guide P10, all four options are products.. Methods of Money Laundering Money laundering is an ever-evolving activity; it must be continuously monitored in all its various forms in order for measures against it to be timely and effective. Illicit money can move through numerous different commercial channels, including PRODUCTS such as CHECKING, SAVINGS and brokerage accounts; loans; WIRES AND TRANSFERS or through financial intermediaries, such as trusts and company service providers, securities dealers, banks and money services businesses.Hello everyone should be looking at page 10. It literally labels the wire activity as a product. Technically in this case the wires would be the highest risk.

upvoted 3 times

junwangchloe 4 years, 1 month ago

D cannot be eliminated based on the argument that it is a service instead of a product.

Per study guide P10, all four options are products..

Methods of Money Laundering Money laundering is an ever-evolving activity; it must be continuously monitored in all its various forms in order for measures against it to be timely and effective. Illicit money can move through numerous different commercial channels, including PRODUCTS such as CHECKING, SAVINGS and brokerage accounts; loans; WIRES AND TRANSFERS or through financial intermediaries, such as trusts and company service providers, securities dealers, banks and money services businesses.

upvoted 3 times

Cj1995 3 years, 11 months ago

Hello everyone should be looking at page 10. It literally labels the wire activity as a product. Technically in this case the wires would be the highest risk.

upvoted 1 times

twoferns 4 years, 2 months ago

B has to be the correct answer as International Wire Transfer is not a product

upvoted 1 times

IbiH 4 years, 4 months ago

its close between B and D, but given that B facilitates illicit cash into the system (placement) it is the better choice. Wire transfers are involved in the layering stage.

upvoted 2 times

Kingor123 4 years, 5 months ago

B is correct as D is not a product

upvoted 2 times

kmacx44 4 years, 5 months ago

so can anyone confirm if the correct answer is B or D?!B is correct as D is not a productIncorrect. Wire transfers are a product/service offered by banks. D is correct per Acams practice test.

upvoted 2 times

kmacx44 4 years, 5 months ago

so can anyone confirm if the correct answer is B or D?!

upvoted 2 times

Kingor123 4 years, 5 months ago

B is correct as D is not a productIncorrect. Wire transfers are a product/service offered by banks. D is correct per Acams practice test.

upvoted 2 times

Art_G92 3 years, 6 months ago

Incorrect. Wire transfers are a product/service offered by banks. D is correct per Acams practice test.

upvoted 2 times

CassieG 4 years, 5 months ago

Page 156 in addition, certain specific banking functions or products are considered high risk. These include the following: Deposit-taking facilities Wire transfer or cash management functions. Deposit taking facilities are products. Wire transfers is a service or function therefore I would be inclined to say B. If they had ask which product \ service then D would be the answer

upvoted 2 times

Noodyjooby 4 years, 6 months ago

Not sure if I'm oversimplying this, but the question is asking which PRODUCT. Out of the 4 options, a wire transfer is not a product, but rather a service. Once we eliminate wire transfer, it's the savings account which is the highest risk

upvoted 2 times

canerkaya 4 years, 7 months ago

You cannot make international money transfers unless the money is credited to the account. So first priority saving account, subsequent risk international wire transfer. So answer is correct B. placement B - layering D.

upvoted 2 times

canerkaya 4 years, 7 months ago

v6.32 page 150 answer B • Deposit-taking facilities • Wire transfer and cash-management functions

upvoted 1 times

Question #124 *Topic 1*

A compliance officer at a large financial institution has been tasked by senior management to lead a team in an internal review and potential revision of the institution's customer onboarding program following a regulatory enforcement action of another institution.
Which step should the compliance officer perform first?

A. Reviewing the institution's risk assessment

B. Revising training materials for frontline staff

C. Conducting enhanced due diligence on high risk customers

D. Resolving substantive discrepancies in customer verification

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (100%)

PCJA1980 Highly Voted 4 years, 4 months ago
A is the correct answer per CAMS practice exam April 2022.
upvoted 12 times

junwangchloe Highly Voted 4 years, 7 months ago
A is the answer. In my opinion, review comes before the revision. Study guide P143 Maintaining an AML/CFT Risk Model A risk-based approach seeks to identify, manage and analyze AML/CFT risk in order to design and effectively implement appropriate controls. As such, it is critical that risk ratings accurately reflect the risks present, provide MEANINGFUL ASSESSMENTS THAT LEAD TO PRACTICAL STEPS to mitigate the risks, are periodically reviewed and, when necessary, are updated.
upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED A
upvoted 1 times

3592ea7 2 years, 1 month ago
CAMS Book
upvoted 1 times

Iain844 3 years, 7 months ago
A is the answer. You don't know what you don't know.
upvoted 3 times

V2222 4 years ago
Agree with A.
upvoted 1 times

Writingsoon_2021 5 years, 3 months ago
A is the answer
upvoted 3 times

Mahadi 5 years, 3 months ago
Review of any AML/CFT program begins with the Risk Based Approached. It should first check the internal system to identify risk factors and design program accordingly. So the answer is A.
upvoted 3 times

PCEF 5 years, 4 months ago
why not D?Resolving substantive discrepancies in customer verification-There is no indication of any wrong doingThe compliance officer's job is to review and revise the current program in comparison to the one in another financial institution. The question asks what the offier should do FIRST, so D may not be the right answer since it is very specific and may be done in the later steps, while A is reviewing to find anything to make

corrections/revisions.jyu is right, the first step will be to perform an assessment to have a general idea about the onboarding programyou cant compare your risk to another FI, each FIs risk is different.

upvoted 1 times

PCEF 5 years, 4 months ago

why not D?

upvoted 1 times

ASHU1408 4 years, 7 months ago

Resolving substantive discrepancies in customer verification-There is no indication of any wrong doing

upvoted 2 times

JYU 5 years, 4 months ago

The compliance officer's job is to review and revise the current program in comparison to the one in another financial institution. The question asks what the offier should do FIRST, so D may not be the right answer since it is very specific and may be done in the later steps, while A is reviewing to find anything to make corrections/revisions.

upvoted 4 times

JYU 5 years, 4 months ago

The compliance officer's job is to review and revise the current program in comparison to the one in another financial institution. The question asks what the offier should do FIRST, so D may not be the right answer since it is very specific and may be done in the later steps, while A is reviewing to find anything to make corrections/revisions.jyu is right, the first step will be to perform an assessment to have a general idea about the onboarding programyou cant compare your risk to another FI, each FIs risk is different.

upvoted 4 times

timbarr 5 years, 3 months ago

jyu is right, the first step will be to perform an assessment to have a general idea about the onboarding program

upvoted 1 times

IbiH 4 years, 10 months ago

you cant compare your risk to another FI, each FIs risk is different.

upvoted 1 times

Question #125 *Topic 1*

A bank provides trade financing for a company whose primary export is steel.

Which action by the company indicates possible money laundering?

A. The company often deals with foreign currency exchanges.

B. The company regularly understates the value of goods exported.

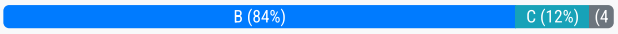
C. The company frequently sells above or below its competitors' price.

D. The company frequently transfers funds to other bank accounts located in other jurisdictions.

Suggested Answer: *B*

Official Answer: B

Community vote distribution



RajAML Highly Voted 5 years, 4 months ago

I think B should be the answer

upvoted 41 times

PCJA1980 Highly Voted 3 years, 10 months ago

D is the correct answer per CAMS practice exam April 2022.

upvoted 11 times

PCJA1980 3 years, 10 months ago

D is the correct answer per CAMS practice exam April 2022.Are you sure? Is it 100% D? I think B should the right answer.

upvoted 11 times

V2222 3 years, 6 months ago

Are you sure? Is it 100% D? I think B should the right answer.

upvoted 5 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED FOR B

upvoted 1 times

Vince03 2 years, 2 months ago

The answer is D..why is an exporter of steel transferring funds abroad . its not like you gotta buy raw material for the process

upvoted 2 times

Sbl_89 2 years, 4 months ago

Understating the value of exported goods is a common technique used in trade-based money laundering to move funds illicitly across borders. This action can involve misrepresenting the value of goods on invoices, leading to the transfer of excess funds to other accounts or jurisdictions. It is a red flag for potential money laundering activities and should be investigated by the bank as part of its anti-money laundering efforts.

upvoted 4 times

Dilara89 2 years, 9 months ago

Answer is B. As per CAMS study guide "Underinvoicing: This technique involves invoicing the goods or services at a price below the fair market price. The seller can transfer value to the buyer, because the payment for the goods or services is lower than the value the buyer receives when the goods are sold on the open market."

upvoted 2 times

study6660 2 years, 10 months ago

correct answer is B

upvoted 1 times

D_Bartley 3 years ago

B - Cams guide v6.46 pg 327

upvoted 1 times

MIA74 3 years ago

Agreed B

upvoted 1 times

clarxcoda 3 years ago

But the wires involved could possibly for paying suppliers as well

upvoted 2 times

Lukashh 3 years ago

As an export company, it does not have the need to transfer funds to other countries, however the other way round.

upvoted 1 times

imperialchicken 3 years, 2 months ago

• Obvious overpricing or underpricing of goods and services. - Option B • Customer seeks trade financing on the export or import of commodities with stated prices that are substantially higher or lower than those in a similar market situation or environment. - Option C. I would choose B because it is almost verbatim question from the book. However option C could be also considered valid per the example given from the book. The only reason I am going for B is its text is somehow stronger than C.C doesn't mean anything without the word "substantial". Sometimes you sell above the competitors price and you make more profit, sometimes you need to undercut your competitors in order to push sales.

upvoted 2 times

imperialchicken 3 years, 2 months ago

Selected Answer: B

• Obvious overpricing or underpricing of goods and services. - Option B • Customer seeks trade financing on the export or import of commodities with stated prices that are substantially higher or lower than those in a similar market situation or environment. - Option C.

I would choose B because it is almost verbatim question from the book. However option C could be also considered valid per the example given from the book. The only reason I am going for B is its text is somehow stronger than C.

upvoted 2 times

lain844 3 years, 1 month ago

C doesn't mean anything without the word "substantial". Sometimes you sell above the competitors price and you make more profit, sometimes you need to undercut your competitors in order to push sales.

upvoted 2 times

matovu 3 years, 3 months ago

C is the answer. Read about trade based money laundering.

upvoted 1 times

kirabee 3 years, 4 months ago

Also in CAMS book under unusual trade financing transaction another point is mentioned Obvious overpricing or underpricing of goods and services .https://complyadvantage.com/insights/trade-based-money-laundering/ TBML primarily involves the import and export of goods and the exploitation of a variety of cross-border trade finance instruments.

upvoted 2 times

kirabee 3 years, 4 months ago

B- CAMS book unusual trade financing transaction- Customer seeks "trade financing" on the "export or import" of commodities with "stated prices" that are substantially "higher or lower" than those in a similar market situation or environment. Option B has part understates the value of goods exported.

upvoted 2 times

JDomar8128 3 years, 4 months ago

I am surprised more people are not saying C

upvoted 2 times

Wonnie 3 years, 4 months ago

Money launderers can move money out of one country by using their illicit funds to purchase high-value products and then exporting them at low prices to a colluding foreign partner, who then sells them in the open market at their true value. To give the transactions the appearance of legitimacy, the partners may use a financial organization for trade financing, which often entails letters of credit and other documentation

upvoted 1 times

Question #126 *Topic 1*

An anti-money laundering analyst is reviewing a new customer list to confirm potentially high risk customers have been identified and subject to enhanced due diligence.
Which new customer warrants enhanced due diligence?

A. A non-profit hospital

B. A fundraising organization

C. An employee benefit plan trust

D. A medical practice limited partnership

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (79%) A (21%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
B is correct
upvoted 21 times

JohnnyCAMS12_24 Highly Voted 1 year, 9 months ago
Fundraising organizations are generally considered higher risk for money laundering compared to the other options listed. This is because they can potentially be used to disguise the source of illicit funds or to finance illegal activities. Enhanced Due Diligence is used when a customer poses a higher risk of money laundering or terrorist financing activity. While all new customers require some level of due diligence, certain types of organizations or individuals may require additional scrutiny. The other options listed - a non-profit hospital, an employee benefit plan trust, and a medical practice limited partnership - are typically considered lower risk and would likely only require standard due diligence procedures, unless there were specific red flags or unusual circumstances associated with them.
upvoted 5 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED FOR B
upvoted 1 times

9955458 2 years ago
B is the correct answer
upvoted 1 times

imperialchicken 3 years, 8 months ago
Page 296 - Product, service, transaction, and delivery channel risk factors for EDD: • Non-face-to-face business relationships and transactions • Payment received from unknown or unassociated third parties Both are applicable with fundraising organisations. The answer is B. Thanks.
upvoted 2 times

Wonnie 3 years, 10 months ago
Payment received from unknown or unassociated third parties
upvoted 1 times

V2222 4 years ago
Agree with B.
upvoted 2 times

Nawo 4 years, 1 month ago
Answer B NPO Can be a variety of forms depending on the jurisdiction including Associations, Foundations, Fundraising communities Etc
upvoted 2 times

yanyan11 4 years, 2 months ago
chapter 5 page 247 ACAM Guides
upvoted 2 times

Vksh9 4 years, 3 months ago
Selected Answer: A

NPO is more vulnerable to TF risks

upvoted 2 times

Vksh9 4 years, 3 months ago

NPO is more vulnerable to TF risksThe problem is, a hospital takes a massive effort to set up, and almost certainly heavily regulated and operates domestically. A fundraising organization could be a fly-by-night operation that can appear and disappear unnoticed.

upvoted 2 times

Iain844 3 years, 7 months ago

The problem is, a hospital takes a massive effort to set up, and almost certainly heavily regulated and operates domestically. A fundraising organization could be a fly-by-night operation that can appear and disappear unnoticed.

upvoted 4 times

Aboanas92 4 years, 4 months ago

B IS CORRECT

upvoted 1 times

Weslyn 4 years, 5 months ago

A fundraising organization and a charity are two different things. Therefore, answer should be A

upvoted 2 times

junwangchloe 4 years, 7 months ago

I think it is B. Study guide P79 Use of Charities or Nonprofit Organizations (NPOs) After the September 11, 2001, attacks the U.S. government initiated the Terrorist Finance Tracking Program (TFTP) in order to identify, track and pursue terrorist groups' sources of funding. Through the TFTP, the U.S. government has uncovered and shut down over 40 designated charities used as potential FUNDRAISING FRONT ORGANIZATIONS.Study guide 171 ENHANCED DUE DILIGENCE FOR HIGHER-RISK CUSTOMERS CUSTOMERS THAT POSE HIGHER MONEY LAUNDERING OR TERRORIST FINANCING RISKS present increased exposure to financial institutions. Higher risk customers and their transactions should be reviewed even more closely at account opening and more frequently during their account relationships.

upvoted 4 times

junwangchloe 4 years, 7 months ago

I think it is B.

Study guide P79 Use of Charities or Nonprofit Organizations (NPOs) After the September 11, 2001, attacks the U.S. government initiated the Terrorist Finance Tracking Program (TFTP) in order to identify, track and pursue terrorist groups' sources of funding. Through the TFTP, the U.S. government has uncovered and shut down over 40 designated charities used as potential FUNDRAISING FRONT ORGANIZATIONS.

upvoted 4 times

junwangchloe 4 years, 7 months ago

Study guide 171 ENHANCED DUE DILIGENCE FOR HIGHER-RISK CUSTOMERS CUSTOMERS THAT POSE HIGHER MONEY LAUNDERING OR TERRORIST FINANCING RISKS present increased exposure to financial institutions. Higher risk customers and their transactions should be reviewed even more closely at account opening and more frequently during their account relationships.

upvoted 1 times

mohsinm 5 years, 1 month ago

Corporate Vehicles Types of legal entities that may be subject to misuse such as private limited companies and public limited companies whose shares are not traded on a stock exchange, trusts, non-profit organizations, limited partnerships and limited liability partnerships, and private investment companies. Occasionally, it is difficult to identify the persons who are the ultimate beneficial owners and controllers of corporate vehicles, which makes the vehicles vulnerable to money laundering. - Confusing for this answer can be a limited partnership too

upvoted 2 times

mohsinm 5 years, 1 month ago

Corporate Vehicles Types of legal entities that may be subject to misuse such as private limited companies and public limited companies whose shares are not traded on a stock exchange, trusts, non-profit organizations, limited partnerships and limited liability partnerships, and private investment companies. Occasionally, it is difficult to identify the persons who are the ultimate beneficial owners and controllers of corporate vehicles, which makes the vehicles vulnerable to money laundering. - Confusing for this answer can be a limited partnership tooDoesn't this make A the right answer?

upvoted 2 times

Sweep2951 4 years, 8 months ago

Doesn't this make A the right answer?

upvoted 2 times

Adhwa 5 years, 3 months ago

B is the right answer

upvoted 2 times

Question #127 *Topic 1*

Which statement about a multinational institution's ability to fully investigate unusual activity in all its foreign operations is correct?

A. Local privacy and data protection laws may prevent an affiliate from sharing information.

B. Certain account documents may be stored only in local language which will prohibit a global assessment.

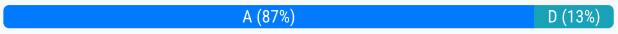
C. The institution should consult with the customer and request permission to conduct a full investigation into all the accounts.

D. Enterprise-wide compliance oversight rules issued in the global institution's headquarters country will override any local limitations in other countries.

Suggested Answer: *A*

Official Answer: A

Community vote distribution



Majid2094 Highly Voted 5 years, 11 months ago

The correct answer would be A. P/152 CAMS Study Guide v6.31

upvoted 31 times

Majid2094 Highly Voted 5 years, 11 months ago

The correct answer would be A. P/152 CAMS Study Guide v6.31Your reference actually proves that the answer is D and A

upvoted 31 times

Fadio77 5 years ago

Your reference actually proves that the answer is D and A

upvoted 3 times

Szymbrush 5 years, 11 months ago

Group-wide policy cannot override local laws, so D is incorrect; A is correct. See study guide p.167, v.6.32

upvoted 11 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED A

upvoted 1 times

Preethisrajan 2 years ago

A. Local privacy and data protection laws may prevent an affiliate from sharing information. Local privacy and data protection laws can impose restrictions on how information is shared and accessed across different jurisdictions. These laws can limit the ability of a multinational institution to fully investigate unusual activity in all its foreign operations if they are required to adhere to stringent local regulations governing the handling and sharing of personal data.

upvoted 1 times

Neeti32 2 years, 1 month ago

A is correct

upvoted 1 times

LovetteBDA 2 years, 9 months ago

CAMS study guide (v. 6.48), pg. 289: "Before releasing customer information, it is important to review applicable privacy laws (e.g., Europe's General Data Protection Regulations [GDPR]) and the firm's privacy policy to understand any limitations."

upvoted 2 times

wiljul 2 years, 11 months ago

Option D is not correct because enterprise-wide compliance oversight rules issued in the global institution's headquarters country cannot override local laws and regulations. While the institution can set global standards and policies, they must also comply with local laws and regulations when investigating unusual activity in their foreign operations.

upvoted 2 times

pinkmoon 2 years, 11 months ago

read carefully, the answer is D, bcz "... will OVERRIDE any LOCAL LIMITATION in other countries."THINK carefully, how internal policies can "...OVERRIDE any LOCAL LIMITATION on other countries"?

upvoted 2 times

pinkmoon 2 years, 11 months ago

Selected Answer: D

read carefully, the answer is D, bcz "... will OVERRIDE any LOCAL LIMITATION in other countries."

upvoted 2 times

roody_ 2 years, 3 months ago

THINK carefully, how internal policies can "...OVERRIDE any LOCAL LIMITATION on other countries"?

upvoted 1 times

Rjones 2 years, 12 months ago

A. Local privacy and data protection laws may prevent an affiliate from sharing information.

upvoted 1 times

Dilara89 3 years, 3 months ago

D is nonsense please I dont understand how people think it could be the correct answer

upvoted 2 times

imperialchicken 3 years, 8 months ago

Selected Answer: A

First of all group wide policy can't override local legislation. Either you develop new policies and procedures in compliance with the local laws and group wide policies or just leave the jurisdiction depending on the risks.

The only thing that group-wide policy can override is local policies and procedures of the subsidiary. And, only time that could be the case is when the group wide policy is stronger than the local one. Otherwise not.

upvoted 5 times

imperialchicken 3 years, 8 months ago

First of all group wide policy can't override local legislation. Either you develop new policies and procedures in compliance with the local laws and group wide policies or just leave the jurisdiction depending on the risks. The only thing that group-wide policy can override is local policies and procedures of the subsidiary. And, only time that could be the case is when the group wide policy is stronger than the local one. Otherwise not.Exactly! Please everyone voting for D, needs to read this.

upvoted 5 times

Dilara89 3 years, 3 months ago

Exactly! Please everyone voting for D, needs to read this.

upvoted 1 times

Wonnie 3 years, 10 months ago

In large financial organizations, there is a critical need to adopt an enterprisewide approach that allows for consistency in the manner in which the financial organization manages its ML/TF risk. However, there is also a need to accommodate regional and/or business line-specific requirements. For example, enterprise-wide ML/TF risk models in financial organizations that operate in multiple regions and/or countries need to reflect the local regulatory requirements. This can be achieved by having a different version of the AML/CFT program or by having country-specific addenda to the global AML/CFT program.I think this proves the answer is A?

upvoted 1 times

Wonnie 3 years, 10 months ago

Selected Answer: D

In large financial organizations, there is a critical need to adopt an enterprisewide approach that allows for consistency in the manner in which the financial organization manages its ML/TF risk. However, there is also a need to accommodate regional and/or business line-specific requirements. For example, enterprise-wide ML/TF risk models in financial organizations that operate in multiple regions and/or countries need to reflect the local regulatory requirements. This can be achieved by having a different version of the AML/CFT program or by having country-specific addenda to the global AML/CFT program.

upvoted 1 times

diacea 3 years, 9 months ago

I think this proves the answer is A?

upvoted 1 times

V2222 4 years ago

Agree with D; although does anyone have the 100% correct asnwer?

upvoted 2 times

Nawo 4 years, 1 month ago

Answer A

upvoted 3 times

ABenny7 4 years, 5 months ago

I think answer is A - ' CAM Study guide page 167 : "Before releasing customer information, it is important to review applicable privacy laws and the firm's privacy policy to understand any limitations. There are usually no regulatory problems with sharing customer information with other internal departments within the same legal entity; however, there may be limitations on sharing with other affiliated companies within a larger organization. Some firms restrict the sharing of customer information outside the organization and customers may opt-out of the right for the firm to provide their information to third-party companies."

upvoted 4 times

joanp22 4 years, 7 months ago

Changed my answer to A. See page 167 of CAMS study guide

upvoted 1 times

joanp22 4 years, 7 months ago

D is correct

upvoted 2 times

Question #128 *Topic 1*

Which step should be taken to understand the types of financial institutions to whom the services are being offered when a correspondent bank permits `nested` relationships according to the Wolfsberg Group?

A. Review peer-group clients by risk category

B. Understand the type and volume of accounts serviced

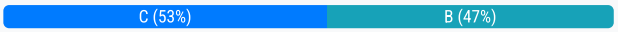
C. Evaluate the distribution of downstream correspondents and identify any direct or indirect issues

D. Obtain independent audits or examination reports for ɹ€nestedɹ€ relationships to determine risk levels

Suggested Answer: *C*

Official Answer: C

Community vote distribution



SPPAL Highly Voted 4 years, 8 months ago

Its C.

upvoted 7 times

aj_felix 4 years, 8 months ago

Downstream Correspondents in https://www.wolfsberg-principles.com/sites/default/files/wb/Wolfsberg-Correspondent-Banking-Principles-2014.pdf

upvoted 5 times

aj_felix 4 years, 8 months ago

Downstream Correspondents in https://www.wolfsberg-principles.com/sites/default/files/wb/Wolfsberg-Correspondent-Banking-Principles-2014.pdf•Downstream Correspondents *** When these services are offered by a Correspondent Banking Client to a Downstream Correspondent, the institution shall take reasonable steps to understand the types of financial institutions to whom the Correspondent Banking Client offers the Downstream Correspondent services. These may include the types, number, scale of services and geographic distribution of Downstream Correspondents, any identified issues with the Downstream Correspondent either directly or indirectly, and consider the degree to which the Correspondent Banking Client examines the anti-money laundering controls of the financial institutions to which it offers those services and whether the activity poses elevated risk.

upvoted 5 times

junwangchloe Highly Voted 4 years, 7 months ago

•Downstream Correspondents *** When these services are offered by a Correspondent Banking Client to a Downstream Correspondent, the institution shall take reasonable steps to understand the types of financial institutions to whom the Correspondent Banking Client offers the Downstream Correspondent services. These may include the types, number, scale of services and geographic distribution of Downstream Correspondents, any identified issues with the Downstream Correspondent either directly or indirectly, and consider the degree to which the Correspondent Banking Client examines the anti-money laundering controls of the financial institutions to which it offers those services and whether the activity poses elevated risk.

upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED B

upvoted 1 times

CallumChan 1 year, 3 months ago

answer is B

upvoted 1 times

Felipe1927 1 year, 4 months ago

Evaluate the distribution of downstream correspondents and identify any direct or indirect issues" This aligns directly with the Wolfsberg Group's recommendation to assess the nature and scale of nested activity, including: -Who the downstream FIs are -Where they operate -Whether they pose heightened risks (e.g., weak AML controls, high-risk jurisdictions) Understanding this distribution is key to determining if the nested activity is acceptable or requires further controls or restrictions.

upvoted 1 times

LordPablo 1 year, 8 months ago

Option C aligns most closely with the Wolfsberg Group's guidance on managing risks in correspondent banking, especially in the context of nested relationships.

upvoted 1 times

JohnnyCAMS12_24 1 year, 9 months ago

According to the Wolfsberg Group's guidance, when a correspondent bank permits nested (or downstream) relationships, the institution should take reasonable steps to understand the types of financial institutions to whom the Correspondent Banking Client offers the Downstream Correspondent services. This includes understanding the types, number, scale of services and geographic distribution of Downstream Correspondents, as well as identifying any issues with the Downstream Correspondent either directly or indirectly. Therefore, the correct answer is "C".

upvoted 1 times

Pilly05 1 year, 10 months ago

c is correct

upvoted 1 times

BijoToHaart 1 year, 11 months ago

on balance

upvoted 1 times

9955458 2 years ago

B is correct

upvoted 1 times

Tee04 2 years ago

o understand the types of financial institutions to whom the services are being offered when a correspondent bank permits nested relationships according to the Wolfsberg Group, the most appropriate step is: C. Evaluate the distribution of downstream correspondents and identify any direct or indirect issues - This step involves assessing the relationships and transactions of the nested correspondents to identify any potential risks or concerns, ensuring compliance with regulatory requirements and reducing the risk of money laundering or other illicit activities.

upvoted 1 times

Neeti32 2 years, 1 month ago

C is correct 100%

upvoted 1 times

LovetteBDA 2 years, 9 months ago

Wolfsberg Correspondent Banking principles 2022, pg. 6 "Downstream FIs": "When these services are offered by a Respondent to a downstream FI, the Institution (Correspondent) shall take reasonable steps to understand the types of FIs to whom the Respondent offers the downstream correspondent services. These steps may include consideration of the types, scale of services and geographic location of downstream FI(s) and their customers, and any identified issues with either the Respondent or its downstream FI's customers. The Institution should also consider the degree to which the Respondent examines the Financial Crime controls of the FIs to which it offers those services and determine if controls are in place to ensure payment transparency."

upvoted 2 times

Cmed 2 years, 9 months ago

B is the answer 100%

upvoted 2 times

Sbl_89 2 years, 10 months ago

https://db.wolfsberg-group.org/assets/431f9f38-d56d-426d-b929-620371131654/Wolfsberg%20Correspondent%20Banking%20Principles%202022.pdf

upvoted 1 times

JoeJas 2 years, 11 months ago

Selected Answer: C

Wolfsberg guidance on correspondent banking: "The Institution (Correspondent) shall take reasonable steps to understand the types of FIs to whom the Respondent offers the downstream correspondent services. These steps may include consideration of the types, scale of services and geographic location of downstream FI(s) and their customers, and any identified issues with either the Respondent or its downstream FI's customers."

upvoted 2 times

JoeJas 2 years, 11 months ago

Wolfsberg guidance on correspondent banking: "The Institution (Correspondent) shall take reasonable steps to understand the types of FIs to whom the Respondent offers the downstream correspondent services. These steps may include consideration of the types, scale of services and geographic location of downstream FI(s) and their customers, and any identified issues with either the Respondent or its downstream FI's customers."Based on what you posted, should be B, no?

upvoted 2 times

AngryFinCrimFighter92 2 years, 11 months ago

Based on what you posted, should be B, no?

upvoted 1 times

imperialchicken 3 years, 8 months ago

The correct answer should be: E. conduct enhanced due diligence on its respondent's AML program to adequately mitigate the risk of processing the customer's customers' transactions. Because, according to page 219: "Enhanced due diligence regarding the involvement of PEPs with the correspondent banking client and downstream correspondent (nested) relationships the correspondent provides"

upvoted 2 times

Question #129 *Topic 1*

What does the Basel Committee's Customer Due Diligence for Banks paper suggest that a bank needs to have in place when establishing an account for a corporate business entity?

A. An understanding of the structure of the company

B. A policy requiring all identified beneficial owners to undergo a national police check

C. A process to ensure that the approval of senior management is obtained prior to opening the account

D. A fee structure that reflects the banks' costs in monitoring the risks associated with entity's business activities

Suggested Answer: *A*

Official Answer: A

Community vote distribution

A (100%)

jgallag11 Highly Voted 4 years, 9 months ago

Agree with A. from the linked doc "For corporate and other business customers, banks should obtain evidence of their legal status, such as an incorporation document, partnership agreement, association documents or a business licence. For large corporate accounts, a financial statement of the business or a description of the customer's principal line of business should also be obtained. In addition, if significant changes to the company structure or ownership occur subsequently, further checks should be made."

upvoted 29 times

Abby32 Highly Voted 4 years, 7 months ago

Really? National Police check? How do I even trust this site...if only there is lol emoji here..

upvoted 25 times

Abby32 4 years, 7 months ago

Really? National Police check? How do I even trust this site...

upvoted 25 times

LeoDCarpio 3 years, 7 months ago

if only there is lol emoji here..

upvoted 7 times

96a3dc3 Most Recent 1 year, 2 months ago

VOTED A

upvoted 1 times

Sbl_89 1 year, 10 months ago

The Basel Committee's Customer Due Diligence for Banks paper suggests that a bank needs to have in place an understanding of the structure of the company when establishing an account for a corporate business entity. This is important to identify and verify the beneficial owners and understand the entity's ownership and control structure, which is a key aspect of customer due diligence.

upvoted 4 times

VojechBrno 2 years, 6 months ago

There is no single word about "police check" in the provided reference: https://www.bis.org/publ/bcbs77.pdf

upvoted 1 times

Ahhtats 2 years, 6 months ago

The answer is A. Went to the reference link and read the following Banks should never open an account or conduct business with a customer who insists on anonymity or "bearer" status or who gives a fictitious name. In the case of confidential numbered accounts, the identities of the beneficiaries must be known to compliance staff, so that the due diligence process can be carried out satisfactorily. Banks also need to be vigilant in preventing corporate business entities from being used by natural persons as a method of operating anonymous accounts. (paras 24- 25) There is no mention of a national police check. https://www.bis.org/publ/bcbs77.pdf

upvoted 1 times

imperialchicken 2 years, 8 months ago

Absolutely A

upvoted 2 times

JDomar8128 2 years, 10 months ago

A, for sure. The answer of a national police check through INTERPOL via Mathew Bourne is amazing?

upvoted 1 times

V2222 3 years ago

A for sure. Not sure why B is listed as the answer here.

upvoted 2 times

V2222 3 years ago

A for sure. Not sure why B is listed as the answer here.To confuse us it seems. But "police check" doesnt make sense.

upvoted 2 times

Dilara89 2 years, 3 months ago

To confuse us it seems. But "police check" doesnt make sense.

upvoted 1 times

Sharnz 3 years, 3 months ago

The answer is A

upvoted 2 times

jlhickman8 3 years, 6 months ago

I agree with A

upvoted 2 times

Ankit_G 3 years, 6 months ago

A should be the answer

upvoted 1 times

Leesbaby0705 3 years, 6 months ago

A NPC,SERIOUSLY

upvoted 1 times

SiewWai 3 years, 6 months ago

Then the police will be super busy and underpaid.

upvoted 1 times

joanp22 3 years, 7 months ago

A is the answer. Emphasis here s on customer due diligence

upvoted 1 times

junwangchloe 3 years, 7 months ago

Answer should be A based on Basel Committee's Customer Due Diligence for Banks paper Basel Committee on Banking Supervision - Customer due diligence for banks https://www.bis.org/publ/bcbs85.pdf P12 2.2.2 Corporate vehicles 33. Banks need to be vigilant in preventing corporate business entities from being used by natural persons as a method of operating anonymous accounts. Personal asset holding vehicles, such as international business companies, may make proper identification of customers or beneficial owners difficult. A BANK SHOULD UNDERSTAND THE STRUCTURE OF THE COMPANY, determine the source of funds, and identify the beneficial owners and those who have control over the funds.

upvoted 3 times

Shaddad 3 years, 9 months ago

P108 .reliable means

upvoted 1 times

Question #130 *Topic 1*

Which measure to mitigate risk does the Basel Committee's Customer Due Diligence Principles suggest banks apply when accepting business from non-face-to- face customers?

A. Certification of documents presented

B. Requiring an in person interview with the customer

C. Imposing a limit on permissible account activity for a defined period of time

D. Requiring additional review of account opening documents by senior management

Suggested Answer: *A*

Reference: https://books.google.com.pk/books?id=gy8qBAAAQBAJ&pg=PA219&lpg=PA219&dq=measure+to+mitigate+risk+does+the+Basel+Committee+Customer+Due+Diligence+Principles+suggest+banks+apply+when+accepting+business+from+non-face-to-face+customers&source=bl&ots=f52JnPYdW4&sig=ACfU3U2egwrWQj86a6eLQQ3Ew4EcR2bSVQ&hl=en&sa=X&ved=2ahUKEwid85bjmJzoAhWiwOYKHXYJBEQQ6AEwCnoECBQQAQ#v=onepage&q=measure%20to%20mitigate%20risk%20does%20the%20Basel%20Committee%20Customer%20Due%20Diligence% 20Principles%20suggest%20banks%20apply%20when%20accepting%20business%20from%20non-face-to-face%20customers&f=false

Community vote distribution

A (100%)

Majid2094 Highly Voted 5 years, 11 months ago

Yes, the correct answer is A. P/12, Basel Committee on Banking Supervision Customer due diligence 2001 https://www.bis.org/publ/bcbs85.pdf

upvoted 30 times

Majid2094 Highly Voted 5 years, 11 months ago

Yes, the correct answer is A. P/12, Basel Committee on Banking Supervision Customer due diligence 2001 https://www.bis.org/publ/bcbs85.pdfappreciate the link providedExamples of measures to mitigate risk include: certification of documents presented; requisition of additional documents to complement those which are required for face-to-face customers; independent contact with the customer by the bank; third party introduction, e.g. by an introducer subject to the criteria established in paragraph 36; or requiring the first payment to be carried out through an account in the customer's name with another bank subject to similar customer due diligence standards.

upvoted 30 times

deepavinod 5 years, 10 months ago

appreciate the link provided

upvoted 1 times

Canadianlala 5 years, 5 months ago

Examples of measures to mitigate risk include: certification of documents presented; requisition of additional documents to complement those which are required for face-to-face customers; independent contact with the customer by the bank; third party introduction, e.g. by an introducer subject to the criteria established in paragraph 36; or requiring the first payment to be carried out through an account in the customer's name with another bank subject to similar customer due diligence standards.

upvoted 6 times

CallumChan Most Recent 1 year, 3 months ago

A is correct

upvoted 1 times

Neeti32 2 years, 2 months ago

correct answer is A

upvoted 2 times

imperialchicken 3 years, 8 months ago

https://www.bis.org/publ/bcbs85.pdf In accepting business from non-face-to-face customers: banks should apply equally effective customer identification procedures for non face-to-face customers as for those available for interview; and there must be specific and adequate measures to mitigate the higher risk. Examples of measures to mitigate risk include: certification of documents presented; requisition of additional documents to complement those which are required for face-to-face customers; independent contact with the customer by the bank; third party introduction, e.g. by

an introducer subject to the criteria established in paragraph 36; or requiring the first payment to be carried out through an account in the customer's name with another bank subject to similar customer due diligence standards

upvoted 3 times

V2222 4 years ago

A for sure.

upvoted 2 times

joanp22 4 years, 7 months ago

A is correct

upvoted 2 times

lucyx 4 years, 7 months ago

study guide P105: Banks should use standard identification procedures when dealing with non–face-to-face customers and should never agree to open an account for persons who are adamant about anonymity.

upvoted 1 times

junwangchloe 4 years, 7 months ago

Study guide P105 Specific customer identification issues related to higher risk customers include — non–face-to-face customers (i.e., customers who do not present themselves for a personal interview); Banks should use standard identification procedures when dealing with non–face-to-face customers and should never agree to open an account for persons who are adamant about anonymity.A is the answer.

upvoted 1 times

junwangchloe 4 years, 7 months ago

Study guide P105

Specific customer identification issues related to higher risk customers include

— non–face-to-face customers (i.e., customers who do not present themselves for a personal interview);

Banks should use standard identification procedures when dealing with non–face-to-face customers and should never agree to open an account for persons who are adamant about anonymity.

upvoted 1 times

junwangchloe 4 years, 7 months ago

A is the answer.

upvoted 3 times

Writingsoon_2021 5 years, 3 months ago

A is correct

upvoted 2 times

Shipra 5 years, 7 months ago

Thanks for providing link @Majid2094

upvoted 1 times

Question #131 *Topic 1*

A comprehensive set of risk-based guidelines for maintaining business relationships
is being
developed.
Which situation indicates that the institution should terminate the relationship with a client?

A. The client does business in countries with active terrorist organizations.

B. The client conducts international financial transactions exceeding U.S. $500 million.

C. The client exceeds the criteria of an acceptable risk model created by another institution that is not similar in size and complexity.

D. The client exceeds the criteria of an acceptable risk model created by the institution and does not perform acceptable remedial actions.

Suggested Answer: *D*
Reference: http://www.fatf-gafi.org/media/fatf/documents/reports/Risk-Based-Approach-Banking-Sector.pdf

Community vote distribution
D (100%)

goshikidai Highly Voted 5 years, 8 months ago
D key word is "risk." "exceed acceptable risk"
upvoted 6 times

Phoenix1982 5 years, 2 months ago
D includes A Hence D is t ans
upvoted 5 times

96a3dc3 Most Recent 1 year, 2 months ago
VOTED FOR D
upvoted 1 times

3592ea7 2 years, 1 month ago
Most logical
upvoted 1 times

V2222 4 years ago
D for sure.
upvoted 1 times

ABenny7 4 years, 5 months ago
answer is D
upvoted 2 times

joanp22 4 years, 7 months ago
D is my choice
upvoted 1 times

Writingsoon_2021 5 years, 3 months ago
D is the answer
upvoted 4 times

BBirke 5 years, 4 months ago
It can't be A as we don't talk about sanctions. This could be a red flag, but without any further suspicion no reason to terminate an account. Therefore it can only be D
upvoted 1 times

LuckyD4u 5 years, 6 months ago
Should be D, as A does not mention the country to be "State Sponsor of Terrorism" specifically..
upvoted 2 times

shahjee81 5 years, 7 months ago
since it requires 1 option it should be A if 2 then A & D.
upvoted 1 times

evann159 5 years, 9 months ago

toward ans A

Guide Book page 144

AML/CFT risk categories can be broken down into the following levels. • Prohibited: The institution will not tolerate any dealings of any kind given the risk. This category could include transactions with countries subject to economic sanctions or designated as state sponsors of terrorism, such as those on the United Nations or Office of Foreign Assets Control lists.

Guide Book page 178

One of the best-known lists is the U.S. Treasury's Office of Foreign Assets Control's (OFAC) Specially Designated Nationals and Blocked Persons (SDN) list. Updated often , the SDN list contains thousands of names of individuals and businesses, as well as aircraft and ships (vessels) from more than 150 countries that the U.S. government considers to be terrorists, international narcotics traffickers or others covered by U.S. foreign policy and trade sanctions.

upvoted 2 times

evann159 5 years, 9 months ago

toward ans A Guide Book page 144 AML/CFT risk categories can be broken down into the following levels. • Prohibited: The institution will not tolerate any dealings of any kind given the risk. This category could include transactions with countries subject to economic sanctions or designated as state sponsors of terrorism, such as those on the United Nations or Office of Foreign Assets Control lists. Guide Book page 178 One of the best-known lists is the U.S. Treasury's Office of Foreign Assets Control's (OFAC) Specially Designated Nationals and Blocked Persons (SDN) list. Updated often , the SDN list contains thousands of names of individuals and businesses, as well as aircraft and ships (vessels) from more than 150 countries that the U.S. government considers to be terrorists, international narcotics traffickers or others covered by U.S. foreign policy and trade sanctions.Country with active terrorist organizations doesn't equal to countries subject to economic sanctions or designated as state sponsors of terrorism.My goodness. Read the question. It's CERTAINLY not A.

upvoted 2 times

junwangchloe 4 years, 7 months ago

Country with active terrorist organizations doesn't equal to countries subject to economic sanctions or designated as state sponsors of terrorism.

upvoted 1 times

Willyz89 Highly Voted 5 years, 4 months ago

My goodness. Read the question. It's CERTAINLY not A.

upvoted 6 times

Question #132 *Topic 1*

At a small community bank, the compliance officer identifies unusual activity on a customer, who with his personal and company accounts, is the bank's largest depositor. The customer's companies have significant balances on their outstanding loans. The compliance officer notices that there is a lot of unusual movements of money between the customer's individual and business accounts. After filing a suspicious transaction report (STR), the compliance officer gets a call from law enforcement indicating that they want the bank to keep the account open while they conduct an investigation into the
customer.
How should the compliance officer escalate this information to the board of directors?

A. By providing a copy of the STR to the board

B. By informing the regulator to bring it up with their next meeting with the board

C. By providing a high level summary of the activity and the interactions with law enforcement

D. By providing a copy of the letter from law enforcement asking the bank to keep the account open.

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (53%) D (47%)

madduck2 Highly Voted 5 years, 1 month ago
This is one of too many senseless ACAMS questions. How will it help them assess my knowledge by making me choose between 2 fairly similar options (C and D), which also may depend on internal procedures and are hardly precisely defined by legislation??? C makes sense because you are keeping your board away from unnecessary details. D provides less contextual information (and the board needs context to decide). So I would go with C.Absolutely, it will make us fail in the exam.totally..i feel like my knowledge about the study guide and AML is not being tested. A lot of questions are just confusing and are made to fail you deliberately.....
upvoted 32 times

madduck2 Highly Voted 5 years, 1 month ago
This is one of too many senseless ACAMS questions. How will it help them assess my knowledge by making me choose between 2 fairly similar options (C and D), which also may depend on internal procedures and are hardly precisely defined by legislation???

C makes sense because you are keeping your board away from unnecessary details. D provides less contextual information (and the board needs context to decide).

So I would go with C.
upvoted 32 times

SiewWai 4 years, 6 months ago
Absolutely, it will make us fail in the exam.
upvoted 6 times

Hayley666 5 years ago
totally..i feel like my knowledge about the study guide and AML is not being tested. A lot of questions are just confusing and are made to fail you deliberately.....
upvoted 16 times

HUA0101 5 years, 8 months ago
I think it should be C.
upvoted 27 times

HUA0101 5 years, 8 months ago
I think it should be C.Can't be C. It states in the question that the customer gets a call from a law enforcement agency. You're not allowed to keep accounts open based on a verbal request. You need a written request which can then be escalated. It's D.Apologies, should say compliance officer not

the customer.I will go with C , since CO received calls not letter or subpeona so how come you will go to BOD with letter

upvoted 27 times

Art_G92 4 years ago

Can't be C. It states in the question that the customer gets a call from a law enforcement agency. You're not allowed to keep accounts open based on a verbal request. You need a written request which can then be escalated. It's D.

upvoted 8 times

Art_G92 4 years ago

Can't be C. It states in the question that the customer gets a call from a law enforcement agency. You're not allowed to keep accounts open based on a verbal request. You need a written request which can then be escalated. It's D.Apologies, should say compliance officer not the customer.I will go with C , since CO received calls not letter or subpeona so how come you will go to BOD with letter

upvoted 8 times

Art_G92 4 years ago

Apologies, should say compliance officer not the customer.

upvoted 1 times

Prena 3 years, 8 months ago

I will go with C , since CO received calls not letter or subpeona so how come you will go to BOD with letter

upvoted 3 times

xiaojw Most Recent 5 months, 2 weeks ago

 D C providing the full law enforcement letter could create a tipping-off risk because it may indirectly reveal that an STR/SAR exists.

upvoted 1 times

BonBon1991_ 1 year, 2 months ago

p. 349 "If the government asks the organization to keep certain accounts open, this request should be obtained in writing under proper letterhead and authority from the government"

upvoted 1 times

CallumChan 1 year, 3 months ago

Refer to study notes v6.51 - p.348 If the government asks the organization to keep certain accounts open, this request should be obtained in writing under proper letterhead and authority from the government.

upvoted 2 times

TinaChuah 1 year, 3 months ago

Selected Answer: C

C is correct, because it keeps the board informed at a high level without revealing sensitive or restricted details. D is wrong, because STR are confidential, sharing the actual STR with authorized parties including the board could constitute tipping off or a breach of confidentiality, which is prohibited in most jurisdictions.

upvoted 1 times

TinaChuah 1 year, 3 months ago

C is correct, because it keeps the board informed at a high level without revealing sensitive or restricted details. D is wrong, because STR are confidential, sharing the actual STR with authorized parties including the board could constitute tipping off or a breach of confidentiality, which is prohibited in most jurisdictions.*Unauthorized parties

upvoted 1 times

TinaChuah 1 year, 3 months ago

*Unauthorized parties

upvoted 1 times

Felipe1927 1 year, 4 months ago

When a Suspicious Transaction Report (STR) has been filed and law enforcement is involved, the compliance officer must keep the board informed of significant risks — especially when it concerns a high-profile customer like the bank's largest depositor with significant loan exposure. However, there are strict confidentiality rules around STRs and law enforcement communications.

upvoted 1 times

LordPablo 1 year, 8 months ago

Copy of the letter to the Board may be inappropriate unless required by law.

upvoted 1 times

JohnnyCAMS12_24 1 year, 9 months ago

The compliance officer should escalate this information to the board of directors by providing a high level summary of the activity and the interactions with law enforcement (option C). The compliance officer should report this significant issue to the board while maintaining confidentiality and adhering to regulatory requirements. A high-level summary allows the board to understand the situation without disclosing sensitive details or compromising the ongoing investigation.

upvoted 1 times

9dad88f 1 year, 9 months ago

Answer: D Upon receipt of a law enforcement inquiry, the financial organization needs to inform the appropriate senior management and designate an individual to respond to all law enforcement requests, monitor the progress of the investigation, and keep senior management, including the board of directors, informed of the nature and progress of the investigation. Reports and other information about an investigation should not be provided to any employees, officers, or directors of the organization who might be implicated in the investigation.

upvoted 1 times

471d148 1 year, 10 months ago

It should b C. Option A should be rule out as it would breach the confidentiality of the STR. Option B might not be appropriate at this stage, as the compliance officer's responsibility is to inform the board, not outsource communication through the regulator. Providing a copy of the letter from law enforcement (Option D) could also breach confidentiality or ongoing investigation protocols, depending on the legal constraints.

upvoted 1 times

Khan47 1 year, 10 months ago

It is D

upvoted 1 times

Tee04 2 years ago

The compliance officer should escalate this information to the board of directors: C. By providing a high level summary of the activity and the interactions with law enforcement - This approach ensures that the board is informed about the significant activities and ongoing investigations while maintaining the confidentiality of the Suspicious Transaction Report (STR) and complying with legal and regulatory requirements.

upvoted 1 times

Cassia 2 years, 3 months ago

D é a resposta correta - Pag 374 - CAMS v6.48 Se o governo pedir à organização que mantenha determinadas contas abertas, essa solicitação deve ser obtida de maneira escrita devidamente em papel timbrado e sob autoridade do governo. A solicitação deve incluir a duração pela qual a conta deve permanecer aberta. A documentação da solicitação deve ser mantida por pelo menos cinco anos após a expiração da solicitação.

upvoted 1 times

nickkang77 2 years, 3 months ago

C : they just called

upvoted 2 times

wiljul 2 years, 6 months ago

I think it should be C.

upvoted 1 times

kairysdovydas776 2 years, 6 months ago

" the compliance officer gets a call from law enforcement " nowhere it states that the law enforcement sent the letter of head thus D can't be an option.

upvoted 1 times

Question #133 *Topic 1*

What does the Egmont Group's support for its members include?

A. Issuing due diligence models for financial institutions

B. Expanding and systematizing international cooperation in the reciprocal exchange of information

C. Issuing strategic products for law enforcement agencies and FIUs on topics of international interest

D. Expanding the ability of FIUs to enforce laws and exchange information globally to combat money laundering and terrorist financing

Suggested Answer: *B*

Official Answer: B

Community vote distribution



KJ780 Highly Voted 3 years, 5 months ago

A general rule of thumb is that whenever you see cooperation between FI's and the reciprocal sharing of info it is EgmontThanks for the tip

upvoted 17 times

KJ780 Highly Voted 3 years, 5 months ago

A general rule of thumb is that whenever you see cooperation between FI's and the reciprocal sharing of info it is Egmont

upvoted 16 times

Dilara89 3 years, 3 months ago

Thanks for the tip

upvoted 1 times

Phoenix1982 5 years, 2 months ago

Pg 122 Point 1

upvoted 8 times

Neeti32 Most Recent 2 years, 1 month ago

B is correct

upvoted 1 times

5303a78 2 years, 6 months ago

This was on Jan 2024 test (took it today)

upvoted 5 times

JoeJas 2 years, 11 months ago

https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2011-August-25-26/Presentations/Boudewijn_Verhelst_Egmont_Group.pdf

upvoted 1 times

V2222 4 years ago

Yep it is B

upvoted 1 times

ABenny7 4 years, 5 months ago

B is correct

upvoted 2 times

KKY93 4 years, 5 months ago

Option B is correct

upvoted 1 times

Tam_3 4 years, 5 months ago

The answer is B

upvoted 1 times

amlspecialisttobe 4 years, 11 months ago

The correct answer is B

upvoted 4 times

Ash1004 5 years, 2 months ago

B is correct.

upvoted 4 times

Question #134 *Topic 1*

Which statement identifies one of the duties of a government Financial Intelligence Unit?

A. It serves as the central agency for the receipt of disclosures filed by reporting entities.

B. It administers and enforces economic and trade sanctions based on a government's foreign policy and national security goals.

C. It supervises and regulates banking institutions to ensure the safety and soundness of the nation's banking and financial system.

D. It prosecutes suspected money launderers and terrorist financiers based on financial institution suspicious transaction report filings.

Suggested Answer: *A*

Official Answer: A

Community vote distribution

A (100%)

Majid2094 Highly Voted 5 years, 11 months ago

The correct answer is A. P/223, CAMS Study Guide v6.31

upvoted 30 times

Shaddad Highly Voted 4 years, 8 months ago

A,it is mentioned literally in FATF interpretive Notes to recommendation No .29

upvoted 6 times

96a3dc3 Most Recent 1 year, 2 months ago

voted a

upvoted 1 times

Neeti32 2 years, 1 month ago

A is correct

upvoted 1 times

Avicky 2 years, 6 months ago

why the correct answer is D?

upvoted 1 times

VojechBrno 3 years, 6 months ago

I think this question is not complete. In some European countries FIU can indeed prosecute but it is not case of all countries. So I would select A here.Also the provided source is from FIU of country named Dominica. I have no words here... http://fiu.gov.dm/national-risk-assessment

upvoted 1 times

VojechBrno 3 years, 6 months ago

Selected Answer: A

I think this question is not complete. In some European countries FIU can indeed prosecute but it is not case of all countries. So I would select A here.

upvoted 1 times

VojechBrno 3 years, 6 months ago

Also the provided source is from FIU of country named Dominica. I have no words here... http://fiu.gov.dm/national-risk-assessment

upvoted 1 times

Ahhtats 3 years, 6 months ago

From reference provided: "The unit is responsible for receiving, requesting, analyzing, investigating and disseminating information concerning all suspected proceeds of crime and suspicious transactions, as provided for under the FIU Act, and information relating to the property of terrorist groups and terrorist financing;" Therefore it is a central agency. http://fiu.gov.dm/about-us/functions-and-responsibilities

upvoted 1 times

V2222 4 years ago

A it is.

upvoted 1 times

ABenny7 4 years, 5 months ago

It does not prosecute - by process of elimination, A is the correct answer

upvoted 2 times

Tam_3 4 years, 5 months ago

The answer is A

upvoted 1 times

SelvakumarRaj 4 years, 6 months ago

Law enforcement prosecutes, FIU just collects, analyse and disseminate information

upvoted 1 times

jlhickman8 4 years, 6 months ago

I agree with A - pg 223 of the CAMS study guide

upvoted 2 times

Koios 4 years, 6 months ago

A is correct. While some FIU's have the power to prosecute, this should'nt be confused with the duties/function of all Gvt FIU's...one of which is to serve as the central agency for the receipt of disclosures filed by reporting entities.

upvoted 1 times

joanp22 4 years, 7 months ago

A is the correct answer FIUs role as a central agency is to receive, analyze and disseminate information to law enforcement. In other words, FIUs gather intelligence See page 223 CAMS study manual

upvoted 1 times

lucyx 4 years, 7 months ago

Study guide P223

upvoted 2 times

Shaddad 4 years, 8 months ago

Refer to FATF

upvoted 2 times

Jellyfish123321 4 years, 9 months ago

I have never seen content with so many incorrect answers, something should be done to fix this. A is the answer here. In US Fincen cannot prosecute anyone.

upvoted 2 times

Question #135 *Topic 1*

A new accounts representative recently opened an account for individual whose stated employment is tutoring
students.
Which customer action indicates possible money laundering?

A. Continually making weekly small cash deposits

B. Periodically initiating wire transfers to another account owned by a relative

C. Transferring all funds to another bank on the same day of large cash deposits

D. Opening a savings account and makes frequent transfers from the checking account

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
C is the answer. Red flag.
upvoted 12 times

Neeti32 Most Recent 2 years, 1 month ago
C is correct
upvoted 1 times

VojechBrno 3 years, 6 months ago
C is correct for sure.
upvoted 1 times

SirNagsAlot 4 years ago
C. Rapid movement. Plus, what's the purpose of obtaining a new account if its just to funnel the funds somewhere else. The activity is indicative the customer is obfuscating or layering the funds.
upvoted 4 times

V2222 4 years ago
C is a red flag.
upvoted 1 times

ABenny7 4 years, 5 months ago
Answer is C
upvoted 1 times

Tam_3 4 years, 5 months ago
Answer is C
upvoted 1 times

joanp22 4 years, 7 months ago
C is the answer
upvoted 1 times

Kingor123 4 years, 11 months ago
I will go for B
upvoted 1 times

Kingor123 4 years, 11 months ago
I will go for BI mean C
upvoted 1 times

Kingor123 4 years, 11 months ago
I mean C
upvoted 2 times

chama 5 years, 6 months ago

Is it B

upvoted 1 times

chama 5 years, 6 months ago

Is it BThe answer is C. How is it B? What about periodically initiating wire transfers to another account owned by a relative presents a red flag? Per CAMS Study Guide, Cash deposits with same day withdrawals are considered a red flag and a potential money laundering scheme.I agree. Besides, large cash deposits is not consistent with the expected activity of the account.

upvoted 1 times

AlohaMahalo Highly Voted 5 years, 6 months ago

The answer is C. How is it B? What about periodically initiating wire transfers to another account owned by a relative presents a red flag? Per CAMS Study Guide, Cash deposits with same day withdrawals are considered a red flag and a potential money laundering scheme.I agree. Besides, large cash deposits is not consistent with the expected activity of the account.

upvoted 7 times

AlohaMahalo 5 years, 6 months ago

The answer is C. How is it B? What about periodically initiating wire transfers to another account owned by a relative presents a red flag? Per CAMS Study Guide, Cash deposits with same day withdrawals are considered a red flag and a potential money laundering scheme.

upvoted 7 times

Jo2021 4 years, 9 months ago

I agree. Besides, large cash deposits is not consistent with the expected activity of the account.

upvoted 1 times

Question #136 *Topic 1*

A large international bank has detected potentially suspicious activity in one of its customer accounts. Following an investigation, the bank has determined the activity to be typical of suspected money laundering.
To which entity should this activity be reported on a suspicious transaction report according to Financial Action Task Force?

A. National Security Council

B. Financial Intelligence Unit

C. Local law enforcement agency

D. Federal law enforcement agency

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (100%)

JayNR Highly Voted 5 years, 5 months ago
Who is writing these questions and answers? How are such basic answers so wrong? It really isn't helping people learn or study for the exam.i think they did this for a purpose :)
upvoted 85 times

JayNR Highly Voted 5 years, 5 months ago
Who is writing these questions and answers? How are such basic answers so wrong? It really isn't helping people learn or study for the exam.
upvoted 85 times

dinhgilbert 4 years, 3 months ago
i think they did this for a purpose :)
upvoted 6 times

Shadoowww 5 years, 11 months ago
Reporting to FIU as per Recommendation 20
upvoted 19 times

Neeti32 Most Recent 2 years, 1 month ago
B is correct
upvoted 1 times

Dpersoul8 2 years, 9 months ago
B. FIU https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf Recommendation 20.
upvoted 1 times

StellJerry 2 years, 11 months ago
Answer is B https://fiubelize.org/suspicious-transaction-reporting-str/#:~:text=If%20a%20reporting%20entity%20suspects,Financial%20Intelligence%20Unit%20(FIU) If a reporting entity suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, or are related to terrorist financing, it shall as soon as possible but no later than 3 days report promptly its suspicions to the Financial Intelligence Unit (FIU).
upvoted 1 times

mgflash 2 years, 12 months ago
B per the study guide "o Suspicious activity reporting: Financial organizations must report to the appropriate FIU when they suspect or have reasonable grounds to suspect that funds are the proceeds of a criminal activity or are related to terrorist financing"
upvoted 1 times

vcxzqwer6391 3 years, 7 months ago
i am demanding a refund!
upvoted 4 times

V2222 4 years ago

What? How can it be C. It is literally B.

upvoted 1 times

ChinLiLian 4 years, 1 month ago

such a bad answer that it got wrong for. was it a deliberate move?

upvoted 3 times

ABenny7 4 years, 5 months ago

correct answer must be B - FATF deals with FUIsFIU's ****

upvoted 1 times

ABenny7 4 years, 5 months ago

correct answer must be B - FATF deals with FUIs

upvoted 1 times

ABenny7 4 years, 5 months ago

FIU's ****

upvoted 1 times

Tam_3 4 years, 5 months ago

B is the answer

upvoted 2 times

flowvalo 4 years, 6 months ago

B is the answer

upvoted 2 times

jlhickman8 4 years, 6 months ago

B is the answer. Per CAMS study guide P223

upvoted 1 times

joanp22 4 years, 7 months ago

B is the answer

upvoted 1 times

twoferns 4 years, 8 months ago

100% B

upvoted 1 times

Thanggamany 5 years ago

I think the C could be the right answer since the question is about the large international bank which dealing with clients from multiple countries and the institution need to report to the respective country enforcement law for the client..such as FinCEN for US..please share more related informationFincen is a FIU…isn't it? So answer is definitely B

upvoted 2 times

Thanggamany 5 years ago

I think the C could be the right answer since the question is about the large international bank which dealing with clients from multiple countries and the institution need to report to the respective country enforcement law for the client..such as FinCEN for US..please share more related information

upvoted 2 times

Shravs18 4 years, 8 months ago

Fincen is a FIU…isn't it? So answer is definitely B

upvoted 1 times

mdshr 5 years, 1 month ago

B is correct

upvoted 2 times

Question #137 *Topic 1*

What is the main role of the Egmont Group in combating money laundering and terrorist financing?

A. To establish regulations that countries must use when establishing their own FIUs

B. To find ways that FIUs can better cooperate amongst themselves and exchange information

C. To require that all countries participate in a global repository for the sharing of information

D. To create standards that countries can use when drafting laws to combat money laundering and terrorist financing

Suggested Answer: *B*

Official Answer: B

Community vote distribution

B (100%)

Majid2094 Highly Voted 5 years, 4 months ago

The correct answer is B. P/122, CAMS Study Guide v6.31

upvoted 48 times

ChinLiLian Highly Voted 3 years, 8 months ago

Another wrong answer. Moderator should consider amending the ans.

upvoted 9 times

LocaLola Most Recent 3 years ago

Process of elimination. Egmont has not authority to establish regulations, or require countries to participate. Option D is what FATF does.

upvoted 4 times

V2222 3 years, 6 months ago

This is a wrong answer. It should be B.

upvoted 5 times

ABenny7 3 years, 11 months ago

Process of elimination - has to be B. Egmont is not the EU (EU has the force of law)

upvoted 2 times

Tam_3 3 years, 11 months ago

B is the answer

upvoted 2 times

flowvalo 4 years ago

B is the answer

upvoted 3 times

jlhickman8 4 years ago

B is the answer as confirmed by the CAMS study guide

upvoted 3 times

joanp22 4 years, 1 month ago

B is the answer

upvoted 2 times

junwangchloe 4 years, 1 month ago

B is the right answer, D is more like FATF's objective. P87 FATF Objectives FATF's stated objectives are to "set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. P122 Egmont Group of Financial Intelligence Units The goal of the group is to provide a forum for FIUs around the world to improve cooperation in the fight against money laundering and financing of terrorism and to foster the implementation of domestic programs in this field.

upvoted 3 times

BeckyFA 4 years, 1 month ago

Answer B

upvoted 1 times

twoferns 4 years, 2 months ago

The goal of the group is to provide a forum for FIUs to improve cooperation in the fight against money laundering and the financing of terrorism, and to foster the implementation of domestic programs in this field. B 100%

upvoted 2 times

Kingor123 4 years, 5 months ago

Come on it's B

upvoted 3 times

mdshr 4 years, 7 months ago

B is correct

upvoted 2 times

Writingsoon_2021 4 years, 9 months ago

B is the answer. Cams P.122 " Expanding and systematizing cooperation in the reciprocal exchange of information."

upvoted 1 times

Writingsoon_2021 4 years, 9 months ago

B is the correct answer - Cams P.122: Egmont Group of Financial Intelligence Units - "This support includes: - Expanding and systematizing cooperation in the reciprocal exchange of information."

upvoted 2 times

Mahadi 4 years, 9 months ago

The mail role of Egmont Group is clearly mentioned at page 122, of CAMS Study Guide. Really surprised viewing so much wrong answers against so much questions

upvoted 1 times

Question #138 *Topic 1*

An organization uses an automated surveillance system that generates a very large volume of anti-money laundering alerts. The monthly volume of alerts has increased over the last year causing the compliance staff to fall significantly behind reviewing the alerts. As a result, the system settings are under review to determine if they are
appropriate.
Which action should be included in the evaluation of system settings?

A. Compare settings to organizations within its peer group

B. Flag filters with no history of generating an alert for removal

C. Review parameter settings based on the latest risk assessment

D. Calibrate parameters based on staffing capabilities to clear alerts

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (59%) A (41%)

Vksh9 Highly Voted 4 years, 3 months ago
obviously accofing to its own risk assessments
upvoted 6 times

6fe6537 Most Recent 1 year, 3 months ago
Page 320: A: In general, it should consider the following capabilities of the system during its assessment process: • Ability to conduct advanced evaluation and analysis of suspicious and unusual transactions identified by the monitoring system in the context of each customer's risk profile and that of his peer group. Peer group.
upvoted 1 times

Emilipp 1 year, 6 months ago
C - a is eliminated coz: Compare settings to organizations within its peer group: While understanding industry best practices can be useful, settings should primarily be based on the specific risk profile of the organization rather than simply comparing with peers. This does not directly address the issue of backlog or system efficiency
upvoted 1 times

9dad88f 1 year, 9 months ago
Answer: C Ability to conduct advanced evaluation and analysis of suspicious and unusual transactions identified by the monitoring system in the context of each customer's risk profile and that of his peer group.
upvoted 1 times

c9d0c9d 2 years ago
C is obviously the answer
upvoted 1 times

Tee04 2 years ago
In evaluating the system settings of an automated surveillance system generating a high volume of anti-money laundering alerts, the most appropriate action to include is: C. Review parameter settings based on the latest risk assessment - This ensures that the settings are aligned with the organization's current risk profile, helping to optimize the alert generation process to focus on the most relevant and high-risk activities while maintaining regulatory compliance.
upvoted 3 times

Neeti32 2 years, 2 months ago
C is definitely the answer
upvoted 1 times

sumant453 2 years, 4 months ago
Answer C ACAMS Guide page 184 Transaction monitoring systems and ongoing monitoring A critical way to mitigate money laundering risk is to use the transaction monitoring system to conduct ongoing monitoring of customer activity, Certified Anti-Money Laundering Specialist Version 6.49 Page

185 building on the information from risk assessments and customer profiles. This enables banks to satisfy their obligation to identify and report suspicious activity. Monitoring systems should be adapted to the risks present in the bank, such as if the bank identifies a particular money laundering typology occurring within its jurisdiction.

upvoted 3 times

holikmc 2 years, 4 months ago

c is 100%

upvoted 1 times

mdabdul 2 years, 6 months ago

C is the andwer

upvoted 1 times

Sbl_89 2 years, 10 months ago

When evaluating the system settings of an automated surveillance system for anti-money laundering, it's essential to review and adjust these settings based on the latest risk assessment. This ensures that the system is aligned with the institution's current risk profile and helps in generating alerts that are relevant and meaningful.

upvoted 3 times

Jamiebanana 2 years, 10 months ago

should be c

upvoted 1 times

hjgkfldsa 3 years, 2 months ago

Answer is C. You don't follow someone else's surveillance framework.

upvoted 3 times

Iain844 3 years, 7 months ago

Answer is C. You don't follow someone else's surveillance framework. You follow your own needs based on your own risk assessment. For all we know theirs might be even worse.

upvoted 4 times

Sabys 3 years, 10 months ago

I think it should be A, as the comparison is usually with peers for such cases.

upvoted 2 times

Wonnie 3 years, 10 months ago

Under "Automated AML/CFT Solutions" sections.."Ability to conduct advanced evaluation and analysis of suspicious and unusual transactions identified by the monitoring system in the context of each customer's risk profile and that of his peer group"

upvoted 4 times

JDomar8128 3 years, 10 months ago

Very similar question to ACAMS study guide where the answer is peer.yes, its why I chose A as answer to be honest.

upvoted 3 times

JDomar8128 3 years, 10 months ago

Very similar question to ACAMS study guide where the answer is peer.

upvoted 3 times

Dilara89 3 years, 3 months ago

yes, its why I chose A as answer to be honest.

upvoted 2 times

Question #139 *Topic 1*

Which location provides a law enforcement investigator the best opportunity for a productive investigative interview of a suspect?

A. The residence of the suspect

B. The office or work location of the suspect

C. A neutral location such as a coffee shop or restaurant

D. An interview room in the offices of a law enforcement agency

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

Tammyr Highly Voted 5 years, 2 months ago
Answer is D. The question indicates the interviewee is a suspect but not a knowledgeable employee who is helping with the investigation. If interviewing a suspect, D will be a more productive location for the law enforcement.
upvoted 17 times

AML_Investigator Highly Voted 5 years, 4 months ago
I think the answer should be D. what do you think?
upvoted 7 times

Iain844 Most Recent 3 years, 1 month ago
D is the correct answer. Otherwise you'll see police interviews conducted in coffee shops all the time, if that works.
upvoted 4 times

imperialchicken 3 years, 2 months ago
There is no such information in Study Guide. The question is absolutely useless. I am sharing the only relevant part about the topic in the book: Most employees are not accustomed to or comfortable with being interviewed—either by law enforcement investigators or counsel for the organization. Therefore, care should be taken to put them at ease to the extent possible. It is also helpful for interviews to be as noncontentious as possible. Background and open-ended questions should be used at the beginning of the interview, together with a nonconfrontational review of documents. When necessary, more contentious questions should be delayed to the end of the interview.
upvoted 5 times

Sabys 3 years, 4 months ago
If its D, wont the subject of investigation be alerted? Shouldn't it be a neutral location, like a coffee shop?
upvoted 1 times

V2222 3 years, 6 months ago
D is the right answer.
upvoted 2 times

Rhprecious 3 years, 11 months ago
Answer would be D - You control the environment and also pay attention to the question. C would be a better fit if you were talking to an informant.
upvoted 1 times

ABenny7 3 years, 11 months ago
I think answer is D
upvoted 1 times

Koios 4 years ago
B is correct
upvoted 1 times

junwangchloe 4 years, 1 month ago
D. I think it is more about putting the investigator at ease than putting the suspect at ease. Isn't productive the key word here? IMO, in order for the LE investigator to be productive, he or she needs to be in an environment he/she is most familiar with. In addition, all the equipment would be there to facilitate the process. The investigator could also get help from his or her colleagues.
upvoted 2 times

datumi 4 years, 6 months ago

I agree with D, p.220 mentions about knowledgeable employees to be interviewed, not suspected employess => then office or work location is appropriate. In this case we have suspect, so should be D.

upvoted 4 times

Eveej 4 years, 7 months ago

To put them a suspect at ease cannot be at the workplace where other staff who know the suspect will be. I think it would be more comfortable at coffee shop or restaurant. Therefore the answer is C. ease to the extent possi

upvoted 1 times

MalBen 4 years, 7 months ago

A "suspect" will never be interviewed at options A,B, or C! The answer is clearly D.

upvoted 2 times

supern0va 4 years, 8 months ago

The answer is D. An office or work station is too familiar to the suspect and will allow them to maintain control. A coffee shop/restaurant is too distractive and risks sensitive/confidential information being heard by the public potentially resulting in a defamation lawsuit.

upvoted 2 times

Maverick99 4 years, 8 months ago

The keyword is "suspect". Think of all the videos of cops interviewing a suspect. Where is the video taken? It's always at the police station. LE will interview a witness at their work or office but never the suspect. If you interview the suspect at their work place or office, they are the ones in control. This is taken from personal experience..... not as a suspect. LOL

upvoted 1 times

miwe 4 years, 9 months ago

learnings from my CFE cert: When possible, the interview should be held in a venue where the subject will feel comfortable and secure, although it is not recommended that the interview take place in an environment that is particularly familiar to the subject, such as the interviewee's home or officeAgree. This was real exam question. I put A

upvoted 2 times

miwe 4 years, 9 months ago

learnings from my CFE cert: When possible, the interview should be held in a venue where the subject will feel comfortable and secure, although it is not recommended that the interview take place in an environment that is particularly familiar to the subject, such as the interviewee's home or office

upvoted 2 times

Rox1983 4 years, 4 months ago

Agree. This was real exam question. I put A

upvoted 1 times

Writingsoon_2021 4 years, 9 months ago

B is the answer - P.220 - All interview requests with ee's must go through the organization.

upvoted 2 times

Question #140 *Topic 1*

Which two mechanisms should be implemented to assist with cross-border money laundering investigations? (Choose two.)

A. Countries should request Interpol to provide the required information.

B. Countries should ensure that information received is protected from unauthorized disclosure.

C. Countries should establish mechanisms allowing financial investigators to obtain and share information in respect of specific investigations.

D. Countries should conduct separate investigations to ensure information is not unintentionally disclosed without the appropriate legal approval.

Suggested Answer: *B, C*
Official Answer: BC

Community vote distribution
BC (100%)

jgallag11 Highly Voted 5 years, 3 months ago
I agree it should be BC, this document from Egmont talks about the principles of exchange of information. There isn't anything in the document about separate investigations, but it does talk about how confidentiality should be maintained across all countries.
https://sic.gov.lb/sites/default/files/international-standards/EG%20Principles%20for%20Information%20Exchange%20%282013%29.pdf
upvoted 30 times

Szymbrush Highly Voted 5 years, 4 months ago
Shouldn't it be C rather than D? FIUs share information between each other informally in the context of investigations.
upvoted 7 times

Jaffar_95 Most Recent 2 years, 1 month ago
B and C
upvoted 1 times

Sbl_89 2 years, 4 months ago
B. Countries should ensure that information received is protected from unauthorized disclosure. This is essential to maintain the confidentiality and security of the information shared during cross-border investigations. C. Countries should establish mechanisms allowing financial investigators to obtain and share information in respect of specific investigations. Creating mechanisms for the legal and authorized sharing of information is crucial for effective cross-border cooperation in money laundering investigations. Options A and D are not typically used mechanisms in the context of cross-border money laundering investigations. Interpol may play a role in certain cases, but it's not the primary mechanism for sharing information in specific investigations, and conducting separate investigations without cooperation would be counterproductive.
upvoted 7 times

Jamiebanana 2 years, 4 months ago
BC BC BC BC BC BC
upvoted 1 times

Guitarman86 3 years, 9 months ago
I AGREE
upvoted 1 times

ABenny7 3 years, 11 months ago
I agreed with B&C
upvoted 2 times

jlhickman8 4 years ago
B&C are the correct answers
upvoted 3 times

Koios 4 years ago
Agreed B/C
upvoted 2 times

joanp22 4 years, 1 month ago

B & C are the answers

upvoted 2 times

junwangchloe 4 years, 1 month ago

B and C are correct answers. Study guide P221 FATF Recommendations on Cooperation Between Countries Recommendations 36 through 40 of FATF's 40 Recommendations on establishing and maintaining effective AML/CFT programs pertain specifically to the INTERNATIONAL ASPECTS OF MONEY LAUNDERING and terrorist financing investigations. THEY DEAL WITH MUTUAL LEGAL ASSISTANCE TREATIES, EXTRADITION, CONFISCATION OF ASSETS AND MECHANISMS TO EXCHANGE INFORMATION INTERNATIONALLY

upvoted 3 times

junwangchloe 4 years, 1 month ago

B and C are correct answers. Study guide P221 FATF Recommendations on Cooperation Between Countries Recommendations 36 through 40 of FATF's 40 Recommendations on establishing and maintaining effective AML/CFT programs pertain specifically to the INTERNATIONAL ASPECTS OF MONEY LAUNDERING and terrorist financing investigations. THEY DEAL WITH MUTUAL LEGAL ASSISTANCE TREATIES, EXTRADITION, CONFISCATION OF ASSETS AND MECHANISMS TO EXCHANGE INFORMATION INTERNATIONALLYReference: FATF Recommendations https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdfP28 – recommendation 37 (proves C is right) 37. Mutual legal assistance Countries should rapidly, constructively and effectively provide the widest possible range of mutual legal assistance in relation to money laundering, associated predicate offences and terrorist financing investigations, prosecutions, and related proceedings. Countries should have an adequate legal basis for providing assistance and, where appropriate, should have in place treaties, arrangements or other mechanisms to enhance cooperation. In particular, countries should:P112 – interpretation to recommendation 40 (proves B is right) INTERPRETIVE NOTE TO RECOMMENDATION 40 (OTHER FORMS OF INTERNATIONAL COOPERATION) A. PRINCIPLES APPLICABLE TO ALL FORMS OF INTERNATIONAL COOPERATION Safeguards on information exchanged 3. Exchanged information should be used only for the purpose for which the information was sought or provided. Any dissemination of the information to other authorities or third parties, or any use of this information for administrative, investigative, prosecutorial or judicial purposes, beyond those originally approved, should be subject to prior authorisation by the requested competent authority.

upvoted 3 times

junwangchloe 4 years, 1 month ago

Reference: FATF Recommendations https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf

upvoted 1 times

junwangchloe 4 years, 1 month ago

P28 – recommendation 37 (proves C is right) 37. Mutual legal assistance Countries should rapidly, constructively and effectively provide the widest possible range of mutual legal assistance in relation to money laundering, associated predicate offences and terrorist financing investigations, prosecutions, and related proceedings. Countries should have an adequate legal basis for providing assistance and, where appropriate, should have in place treaties, arrangements or other mechanisms to enhance cooperation. In particular, countries should:

upvoted 2 times

junwangchloe 4 years, 1 month ago

P112 – interpretation to recommendation 40 (proves B is right) INTERPRETIVE NOTE TO RECOMMENDATION 40 (OTHER FORMS OF INTERNATIONAL COOPERATION) A. PRINCIPLES APPLICABLE TO ALL FORMS OF INTERNATIONAL COOPERATION Safeguards on information exchanged 3. Exchanged information should be used only for the purpose for which the information was sought or provided. Any dissemination of the information to other authorities or third parties, or any use of this information for administrative, investigative, prosecutorial or judicial purposes, beyond those originally approved, should be subject to prior authorisation by the requested competent authority.

upvoted 1 times

BeckyFA 4 years, 1 month ago

I vote BC

upvoted 1 times

BrandonSun 4 years, 4 months ago

Agree BC. CAMS p112: Competent authorities should maintain appropriate confidentiality for any request for cooperation and the information exchanged, in order to protect the integrity of the investigation or inquiry56, consistent with both parties' obligations concerning privacy and data protection. Countries should establish controls and safeguards to ensure that information exchanged by competent authorities is used only in the manner authorised.

upvoted 1 times

Ash1004 4 years, 8 months ago

B and C.

upvoted 1 times

Writingsoon_2021 4 years, 9 months ago

B & C is the answer - Principles of information exchange [https://sic.gov.lb/sites/default/files/international-standards/EG%20Principles%20for%20Information%20Exchange%20%282013%29.pdf] Data protection and confidentiality 29. FIUs must, therefore, have rules in place governing the security and confidentiality of such information, including procedures for handling, storage, dissemination and protection of, as well as access to, such information. Channels for the exchange of information 34. Exchanges of information should take place in a secure way, and through reliable channels or mechanisms.

upvoted 2 times

ccz 4 years, 9 months ago

BC. FATF Recommendation 37

upvoted 1 times

evann159 5 years, 3 months ago

BC https://sic.gov.lb/sites/default/files/international-standards/EG%20Principles%20for%20Information%20Exchange%20%282013%29.pdf Exchanged information should be used only for the purpose for which the information was sought or provided. Any dissemination of the information to other authorities or third parties, or any use of this information for administrative, investigative, prosecutorial or judicial purposes, beyond those originally approved, should be subject to prior authorization by the requested FIU. Exchanges of information should take place in a secure way, and through reliable channels or mechanisms. FIUs should ensure access to, and use of, the Egmont Secure Web or other appropriate channels of communication are securely protected and reserved to authorized personnel. The equipment and passwords used for these channels should also be securely protected.

upvoted 3 times

Question #141 *Topic 1*

An existing customer at a bank has recently expanded its services to provide check cashing for its customers.
Which factor indicates the bank should terminate this relationship?

A. The bank has not updated its automated monitoring system.

B. The business has no previous experience with this service.

C. The business has not updated its anticipated activity with the bank.

D. The business is now a Money Service Business and has not registered with FinCEN.

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (69%) C (28%) (3

NCT123 Highly Voted 5 years, 11 months ago
correct answer is DAgree with D. For C - perhaps the due diligence review by the bank was not due, hence the bank did not ask if there were any changes in services provided, so in this case, should the client by terminated by the bank? Shouldn't the bank seek to update this activity and then reassess the risk before anything else?
upvoted 44 times

NCT123 Highly Voted 5 years, 11 months ago
correct answer is D
upvoted 44 times

melodyqhf 4 years, 5 months ago
Agree with D. For C - perhaps the due diligence review by the bank was not due, hence the bank did not ask if there were any changes in services provided, so in this case, should the client by terminated by the bank? Shouldn't the bank seek to update this activity and then reassess the risk before anything else?
upvoted 4 times

Shaddad 4 years, 8 months ago
Selected Answer: C
When customer updated his activities to the bank all other points will comply
upvoted 6 times

Shaddad 4 years, 8 months ago
When customer updated his activities to the bank all other points will complyAgree. C is correct. This is about Bank's due diligence. Study guide 104 - Basel Committee's October 2001 paper - Customer Due Diligence for Banks. Specific issues emphasized in the paper include the following. • The four key elements of a KYC program are 1. customer identification; 2. risk management; 3. customer acceptance; and 4. monitoring. Study Guide P105 • Banks should develop customer acceptance policies and procedures describing the customer's background, country of origin, business activities and other risk indicators and should develop clear and concise descriptions of who is an acceptable customer. Here, the customer's activity changes, the bank should reevaluate the risk posed by the customer. Without the business' anticipated activity, the bank couldn't reevaluate the risk profile of the customer. Therefore, the bank is not able to determine whether the customer is an acceptable customer or not.Here, the customer's activity changes, the bank should reevaluate the risk posed by the customer. Without the business' anticipated activity, the bank couldn't reevaluate the risk profile of the customer. Therefore, the bank is not able to determine whether the customer is an acceptable customer or not. For A, without the customer's activities, the bank couldn't update its automated monitoring system. Even though the bank has not updated its automated monitoring system, shouldn't the remedy be updating the system instead of terminating its relationship with customer? For D, only MSB in the US needs to register with FinCEN. We don't know if the business is in the US or not. In addition, even though it is in the US, there is not enough information for us to conclude that it is MSB. See MSB definition by FINCEN. https://www.fincen.gov/money-services-business-definition For check casher, the threshold of $1000 applies: "An activity threshold of greater than $1,000 per person per day in one
upvoted 6 times

junwangchloe 4 years, 7 months ago

Agree. C is correct. This is about Bank's due diligence.

Study guide 104 - Basel Committee's October 2001 paper - Customer Due Diligence for Banks.

Specific issues emphasized in the paper include the following. • The four key elements of a KYC program are 1. customer identification; 2. risk management; 3. customer acceptance; and 4. monitoring.

Study Guide P105

• Banks should develop customer acceptance policies and procedures describing the customer's background, country of origin, business activities and other risk indicators and should develop clear and concise descriptions of who is an acceptable customer.

Here, the customer's activity changes, the bank should reevaluate the risk posed by the customer. Without the business' anticipated activity, the bank couldn't reevaluate the risk profile of the customer. Therefore, the bank is not able to determine whether the customer is an acceptable customer or not.

upvoted 2 times

junwangchloe 4 years, 7 months ago

Agree. C is correct. This is about Bank's due diligence. Study guide 104 - Basel Committee's October 2001 paper - Customer Due Diligence for Banks. Specific issues emphasized in the paper include the following. • The four key elements of a KYC program are 1. customer identification; 2. risk management; 3. customer acceptance; and 4. monitoring. Study Guide P105 • Banks should develop customer acceptance policies and procedures describing the customer's background, country of origin, business activities and other risk indicators and should develop clear and concise descriptions of who is an acceptable customer. Here, the customer's activity changes, the bank should reevaluate the risk posed by the customer. Without the business' anticipated activity, the bank couldn't reevaluate the risk profile of the customer. Therefore, the bank is not able to determine whether the customer is an acceptable customer or not.Here, the customer's activity changes, the bank should reevaluate the risk posed by the customer. Without the business' anticipated activity, the bank couldn't reevaluate the risk profile of the customer. Therefore, the bank is not able to determine whether the customer is an acceptable customer or not. For A, without the customer's activities, the bank couldn't update its automated monitoring system. Even though the bank has not updated its automated monitoring system, shouldn't the remedy be updating the system instead of terminating its relationship with customer? For D, only MSB in the US needs to register with FinCEN. We don't know if the business is in the US or not. In addition, even though it is in the US, there is not enough information for us to conclude that it is MSB. See MSB definition by FINCEN. https://www.fincen.gov/money-services-business-definition For check casher, the threshold of $1000 applies: "An activity threshold of greater than $1,000 per person per day in one or more transactions"

upvoted 2 times

junwangchloe 4 years, 7 months ago

Here, the customer's activity changes, the bank should reevaluate the risk posed by the customer. Without the business' anticipated activity, the bank couldn't reevaluate the risk profile of the customer. Therefore, the bank is not able to determine whether the customer is an acceptable customer or not. For A, without the customer's activities, the bank couldn't update its automated monitoring system. Even though the bank has not updated its automated monitoring system, shouldn't the remedy be updating the system instead of terminating its relationship with customer? For D, only MSB in the US needs to register with FinCEN. We don't know if the business is in the US or not. In addition, even though it is in the US, there is not enough information for us to conclude that it is MSB. See MSB definition by FINCEN. https://www.fincen.gov/money-services-business-definition For check casher, the threshold of $1000 applies: "An activity threshold of greater than $1,000 per person per day in one or more transactions"

upvoted 5 times

8deccfd Most Recent 6 months, 1 week ago

D should be the correct answer.

upvoted 1 times

Neeti32 2 years, 1 month ago

correct answer is D - banks do not do business with unlicensed MSB, they are prohibited clients for many big banks.

upvoted 2 times

7f0487d 2 years, 4 months ago

It is the customer not the bank that changed its business model. So customer must be focused on.

upvoted 1 times

094ca29 2 years, 7 months ago

FinCEN published a Final Rule in 2012 to expand the definition of MSB to detail when an entity qualifies as an MSB based on its activities within the United States, even if none of its agents, agencies, branches, or offices is physically located there. The Final Rule arose in part from the recognition that the internet and other technological advances make it increasingly possible for persons to offer MSB services in the United States from foreign locations. Absent an exception, MSBs are required to register with FinCEN.

upvoted 2 times

5ee4022 2 years, 8 months ago

D. The business is now a Money Service Business and has not registered with FinCEN: According to the ACAMS study guide, a Money Services Business (MSB), as defined by FATF, typically provides services such as currency exchange, money transmission, and check-cashing services. If a business engages in these activities, it is classified as an MSB and must comply with regulatory requirements, including registration with FinCEN (Financial Crimes Enforcement Network). Failure to register with FinCEN while engaging in MSB activities is a regulatory violation and a significant compliance risk for the bank. Therefore, the bank should be concerned about continuing a relationship with a business that is now an MSB but has not fulfilled its legal obligation to register with the appropriate regulatory authority.

upvoted 3 times

Sbl_89 2 years, 10 months ago

Selected Answer: D

When a business engages in check cashing services, it typically falls under the category of a Money Service Business (MSB) and is subject to regulatory requirements, including registration with the Financial Crimes Enforcement Network (FinCEN) in the United States. Failure to register as an MSB when required is a serious regulatory violation, and the bank should take appropriate action, which may include terminating the relationship.

upvoted 2 times

Sbl_89 2 years, 10 months ago

When a business engages in check cashing services, it typically falls under the category of a Money Service Business (MSB) and is subject to regulatory requirements, including registration with the Financial Crimes Enforcement Network (FinCEN) in the United States. Failure to register as an MSB when required is a serious regulatory violation, and the bank should take appropriate action, which may include terminating the relationship.Any reference to study material?

upvoted 2 times

Sudar89 2 years, 10 months ago

Any reference to study material?

upvoted 1 times

16Kraft 3 years, 3 months ago

The question has not specifically stated the business is domiciled in the US.

upvoted 2 times

gymgirl19 3 years, 4 months ago

Select D. A non-registered MSB would be outside of the risk appetite for many banks

upvoted 1 times

DJ0112 3 years, 9 months ago

I would go with D, because MSBs are high risk businesses. C does not look suitable as updating the activity within bank's record alone would not suffice. It is possible that the MSBs risk level exceeds the bank's risk appetite.

upvoted 2 times

Sagah_matz 3 years, 10 months ago

C. We are not told if the bank operates outside the jurisdiction of FinCEN or not. It could be a local bank in an Asian country, or somewhere.

upvoted 1 times

Wonnie 3 years, 10 months ago

Maybe A per Study Guide under "Closing Account" section: • The organization's stated policies and procedures for closing an account, which might include an automatic closure recommendation following a specified number of SAR filings • The seriousness of the underlying conduct; that is, if the conduct rises to the level of seriousness at which it would typically be closed, the organization should consider closing it • The reputational risk to the organization posed by maintaining the account

upvoted 1 times

YuShaw 3 years, 11 months ago

I think the situation on D is severer than C.

upvoted 2 times

Karaa 4 years ago

It's D. MSBs must register in the jurisdiction in which they operate (in this case with FinCEN) and supply the bank with an AML Program. Conducting MSB services while not being registered as such is an automatic SAR filing as well.

upvoted 2 times

SirNagsAlot 4 years ago

Another rather confusing question but I'm going with D. Not updating an FI with anticipated activity is usually not enough to get your account closed. Failing to register as an MSB if the activities exceed thresholds would. Further, most customers are unaware of triggering events for their banks. The question does not state if the business is cashing checks above the threshold but it's making the assumption. If that's the case, failing to register with FinCen is an automatic red flag for closure if the activity continues without a proper registration.

upvoted 2 times

KikoX 4 years ago

D. Study guide: "one of the most important aspects of due diligence for a bank that is establishing a relationship with an MSB is to confirm that the MSB has implemented a sufficient AML/CFT program (e.g., procedures, training, and suspicious activity monitoring) and is properly licensed and/or registered in the jurisdictions in which it operates."

upvoted 2 times

Question #142 *Topic 1*

Which key aspect of the Office of Foreign Assets Control's extraterritorial reach specifically relates to prohibited transactions?

A. Prohibit or reject unlicensed trade and financial transactions with specified countries, entities, and individuals

B. Prohibit or reject licensed trade and financial transactions with specified countries, entities and U.S. individuals

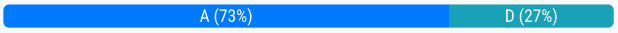
C. Prohibit or reject licensed trade and financial transactions with specified countries, entities and non-U.S. individuals

D. Prohibit or reject unlicensed foreign trade and financial transactions with specified countries, entities, and individuals

Suggested Answer: *A*

Official Answer: A

Community vote distribution



JYU Highly Voted 5 years, 3 months ago

The difference between A and D is the word "foreign" in D. CAMS Study Guide question #109 (p.291) states that three key aspects of OFAC sanctions that have "extraterritorial reach" are sanctions based on US "foreign" policy, freezing "foreign" assets under US jurisdiction, and blocking people on SDN and Blocked Persons List. I'm guessing that the word "foreign" should be included when referring to extraterritorial reach. So I think the answer is D.

upvoted 31 times

JYU Highly Voted 5 years, 3 months ago

The difference between A and D is the word "foreign" in D. CAMS Study Guide question #109 (p.291) states that three key aspects of OFAC sanctions that have "extraterritorial reach" are sanctions based on US "foreign" policy, freezing "foreign" assets under US jurisdiction, and blocking people on SDN and Blocked Persons List. I'm guessing that the word "foreign" should be included when referring to extraterritorial reach. So I think the answer is D.Yes. OFAC does stand for Office of **Foreign** Assets Control.

upvoted 31 times

supern0va 5 years, 2 months ago

Yes. OFAC does stand for Office of **Foreign** Assets Control.

upvoted 5 times

Writingsoon_2021 5 years, 3 months ago

A is the answer -file:///C:/Users/Owner/Desktop/OFAC_Overview%20_ofac_sec_frb_080106.pdf "Prohibit or reject unlicensed trade and financial transactions with specified countries, entities, and individuals. "Agree with A. For D, there can be cases where the transaction is not foreign, but it is in connection with or on behalf of a blocked entity, then this should also be prohibited.well, it still would be under OFAC's 'US reach' as opposed to exterritorial reach which is the essence of this question, right?

upvoted 17 times

Writingsoon_2021 5 years, 3 months ago

A is the answer -file:///C:/Users/Owner/Desktop/OFAC_Overview%20_ofac_sec_frb_080106.pdf "Prohibit or reject unlicensed trade and financial transactions with specified countries, entities, and individuals. "

upvoted 17 times

melodyqhf 4 years, 5 months ago

Agree with A. For D, there can be cases where the transaction is not foreign, but it is in connection with or on behalf of a blocked entity, then this should also be prohibited.well, it still would be under OFAC's 'US reach' as opposed to exterritorial reach which is the essence of this question, right?

upvoted 6 times

melodyqhf 4 years, 5 months ago

Agree with A. For D, there can be cases where the transaction is not foreign, but it is in connection with or on behalf of a blocked entity, then this should also be prohibited.

upvoted 6 times

DanPan 2 years, 9 months ago

well, it still would be under OFAC's 'US reach' as opposed to exterritorial reach which is the essence of this question, right?

upvoted 1 times

xiaojw Most Recent 5 months, 2 weeks ago

Exam Memory Rule OFAC prohibition applies when: Sanctioned party + U.S. involvement + No license = Prohibited transaction

upvoted 1 times

3d520e3 7 months, 2 weeks ago

Answer: A (not D) This is close, but the key point is that OFAC's extraterritorial reach makes it so that U.S. persons (including foreign branches of U.S. entities) cannot engage in these unlicensed transactions regardless of whether the transaction is purely "foreign" in nature (e.g., involving two non-sanctioned foreign companies but routed through the U.S. financial system). The crucial element is that the transaction is unlicensed, not just "foreign".

upvoted 1 times

a513174 1 year ago

I think the key words are "extrateritorial" and "foreign"

upvoted 1 times

pufflehuff1993 1 year, 8 months ago

The key word is "extraterritorial". OFAC is a US based organization. Therefore, since this is referring to their extraterritorial reach, I would say the addition of the word "foreign" in D makes it the correct answer. If the word "extraterritorial" were not present, I would select A. Alas, the answer to me, is D.

upvoted 2 times

9dad88f 1 year, 9 months ago

Answer: A In order to protect the financial system from money laundering and terrorist financing, the United States, United Nations, European Union, and other governing bodies may impose sanctions against foreign countries, entities, individuals, terrorists and terrorist groups, drug traffickers, and other security threats. In the United States, the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers, and criminals engaged in activities related to the proliferation of WMD.

upvoted 1 times

Neeti32 2 years, 1 month ago

to me D makes the most sense - A is very generic , whereas option D is emphasizing on the word "Foreign"

upvoted 1 times

halloworld 2 years, 3 months ago

D for sure, FOREIGN!!!!!!!!! the KEY WORD!!!!!!!!!!

upvoted 1 times

Andrewyfj 2 years, 3 months ago

Office of **Foreign** Assets Control I will choose D

upvoted 1 times

StellJerry 2 years, 11 months ago

Answer is Option A : Answer is A : Prohibit or reject unlicensed trade and financial transactions with specified countries, entities, and individuals. https://bsaaml.ffiec.gov/manual/OfficeOfForeignAssetsControl/01

upvoted 2 times

SimbaLion 3 years, 5 months ago

I was leaning towards D, but the word 'foreign' Limits it to only foreign trade but can be any unlicensed trade. So, I go with A..

upvoted 3 times

imperialchicken 3 years, 8 months ago

Even though the question is utterly nonsense to check our brilliant knowledge but the answer would be A after checking the SDN and Blocked Persons list to see if there is US companies or individuals listed. So I have seen USA nationals and companies are also included in the list: https://www.treasury.gov/ofac/downloads/sdnlist.pdf That being said the trade doesn't necessarily need to be "international". A trade between unsanctioned US entity and an entity listed in SDN list would not be a foreign trade. Ugly way to gauge the knowledge though.

upvoted 5 times

Wonnie 3 years, 10 months ago

Per study guide, "OFAC requires a license authorization to engage in a transaction that otherwise would be prohibited."

upvoted 1 times

Elassiuty 4 years, 1 month ago

IT IS VERY clear answer is d ofac is regarding foreign policy so it is prohibit foreign trade

upvoted 1 times

ABenny7 4 years, 5 months ago

Cant be B or C - they are licensed. That only leaves A & D , i think the answer is A because D only discusses Foreign where as A doesn't specify and could also include Foreign as well as domestic

upvoted 1 times

Koios 4 years, 6 months ago

I'd agree with D here on the same basis as JYU. "unlicensed foreign trade" and "extraterrestrial reach" are the key factors.

upvoted 1 times

Question #143 *Topic 1*

A bank has opened a new account for a well-known attorney to manage client funds. During the first six months, bank staff observe the account receives multiple deposits via wire transfer. They also observe that the attorney withdraws cash, makes payments to various people, and transfers funds to the law firm's account online.
What is considered a red flag for potential money laundering in this situation?

A. Withdrawing cash

B. Making payment to various people

C. Receiving multiple deposits via wire transfer

D. Transferring funds to his law firm's account online

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (70%) D (25%) (5%)

jgallag11 Highly Voted 5 years, 10 months ago
I think A, if this is a business account, it makes sense he would receive wires from clients and he would transfer funds to the law firms other accounts. It doesn't make sense for him to withdraw cash when the purpose of the account is "manage client funds". Anyone else agree?
upvoted 65 times

jpn Highly Voted 5 years, 10 months ago
should be A
upvoted 12 times

d1133da Most Recent 1 year, 9 months ago
According to ABA, withdrawal can only be made in check, not cash
upvoted 2 times

Neeti32 2 years, 1 month ago
option A- CASH is the highest ML concerns always ,all the time.
upvoted 2 times

Sorak 2 years, 9 months ago
same explanation like jgallag11 above.
upvoted 2 times

Cmed 2 years, 9 months ago
Considering the cash withdrawal comes before dispersing the funds into the law firm's account, and an attorney would not typically do this for a client as there are options such as wire transfer, ACH transfer, or checks that the attorney could utilize *attorneys are also required to comply with AML compliance so they should know a paper trail will protect them from questioning malpractice**; the money-laundering risk begins at the cash withdrawal, therefore A is considered to be the correct answer.
upvoted 5 times

imperialchicken 3 years, 8 months ago
Selected Answer: D
Page 130:

Lawyers often serve as trustees by holding money or assets “in trust” for clients. This enables lawyers to conduct transactions and administer the client’s affairs. Sometimes, illicit money is placed in a LAW FIRM’S GENERAL TRUST ACCOUNT IN A FILE SET UP IN THE NAME OF A CLIENT, nominee, or a company controlled by the client. Trust accounts are also used as part of the normal course of a lawyer’s duties in collecting and disbursing payments for real property on behalf of clients.

Withdrawing cash from the account for management of the client funds, and forwarding those fund to the law firm account are red flags. Both A and D are correct answers.

upvoted 5 times

imperialchicken 3 years, 8 months ago

Page 130: Lawyers often serve as trustees by holding money or assets “in trust” for clients. This enables lawyers to conduct transactions and administer the client’s affairs. Sometimes, illicit money is placed in a LAW FIRM’S GENERAL TRUST ACCOUNT IN A FILE SET UP IN THE NAME OF A CLIENT, nominee, or a company controlled by the client. Trust accounts are also used as part of the normal course of a lawyer’s duties in collecting and disbursing payments for real property on behalf of clients. Withdrawing cash from the account for management of the client funds, and forwarding those fund to the law firm account are red flags. Both A and D are correct answers.Considering the cash withdrawal comes before dispersing the funds into the law firm's account, and an attorney would not typically do this for a client as there are options such as wire transfer, ACH transfer, or checks that the attorney could utilize *attorneys are also required to comply with AML compliance so they should know a paper trail will protect them from questioning malpractice**; the money-laundering risk begins at the cash withdrawal, therefore A is considered to be the correct answer.

upvoted 5 times

kirabee 3 years, 10 months ago

Answer C- Cams text book p 130 Lawyers often serve as trustees by holding money or assets “in trust” for clients. This enables lawyers to conduct transactions and administer the client’s affairs. "Sometimes, illicit money is placed in a law firm’s general trust account in a file set up in the name of a client, nominee, or a company controlled by the client". Trust accounts are also used as part of the normal course of a lawyer’s duties in collecting and disbursing payments for real property on behalf of clients

upvoted 2 times

SirNagsAlot 4 years ago

A. Has to be cash. Its the least transparent as far as the use of funds. The other activities are consistent with the profession. Also, it mentions that he is opening the account to manage client funds. These are usually funds held in escrow so there would be little reason to withdrawal cash, which may be indicative of embezzling or misappropriating.

upvoted 1 times

Matilda2022 4 years, 1 month ago

Opción correcta D.

upvoted 1 times

determined_to_succeed 4 years, 3 months ago

Answer is A because the final disposition of funds is unknown.

upvoted 1 times

Vksh9 4 years, 3 months ago

Cash withdrawal is not a red flag for laundering but for TF so A can be ruled out C can be it. Multiple wire transfers is a red flag.

upvoted 1 times

jlhickman8 4 years, 6 months ago

I vote A - why would a lawyer need to withdraw cash?

upvoted 7 times

Koios 4 years, 6 months ago

Agreed with A, the account is set up to manage client funds....the cash withdrawals make no sense. The other options are fairly understandable for the nature business.

upvoted 2 times

coolman_spooky 4 years, 7 months ago

A,B,D are all withdrawals, so makes no sense to choose the 3 options with these just showing different modes of withdrawal. so C is the answerI AGREE

upvoted 2 times

coolman_spooky 4 years, 7 months ago

A,B,D are all withdrawals, so makes no sense to choose the 3 options with these just showing different modes of withdrawal. so C is the answer

upvoted 2 times

Guitarman86 4 years, 3 months ago

I AGREE

upvoted 1 times

BrandonSun 4 years, 10 months ago

I'll go with D. CAMS P72: Lawyers often serve as trustees by holding money or assets “in trust” for clients. This enables lawyers to conduct transactions and to administer the affairs of a client. Sometimes, the illicit money is placed in a law firm’s general trust account in a file set up in the name of the client, a nominee or a company controlled by the client. The case is about trust account, but it fits into the scenario that question is about.

upvoted 8 times

Eveej 5 years, 1 month ago

I think A is the correct answer because it is odd that cash is being withdrawn in a business account and attorneys are prestigious; they would write a check.

upvoted 1 times

Question #144 *Topic 1*

How can a 'free-look provision' as part of a life insurance policy help criminals to launder money?

A. A policy owner can decide how to pay the premium within a pre-defined period.

B. A policy owner is able to terminate the contract without penalties such as surrender charges.

C. A policy owner has freedom to decide who the beneficiary of the policy will be and can in this way move money to a related third party.

D. A policy owner has freedom to decide who the beneficiary of the policy will be and can in this way move money to an unrelated third party.

Suggested Answer: *B*
Official Answer: B

Community vote distribution
B (100%)

shyam83vidya Highly Voted 5 years, 11 months ago
Correct answer is B. Page 31 of study guide 6th edition.
upvoted 27 times

Majid2094 Highly Voted 5 years, 10 months ago
The correct answer is B. P/31, CAMS Study Guide v6.31
upvoted 12 times

Preethisrajan Most Recent 2 years ago
As per study guide
upvoted 1 times

Neeti32 2 years, 1 month ago
B is correct and is literally the definition of free look provision
upvoted 1 times

JoeJas 2 years, 11 months ago
A free-look provision is a feature that allows investors—for a short period of time after the policy is signed and the premium paid—to back out of a policy without penalty. This process allows the money launderer to receive an insurance check, which represents cleaned funds. (source: CAMS study guide)
upvoted 2 times

korfo 3 years, 9 months ago
Answer is B: page 56 Version 6.45 ACAMS study guide. A free-look period is a feature that allows investors—for a short period of time after the policy is signed and the premium paid—to back out of a policy without penalty. This process allows the money launderer to receive an insurance check, which represents cleaned funds
upvoted 1 times

gogocurry 3 years, 9 months ago
B is the answer
upvoted 1 times

JDomar8128 3 years, 10 months ago
Don't think real world, just choose B for this one. Free look means pay the premium and cancel without a penalty, get a check and go to the bank and place/deposit your $. Come on peeps.
upvoted 1 times

V2222 4 years ago
should be B
upvoted 2 times

determined_to_succeed 4 years, 3 months ago
Answer is D. The remaining options are benefits but not methods to for ML.The question clearly states 'free-look provision' A free-look period is a feature that allows investors—for a short period of time after the policy is signed and the premium paid—to back out of a policy without penalty. This process allows the money launderer to receive an insurance check, which represents cleaned funds. Hence answer should be B
upvoted 1 times

determined_to_succeed 4 years, 3 months ago

Answer is D. The remaining options are benefits but not methods to for ML.

upvoted 1 times

kirabee 3 years, 10 months ago

The question clearly states 'free-look provision' A free-look period is a feature that allows investors—for a short period of time after the policy is signed and the premium paid—to back out of a policy without penalty. This process allows the money launderer to receive an insurance check, which represents cleaned funds. Hence answer should be B

upvoted 1 times

ABenny7 4 years, 5 months ago

Correct answer is B

upvoted 2 times

BeckyFA 4 years, 5 months ago

Come on what's with the answers. Free look. Its in the guide. Answer is B

upvoted 2 times

jlhickman8 4 years, 6 months ago

Answer is B, no question.

upvoted 2 times

Shaddad 4 years, 9 months ago

Without cash surrender. Wrong

upvoted 1 times

salmeen 4 years, 10 months ago

A free-look period is a feature that allows investors — for a short period of time after the policy is signed and the premium paid — to back out of a policy without penalty. This process allows the money launderer to get an insurance check, which represents cleaned funds. However, as more insurance companies are subject to AML program requirements, this type of money laundering is more readily detected and reported. B = Page 31

upvoted 2 times

Kingor123 4 years, 11 months ago

Guys it should b forsure

upvoted 1 times

Avonie 4 years, 11 months ago

ANSWER IS B. FREE LOOK ALLOWS LAUNDERER TO USE DIRTY MONEY TO PAY FOR POLICY IN FULL THEN CANCEL WITHOUT PENALTY AND RECEIVE REFUND IN THE FORM OF A CLEAN CHECK.

upvoted 2 times

Question #145 *Topic 1*

Since its last regulatory examination, a financial institution has aggressively grown by adding profitable new products and services. The institution has not historically received regulatory criticism regarding its anti-money laundering compliance program. However, a recent regulatory examination cited significant deficiencies in the anti-money laundering program that were attributed primarily to the lack of oversight by the institution's leadership in implementing adequate controls over the new products and services.

Which area of international control should leadership first address to correct the weaknesses in the program?

A. Anti-money laundering training

B. Anti-money laundering policy

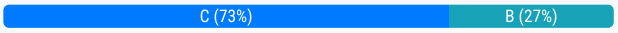
C. Money laundering risk assessment

D. Anti-money laundering compliance staff

Suggested Answer: *C*

Official Answer: C

Community vote distribution



deepavinod Highly Voted 5 years, 9 months ago

Correct, risk assessment is the first step and based on this only, policies and procedures can be made.

upvoted 21 times

madduck2 Highly Voted 5 years, 1 month ago

A and B are duplicates, the answers should be: A. Anti-money laundering training B. Anti-money laundering policy C. Money laundering risk assessment D. Anti-money laundering compliance staff The answer is C because assessing the risks is the first step (as requested in the question) before adjusting the AML policy (which is B). Training (A) and staff (D) are also not the first steps.

upvoted 7 times

CallumChan Most Recent 1 year, 3 months ago

Policies follow from risk assessment — updating policy without assessing risk first is reactive, not strategic.

upvoted 1 times

TinaChuah 1 year, 3 months ago

C is correct, without updating the risk assessment, the company would be unaware of new threats introduced by the bank's growth and new offerings. A policy update may be necessary, but policies are based on the results of risk assessment.

upvoted 1 times

d1133da 1 year, 9 months ago

The question asks which internal control area, risk assessment should not be considered as control.

upvoted 1 times

Neeti32 2 years, 1 month ago

C is the answer- as the organisation has to conduct risk assessment to identify specific deficiency based on new products. And then a policy can be updated

upvoted 1 times

Sbl_89 2 years, 10 months ago

the leadership should first address the “Anti-money laundering policy” (option B) to correct the weaknesses in the program. The deficiency in controls over new products and services suggests that there might be gaps or inadequacies in the institution’s anti-money laundering policies and procedures related to these new offerings. By reviewing and enhancing these policies, the institution can better align its practices with regulatory requirements and mitigate potential risks associated with money laundering. This is a foundational step in strengthening the overall anti-money laundering compliance program.

upvoted 1 times

Bisnemesis 3 years, 6 months ago

C Risk assesment

upvoted 1 times

LocaLola 3 years, 6 months ago

Risk assessment is first step always.

upvoted 2 times

Sagah_matz 3 years, 10 months ago

Selected Answer: B

Policy first, before risk assessment. Through the establishment of policy, procedures and internal control, an organization's risk appetite is known. From that broad guiding statements of acceptable standards, risk assessment can be carried out.

upvoted 1 times

Sagah_matz 3 years, 10 months ago

Policy first, before risk assessment. Through the establishment of policy, procedures and internal control, an organization's risk appetite is known. From that broad guiding statements of acceptable standards, risk assessment can be carried out....a recent regulatory examination cited significant deficiencies in the anti-money laundering program that were attributed primarily to the lack of OVERSIGHT...

upvoted 1 times

Bisnemesis 3 years, 6 months ago

...a recent regulatory examination cited significant deficiencies in the anti-money laundering program that were attributed primarily to the lack of OVERSIGHT...

upvoted 1 times

JDomar8128 3 years, 10 months ago

I see risk Assessment, i choose that answer

upvoted 2 times

Wonnie 3 years, 10 months ago

CAMS: "Assessing AML/CFT risk is an ongoing and evolving component of maintaining a compliant AML/CFT program. It is critical to evaluate the risk-scoring model and update the risk assessment to include changes in products, services, distribution channels, customers, and jurisdiction to ensure an accurate reflection of AML/CFT risk. Although there is generally no requirement to update a risk assessment on a continuous or specified periodic basis, risk assessments should be updated before the launch of a new product, an acquisition of another financial organization, and whenever there are significant risk environment changes"

upvoted 1 times

beeboopZZZ 4 years ago

Risks needs to be determined to create/fix the policythe ricks of the new products and services provided in this case

upvoted 2 times

beeboopZZZ 4 years ago

Selected Answer: C

Risks needs to be determined to create/fix the policy

upvoted 2 times

beeboopZZZ 4 years ago

the ricks of the new products and services provided in this case

upvoted 1 times

V2222 4 years ago

Agree with C.

upvoted 1 times

Karaa 4 years ago

Risk assessment would directly fix over sight of products and services

upvoted 2 times

Vksh9 4 years, 3 months ago

Policy should include that whenever a new product or service is lauched it need to run through risk assessment. So first amend the policy then run risk assessment.

upvoted 1 times

ABenny7 4 years, 5 months ago

Correct - Answer is C. Risk assessment needs to be the first step (determining the institutions risk appetite before going onto the next steps is crucial)

upvoted 3 times

Question #146 *Topic 1*

A periodic review of the account of a small household goods business reveals multiple shipments of goods to a country classified by the bank as high risk. They were transshipped through another country prior to the final destination. In the past three months, volumes over 25,000 units. The business has been a customer of a bank for 10
years.
Records show previous shipments to destinations primarily in Europe involving quantities of 5,000 units or less. Recent shipments are listed as being received by the same company as the earlier shipments and payments are being received from the same originator, but the unit price of the goods is three times higher than before.
Which two red flags indicate potential trade-based money laundering? (Choose two.)

A. The shipments of the same goods are now going to a different location.

B. The goods are transshipped through one or more jurisdictions for no apparent economic reason.

C. The size of the shipments appear inconsistent with the exporter's previous business activities.

D. The goods are shipped to a jurisdiction that the bank classifies as ɹ€high riskɹ€ for money laundering activities.

Suggested Answer: *B, C*
Official Answer: BC

Community vote distribution
BC (80%) BD (20%)

AML_Investigator Highly Voted 5 years, 9 months ago
The answer is B and C P.191 UNUSUAL TRADE FINANCING TRANSACTIONS • Commodities are shipped through one or more jurisdictions for no apparent economic or logistical reason. • Size of the shipment appears inconsistent with the regular volume of business of the importer or of the exporter.
upvoted 41 times

Cos08 Highly Voted 5 years, 10 months ago
B and C; high jurisdiction is not necessarily a high risk factor, but unusual customer behavior is a red flag.
upvoted 13 times

CallumChan Most Recent 1 year, 3 months ago
My first answer was BD, but after I read the question again, it should be BC. The question was misleading at first by stating that the goods were shipped to a high-risk country. In the second paragraph, it refers to a “previous shipment” that was sent to Europe, which seems unrelated to the “high-risk destination” mentioned in the first paragraph.
upvoted 1 times

Neeti32 2 years, 1 month ago
B&C are my answer
upvoted 1 times

Gee_29 2 years, 6 months ago
B and C make more logic and there are risk indicators for trade-based money laundering
upvoted 1 times

marykate1 2 years, 8 months ago
BC is correct
upvoted 1 times

Sbl_89 2 years, 10 months ago
B. The goods are transshipped through one or more jurisdictions for no apparent economic reason. • Transshipping through other jurisdictions without a valid economic reason can be a red flag for TBML. It can be a technique used to obscure the origin or destination of funds. C. The size of the shipments appears inconsistent with the exporter’s previous business activities. • A significant increase in shipment size compared to the exporter’s historical business activities, especially when combined with unusual pricing patterns, can be indicative of TBML. It suggests that the trade transactions might be used to move funds illicitly.
upvoted 2 times

matovu 3 years, 9 months ago

B and C as per the study guide.

upvoted 1 times

Maha0189 4 years ago

It's B and D IMO. Everyone agrees it's B. D bcos of the below statement Red Flag with regard to Jurisdictions: The commodity is shipped to or from a jurisdiction designated as 'high risk' for ML activities or sensitive / non co-operative jurisdictions (Source Pg 35: https://www.fatf-gafi.org/media/fatf/documents/reports/Trade_Based_ML_APGReport.pdf)

upvoted 2 times

Vksh9 4 years, 3 months ago

As per study guide red flag

upvoted 3 times

ABenny7 4 years, 5 months ago

B & C are the answers IMO

upvoted 1 times

SelvakumarRaj 4 years, 6 months ago

High risk Jurisdiction is a key factor so B and D. C does not fit in this as the price varies not the size of trade. shipping through third country is a risk.

upvoted 2 times

joanp22 4 years, 7 months ago

The answers are B & C. these are sited as unusual customer activities when compared to the earlier activities at the beginning of the business relationship

upvoted 2 times

bbb11 4 years, 10 months ago

B and C. It can't be D because the recipient hasn't changed from previous cst activity - this means that the high risk recipient jurisdiction would have been mitigated already by the bank in previous txn activity reviews.

upvoted 3 times

Amy2021 5 years, 2 months ago

B and C

upvoted 1 times

Mrutyunjaya110 5 years, 2 months ago

BC is the answer

upvoted 1 times

Writingsoon_2021 5 years, 3 months ago

B and C is the answer - Cams P.191 UNUSUAL TRADE FINANCING TRANSACTIONS Commodities are shipped through one or more jurisdictions for no apparent economic or logistical reason. Size of the shipment appears inconsistent with the regular volume of business of the importer or of the exporter.

upvoted 2 times

Question #147 *Topic 1*

Which three definitions of money laundering are included in the expanded definition of the European Union Fourth Directive? (Choose three.)

A. The creation of shell companies to disguise the identity of its owners

B. The conversion or transfer of property with knowledge that it is derived from criminal activity

C. The acquisition or use of property knowing, when it was received, that it was derived from criminal activity

D. The transfer of cash in excess of 15,000 euros across country borders regardless of whatever the cash was derived from criminal activity

E. Concealing or disguising the nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that the property is derived from criminal activity

Suggested Answer: *B, C, E*

Official Answer: BCE

Community vote distribution



bmb251 Highly Voted 5 years, 6 months ago

It is the 2nd directives that expand the definition of ML/TF.. not directives 4Yes. CAMS P110.

upvoted 14 times

bmb251 Highly Voted 5 years, 6 months ago

It is the 2nd directives that expand the definition of ML/TF.. not directives 4

upvoted 14 times

BrandonSun 4 years, 10 months ago

Yes. CAMS P110.

upvoted 1 times

jgallag11 5 years, 9 months ago

Agreed with BCE https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32015L0849&from=EN

upvoted 7 times

Neeti32 Most Recent 2 years, 1 month ago

agree with BCE

upvoted 1 times

Neeti32 2 years, 2 months ago

BCE is correct

upvoted 1 times

Jp994 2 years, 2 months ago

Agreed with BCE. No mention of Shell banks under 4th EU directive and its not €15,000, since it states that "Natural and legal persons trading in goods are covered to the extent that they make or receive cash payments of €10,000 or more".

upvoted 1 times

Cassia 2 years, 3 months ago

B, C, E estão corretas. https://eur-lex.europa.eu/legal-content/PT/TXT/?uri=CELEX%3A32015L0849

upvoted 1 times

JoeJas 2 years, 11 months ago

The definition of ML was expanded by the 2nd Directive.

upvoted 2 times

JDomar8128 3 years, 10 months ago

BCE go with it

upvoted 2 times

ABenny7 4 years, 5 months ago

Agreed- B,C,E are correct

upvoted 2 times

joanp22 4 years, 7 months ago

BCE always look for that word KNOWING

upvoted 6 times

Eveej 5 years, 1 month ago

C,D,E. The choices make reference to property; either by conversion, acquisition or ownership.Sorry, it is B,C and E.

upvoted 2 times

Eveej 5 years, 1 month ago

C,D,E. The choices make reference to property; either by conversion, acquisition or ownership.

upvoted 2 times

Eveej 5 years, 1 month ago

Sorry, it is B,C and E.

upvoted 5 times

Writingsoon_2021 5 years, 3 months ago

B, C, E is the answer

upvoted 4 times

LordMarco 5 years, 4 months ago

Agree BCE

upvoted 2 times

Question #148 *Topic 1*

An incoming urgent international wire transfer in U.S. dollars has been identified by the sanctions screening team. The transaction is a large rounded amount and the name of the beneficiary is `North Korean Cigars Company` with an address in an industrial zone in Tianjin,
China.
Which action should the sanctions team take?

A. Hold the transaction and investigate the company before releasing the funds

B. Block the transaction immediately because it contains a reference to North Korea

C. Call the correspondent bank and ask if it has performed due diligence on the originator

D. Release the transaction so that the Chinese correspondent bank will not be negatively impacted

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (78%) C (11%) B (11%)

Jolei Highly Voted 5 years, 3 months ago
A is correct - you cant trust due diligence of another FI if internal system flags a transaction - further investigation is needed
upvoted 25 times

Writingsoon_2021 Highly Voted 4 years, 9 months ago
A is the answer - OFAC states "Every transaction that a U.S. financial institution engages in is subject to OFAC regulations" and that any U.S F.I is mandated to follow OFAC regulations. As such, U.S F.I need to take all the appropriate steps to determine the surety of their transactions. In this case they should "hold" the transfer and investigate it's origins of the wire.
upvoted 6 times

xiaojw Most Recent 5 months, 2 weeks ago
Practical Sanctions Workflow Screening alert Transaction hold Name & ownership investigation Escalation if confirmed Block or release decision
upvoted 1 times

2cb7923 1 year, 7 months ago
Under U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) regulations and sanctions programs, any transaction involving North Korea or entities linked to North Korea must be blocked immediately. This is due to the strict sanctions imposed on North Korea for nuclear proliferation, human rights abuses, and other violations. The reference to "North Korean Cigars Company" and the large rounded amount are red flags, as they suggest potential evasion of sanctions or money laundering.
upvoted 1 times

StellJerry 2 years, 4 months ago
The answer is A. To further investigate could also include option C (to Call the correspondent bank and ask if it has performed due diligence on the originator)
upvoted 1 times

TusharEnbd 2 years, 11 months ago
B. Block the transaction immediately because it contains a reference to North Korea. The name of the beneficiary in the transaction is a clear reference to North Korea, a country that is subject to significant sanctions from the United States and other countries. Therefore, the transaction should be blocked immediately to ensure that the bank does not inadvertently violate these sanctions. The rounded amount and the location of the beneficiary in China may also be additional red flags that warrant further investigation. The sanctions team should follow internal procedures for blocking the transaction and reporting the potential sanctions violation to relevant authorities.This is not accurate. Further action is warranted to determine the connection to Sectoral Sanctioned North Korea. Once funds are blocked, there is no unblocking with an OFAC License. Please no do misguide people. Answer is A. I work on an OFAC Team (3 plus years now).
upvoted 1 times

TusharEnbd 2 years, 11 months ago
Selected Answer: B

B. Block the transaction immediately because it contains a reference to North Korea.

The name of the beneficiary in the transaction is a clear reference to North Korea, a country that is subject to significant sanctions from the United States and other countries. Therefore, the transaction should be blocked immediately to ensure that the bank does not inadvertently violate these sanctions. The rounded amount and the location of the beneficiary in China may also be additional red flags that warrant further investigation. The sanctions team should follow internal procedures for blocking the transaction and reporting the potential sanctions violation to relevant authorities.

upvoted 1 times

Bjoep 2 years, 1 month ago

This is not accurate. Further action is warranted to determine the connection to Sectoral Sanctioned North Korea. Once funds are blocked, there is no unblocking with an OFAC License. Please no do misguide people. Answer is A. I work on an OFAC Team (3 plus years now).

upvoted 4 times

korfo 3 years, 3 months ago

Investigate first.

upvoted 1 times

SirNagsAlot 3 years, 6 months ago

The destination (China) is not a comprehensive-sanctioned country. You must hold it first, investigate and understand the reference to North Korea.

upvoted 2 times

Vksh9 3 years, 9 months ago

Should run due diligence before releasing

upvoted 1 times

Vksh9 3 years, 9 months ago

Selected Answer: C

A cannot be due to wrong wordings - 'releasing the funds' (however it is incoming transfer.

upvoted 1 times

Vksh9 3 years, 9 months ago

A cannot be due to wrong wordings - 'releasing the funds' (however it is incoming transfer.Read question again and again and found that i was wrong. Should be A

upvoted 1 times

Vksh9 3 years, 9 months ago

Read question again and again and found that i was wrong. Should be A

upvoted 3 times

ABenny7 3 years, 11 months ago

I think A - based on process of elimination

upvoted 1 times

KKY93 3 years, 11 months ago

A is correct option

upvoted 1 times

Koios 4 years ago

Agreed with A, the name only references North Korea but is zoned in China, the prudent approach is to stop it and investigate 1st.

upvoted 2 times

joanp22 4 years, 1 month ago

A is the answer

upvoted 2 times

WAD8922 4 years, 1 month ago

Answer should be A - to further investigate. For answer C, in addition to DD on originator, should also investigate further on the recipients first.

upvoted 2 times

BrandonSun 4 years, 4 months ago

Agree with A. Please note this company has a address in China, a name reference to North Korea is not strong enough to block (block is very series action which happens rarely in real life). It could very well be a false positive alert which requires further investigation.

upvoted 2 times

JC_Cams 4 years, 6 months ago

C seems the right answer. Ref. p.15 # 32 of https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-Correspondent-Banking-Services.pdf#:~:text=In%20a%20correspondent%20banking%20relationship%2C%20the%20correspondent%20institution,terms%20of%20the%20arrangements%20governing%20the%20correspondent%20relationship. "Where the monitoring system of the correspondent institution flags a transaction which could signal unusual activity, the correspondent institution should have internal processes to further review the activity, which may involve

requesting transaction information of the respondent institution in order to clarify the situation and possibly clear the alert"but the question is related to sanctions- transaction is identified against sanctions lists, not unusal activity. FI sanction team provide investigation of sanctioned subjet itself...not asking correspondenat bank for CDD. A is the answer- hold transaction and provide assessment of sanctions-

upvoted 1 times

JC_Cams 4 years, 6 months ago

C seems the right answer. Ref. p.15 # 32 of https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-Correspondent-Banking-Services.pdf#:~:text=In%20a%20correspondent%20banking%20relationship%2C%20the%20correspondent%20institution,terms%20of%20the%20arrangements%20governing%20the%20correspondent%20relationship. "Where the monitoring system of the correspondent institution flags a transaction which could signal unusual activity, the correspondent institution should have internal processes to further review the activity, which may involve requesting transaction information of the respondent institution in order to clarify the situation and possibly clear the alert"

upvoted 1 times

LalaNeka 4 years, 5 months ago

but the question is related to sanctions- transaction is identified against sanctions lists, not unusal activity. FI sanction team provide investigation of sanctioned subjet itself...not asking correspondenat bank for CDD. A is the answer- hold transaction and provide assessment of sanctions-

upvoted 2 times

Question #149 *Topic 1*

What does the Financial Action Task Force (FATF) urge its members and all other jurisdictions to do when a jurisdiction is identified as having lax anti-money laundering / counter financing of terrorism controls?

A. Apply counter-measures to that jurisdiction

B. Consider customers from that jurisdiction as high risk

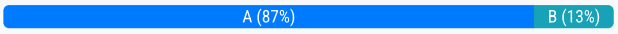
C. Cease doing business with that jurisdiction immediately

D. Apply economic sanctions until otherwise notified by FATF

Suggested Answer: *A*

Official Answer: A

Community vote distribution



Ash1004 Highly Voted 5 years, 2 months ago

A is correct

upvoted 8 times

KKY93 Highly Voted 4 years, 5 months ago

A is the right answer as per ACAMS practice exams too

upvoted 7 times

Neeti32 Most Recent 2 years, 1 month ago

agree with A

upvoted 1 times

Cmed 2 years, 9 months ago

Real exam question Nov 2023.

upvoted 2 times

gogocurry 3 years, 9 months ago

B is the answer. FATF is not a government body and it can't enforce laws. it can only do name shaming activities to encourage changes for a shamed region/country...

upvoted 1 times

Wonnie 3 years, 10 months ago

CAMS: "FATF also maintains a list of jurisdictions identified as high risk and noncooperative, where AML/CFT regimes have strategic deficiencies and do not meet international standards. As a result, FATF calls on its members to implement countermeasures against these jurisdictions, such as financial organizations applying enhanced due diligence (EDD) to business relationships and transactions with natural and legal persons from an identified jurisdiction in an attempt to persuade it to improve its AML/CFT regime"this reads like the customers from those regions are deemed high risk. the answer should be B

upvoted 4 times

Wonnie 3 years, 10 months ago

Selected Answer: A

CAMS: "FATF also maintains a list of jurisdictions identified as high risk and noncooperative, where AML/CFT regimes have strategic deficiencies and do not meet international standards. As a result, FATF calls on its members to implement countermeasures against these jurisdictions, such as financial organizations applying enhanced due diligence (EDD) to business relationships and transactions with natural and legal persons from an identified jurisdiction in an attempt to persuade it to improve its AML/CFT regime"

upvoted 4 times

gogocurry 3 years, 9 months ago

this reads like the customers from those regions are deemed high risk. the answer should be B

upvoted 2 times

ABenny7 4 years, 5 months ago

A is correct

upvoted 1 times

Cj1995 4 years, 5 months ago

FATF's Public Statement identifies• countries or jurisdictions with strategic deficiencies that are so serious that FATF calls on its members and non-members to apply counter-measures - Pg. 101. The answer is A.

upvoted 2 times

BeckyFA 4 years, 5 months ago

A. Its in the guide

upvoted 1 times

kath07 4 years, 5 months ago

I believe the correct answer is B. Why A is false? LAX controls juristictions is not the equivalent of "countries or jurisdictions with strategic deficiencies" as per pg 101 Study guide, therefore we cannot consider the appliance of counter-measures.

upvoted 2 times

abdesslem 4 years, 9 months ago

la réponse est B. les contre-mesures se prennent contre les pays désignés par GAFI comme pays souffrant des insuffisances stratégiques (liste grise) ou risque permanent et significatif (liste noire). la question est autre chose, elle parle du risque géographique comme élément de l'approche basée sur les risques et considérée par conséquent que le client qui a une nationalité ou résidence ou liens avec ces pays a un risque élevé.

upvoted 3 times

Writingsoon_2021 5 years, 3 months ago

A is the answer

upvoted 6 times

LordMarco 5 years, 4 months ago

Correct answer A

upvoted 2 times

bmb251 5 years, 6 months ago

Answer is deem to be A

upvoted 2 times

Question #150 *Topic 1*

What might limit a compliance officer's ability to respond to a foreign law enforcement official's request to provide information with regard to an anti-money laundering investigation?

A. Privacy and data protection laws in the compliance officer's country

B. Whether there is a mutual legal assistance treaty between the countries of the compliance officer and the law enforcement official

C. Whether the request has been processed by the foreign law enforcement official's embassy in the compliance officer's country

D. Anti-money laundering laws that require the confidential treatment of Suspicious Transaction Reports in the law enforcement official's country

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (100%)

Ghazi Highly Voted 5 years, 4 months ago
I DON'T UNDERSTANT. I SHOULD BE " A "
upvoted 23 times

Ghazi Highly Voted 5 years, 4 months ago
I DON'T UNDERSTANT. I SHOULD BE " A "I am laughing so bad at this comment. But I agree with A.
upvoted 23 times

Dominiiick 3 years, 10 months ago
I am laughing so bad at this comment. But I agree with A.
upvoted 9 times

ccz 4 years, 9 months ago
A. MLAT is between central authorities of two contrives.The central authority of the requesting country sends a “commission rogatoire” (letter rogatory, or letter of request) to the central authority of the other country. The central authority that receives the request sends it to a local financial investigator to find out if the information is available. Once it comes to FI, FI need to review applicable privacy laws and the firm’s privacy policy to understand any limitations.
upvoted 11 times

Jaffar_95 Most Recent 2 years, 1 month ago
A is the answer
upvoted 1 times

Sudar89 2 years, 4 months ago
yes A is correct as per cams practice exam
upvoted 1 times

ashishmehtaji 2 years, 7 months ago
Correct Ans is A
upvoted 1 times

JDomar8128 3 years, 4 months ago
Please choose A
upvoted 1 times

Wonnie 3 years, 4 months ago
CAMS: "Before releasing customer information, it is important to review applicable privacy laws (e.g., Europe’s General Data Protection Regulations [GDPR]) and the firm’s privacy policy to understand any limitations. In principle, AML laws and data privacy laws should not be mutually exclusive or contradictory. There are usually no regulatory limits on sharing customer information with other internal departments within the same legal entity; however, there might be limitations on sharing with other affiliated companies within a larger organization. Some organizations restrict the sharing of customer information outside the organization, and customers may opt-out of the right for the organization to provide their information to third-party companies"
upvoted 1 times

Vksh9 3 years, 9 months ago

This is about the ability of CO. How the heck will CO know if there is MLAT between countries. Also if he knows that there is MLAT, he will not directly provide information. Local law official will have to accompany foreigner.

upvoted 1 times

bongacams 3 years, 11 months ago

look at the comments

upvoted 1 times

ABenny7 3 years, 11 months ago

I think the answer should be A

upvoted 2 times

ABenny7 3 years, 11 months ago

I think the answer should be AI think i maybe have changed my opinion. B might be the right answer as an MLAT supersedes the data protections laws - Correct answer might be B

upvoted 2 times

ABenny7 3 years, 11 months ago

I think i maybe have changed my opinion. B might be the right answer as an MLAT supersedes the data protections laws - Correct answer might be B

upvoted 1 times

RickM15 3 years, 11 months ago

Answer has to be A

upvoted 1 times

joanp22 4 years, 1 month ago

A is my answer.

upvoted 1 times

WAD8922 4 years, 1 month ago

B seems correct - A mutual legal assistance treaty (MLAT) is an agreement between two or more countries for the purpose of gathering and exchanging information in an effort to enforce public or criminal laws.

So while A - Privacy and data protection laws in CO's country - may restrict exchange of information, MLAT between the 2 countries may allow it, so A may be resolved if B is in place.

upvoted 3 times

WAD8922 4 years, 1 month ago

B seems correct - A mutual legal assistance treaty (MLAT) is an agreement between two or more countries for the purpose of gathering and exchanging information in an effort to enforce public or criminal laws. So while A - Privacy and data protection laws in CO's country - may restrict exchange of information, MLAT between the 2 countries may allow it, so A may be resolved if B is in place.B is not a "limiting factor" in "what might limit....".

upvoted 3 times

Iain844 3 years, 1 month ago

B is not a "limiting factor" in "what might limit....".

upvoted 2 times

BrandonSun 4 years, 4 months ago

Agree with A. MLAT will aid this process instead of limiting it. Also, MLAT is for "providing legal basis for transmitting evidence that can be used for prosecution and judicial proceedings" (CAMS p222). As the law enforcement is still in the investigation stage, and it's only asking for some info. MLAT would be a overkill.

upvoted 3 times

mdshr 4 years, 7 months ago

B is correctI miss-clicked and upvoted this comment. The answer definitely is A, MLAT's are between countries and governmental bodies exchange the information not banks, MLAT's are not binding to private entities.

upvoted 5 times

mdshr 4 years, 7 months ago

B is correct

upvoted 5 times

amlspecialisttobe 4 years, 5 months ago

I miss-clicked and upvoted this comment. The answer definitely is A, MLAT's are between countries and governmental bodies exchange the information not banks, MLAT's are not binding to private entities.

upvoted 3 times

JB_trust 4 years, 8 months ago

The question says "What might limit?" so the answer is A: Privacy and protections laws.

upvoted 3 times

Reena17 4 years, 8 months ago

B concerns FIU Does this apply to Compliance Officer too?

upvoted 2 times

Question #151 *Topic 1*

An auction house dealing in fine art and antiques sells a well-known painting at a price of $12 million to an agent bidding for a group of local investors. The same painting sold ten years prior at auction for $5 million. The auction house receives payment for the painting via wire transfer from an account maintained in an offshore jurisdiction by the investor group. No beneficial ownership information is available for the account.
What are the two money laundering red flags? (Choose two.)

A. The payment is received via wire transfer.

B. An agent bids on the painting for a group of investors.

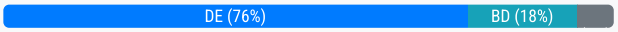
C. The painting has more than doubled its value in ten years.

D. Payment is received from an account in an offshore jurisdiction.

E. Lack of beneficial ownership details for the originating account.

Suggested Answer: *D, E*
Official Answer: DE

Community vote distribution



Martino Highly Voted 5 years, 10 months ago
I think the correct answer is D&E
upvoted 38 times

RajAML Highly Voted 5 years, 10 months ago
D and E
upvoted 15 times

Neeti32 Most Recent 2 years, 2 months ago
D&E is def the answer people who are quoting -"p.59 of the study guide The multi-million-dollar fine art industry can also serve as a convenient money laundering vehicle. Anonymous agents at art auction houses bid millions of dollars for priceless works. Payment is later wired to the auction house by the agents' principals from accounts in offshore havens. It is a convenient mechanism for money launderers." you have to understand that , this paragraph is giving a general scenario here ,that is not how the transactions will always take place. so the payment received from an offshore account and lack of beneficial ownership are two biggest red flag in this given scenario.
upvoted 3 times

Srsu77 2 years, 10 months ago
Selected Answer: BE
Anonymous agents at art auction houses bid millions of dollars for priceless works. Payment is later wired to the auction house by the agents' principals from accounts in offshore havens.
upvoted 1 times

Srsu77 2 years, 10 months ago
Anonymous agents at art auction houses bid millions of dollars for priceless works. Payment is later wired to the auction house by the agents' principals from accounts in offshore havens.It is not mentioned about anonymous agent; so B is not correct
upvoted 1 times

Cmed 2 years, 9 months ago
It is not mentioned about anonymous agent; so B is not correct
upvoted 3 times

mgflash 2 years, 11 months ago
D and E.
upvoted 1 times

study6660 3 years, 4 months ago
D and E are correct
upvoted 1 times

Avetter149 3 years, 8 months ago

I believe it is D&E based on the question speaking to offshore jurisdiction and beneficial ownership.

upvoted 2 times

kakarotSalada 4 years, 1 month ago

D and E

upvoted 1 times

NDH01 4 years, 1 month ago

It is not mentioned about anonymous agent; so B is not correct in my opinion. I go wth D/ E

upvoted 2 times

WatchingYou 4 years, 2 months ago

p.59 of the study guide The multi-million-dollar fine art industry can also serve as a convenient money laundering vehicle. Anonymous agents at art auction houses bid millions of dollars for priceless works. Payment is later wired to the auction house by the agents' principals from accounts in offshore havens. It is a convenient mechanism for money launderers.

upvoted 3 times

Alla88 4 years, 2 months ago

D and E

upvoted 1 times

Vksh9 4 years, 3 months ago

If they are a group of 'local investors' then they will obviously use a representative.

upvoted 2 times

ABenny7 4 years, 5 months ago

I think D&E

upvoted 1 times

KKY93 4 years, 5 months ago

Correct answers are D & E

upvoted 3 times

JayNDH 4 years, 6 months ago

red flag offshore and BO

upvoted 1 times

jlhickman8 4 years, 6 months ago

I agree, it should be D&E

upvoted 2 times

Koios 4 years, 6 months ago

agreed D&E

upvoted 1 times

Question #152 *Topic 1*

How can violations of anti-money laundering laws be a risk to individuals?

A. Violations can result in civil and criminal fines and penalties against the individuals.

B. Violations can result in additional legislation that the individuals have to comply with.

C. Violations can result in enforcement actions that damage the reputation of the individual's employer.

D. Violations can result in additional and more stringent anti-money laundering training for individuals.

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (100%)

Kingor123 Highly Voted 4 years, 11 months ago
Can't believe finally it's a correct answer
upvoted 32 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago
A is correct
upvoted 9 times

Neeti32 Most Recent 2 years, 1 month ago
A is correct
upvoted 1 times

NDH01 4 years, 2 months ago
Why not B? ML activities also caused changes in law e.g. reduced thresholds for cash payments.
upvoted 1 times

NDH01 4 years, 2 months ago
Why not B? ML activities also caused changes in law e.g. reduced thresholds for cash payments.I agree with AI think it's because individuals who commit/aid in ML/CFT can be banned from participating in the financial sector (in addition to fines, jail, etc), and therefore they wouldn't have any further laws to comply with because they're banned.
upvoted 1 times

NDH01 4 years, 1 month ago
I agree with A
upvoted 1 times

Delightfulturtle 3 years, 11 months ago
I think it's because individuals who commit/aid in ML/CFT can be banned from participating in the financial sector (in addition to fines, jail, etc), and therefore they wouldn't have any further laws to comply with because they're banned.
upvoted 1 times

Tam_3 4 years, 5 months ago
Answer is A
upvoted 1 times

ASHU1408 4 years, 7 months ago
As per The Yates Memo answer A
upvoted 3 times

Adhwa 5 years, 3 months ago
A is the right answer
upvoted 2 times

LordMarco 5 years, 4 months ago
Correct Answer A
upvoted 2 times

bmb251 5 years, 6 months ago
Believe its A....

upvoted 2 times

Question #153 *Topic 1*

A director of a financial institution was convicted of laundering money as part of a Ponzi scheme and terminated. As a result of an internal investigation evidence proved that an employee assisted in the illegal activity.
Which action should the institution take?

A. Discipline the employee with no further action

B. Discipline the employee and inform local authorities

C. Since the employee was not charged, no further action is required

D. Require all employees to complete additional anti-money laundering training

Suggested Answer: *B*
Official Answer: B

Community vote distribution


madduck2 Highly Voted 5 years, 1 month ago
B makes the most sense. I hope discipline also means sacking the employee because otherwise, the FI is still exposed to risk.
upvoted 8 times

LordPablo 1 year, 8 months ago
Individual must be punished.
upvoted 1 times

povpob 1 year, 10 months ago
Questions like these aren't clear. Is that employee assisting in the illegal activity the director or is it another employee that assisted the director in the scheme?
upvoted 1 times

Jp994 1 year, 11 months ago
To me i say its D because the employee was already terminated, so you would want everyone to take a training course since one of their former employees broke compliance and company policyThere are two people involved. The director was terminated and another individual aided them.
upvoted 1 times

Jp994 1 year, 11 months ago
To me i say its D because the employee was already terminated, so you would want everyone to take a training course since one of their former employees broke compliance and company policy
upvoted 1 times

raymondgrr23 Most Recent 5 months, 1 week ago
There are two people involved. The director was terminated and another individual aided them.
upvoted 1 times

Nagen09 2 years ago
B makes sense if employees is not terminated But employee is already terminated, hence my take is D so FI can train remaining employees This based on my best of knowledge
upvoted 1 times

Neeti32 2 years, 1 month ago
B makes sense
upvoted 1 times

StellJerry 2 years, 10 months ago
Answer is B - “aiding and abetting,” “inciting,” and “attempting” as offences. This means that accomplices can face the same penalties as the individuals who profit directly from financial crimes. Hence, reporting to local authorities is required
upvoted 2 times

Ewka86 3 years, 3 months ago

"A director of a financial institution was convicted of laundering money as part of a Ponzi scheme and TERMINATED." Isn't he already gone in this case?

upvoted 2 times

ABenny7 4 years, 5 months ago

Correct answer has to be B

upvoted 1 times

Kingor123 4 years, 11 months ago

Definitely B

upvoted 1 times

Writingsoon_2021 5 years, 3 months ago

B is the answer - "tipping off" applies in this answer

upvoted 3 times

Question #154 *Topic 1*

The new compliance officer has reviewed the bank's anti-money laundering training
program. The program consists of online training for all new employees
within
30 days of hire date and annual refresher training to all employees. In addition, there is specialized training for areas that deal with higher risk products and customers.
Over the last year, there have been no regulatory changes and no new products or services have been introduced. The compliance officer wants to propose to the board of directors that the annual refresher training is still current and can be delivered unchanged to all employees.
Which two critical pieces of information could be missed by taking this approach? (Choose two.)

A. Any new trends, developments, or risks

B. Results of the previous year's risk assessment

C. Changes to internal policies, procedures, and processes

D. Links to enforcement actions identifying violations in other financial institutions

Suggested Answer: *A, C*
Official Answer: AC

Community vote distribution
AC (59%) BC (24%) AD (18%)

tRang1 Highly Voted 5 years, 10 months ago
Correct answer should be A & C
upvoted 38 times

Cos08 Highly Voted 5 years, 10 months ago
A and B : pg 160: AML trends; review of the internal AML/CFT and sanctions risk assessments; In the case presented, the bank has no updates of policies or legal requirements. D is not correct because it doesn't refer to real life money laundering schemes occurred at the institution or similar institutions.Agree with A and B. For B, what if there are some flaws in the current process, then the RA can identify that.
upvoted 16 times

Cos08 5 years, 10 months ago
A and B : pg 160: AML trends; review of the internal AML/CFT and sanctions risk assessments; In the case presented, the bank has no updates of policies or legal requirements. D is not correct because it doesn't refer to real life money laundering schemes occurred at the institution or similar institutions.
upvoted 16 times

melodyqhf 4 years, 5 months ago
Agree with A and B. For B, what if there are some flaws in the current process, then the RA can identify that.
upvoted 2 times

Preethisrajan Most Recent 2 years ago
A and C
upvoted 1 times

Nagen09 2 years ago
C doesn't make sense to me, as new CO is proposing changes in policy which will impact procedures, these changes are dependent factors from new risk, new product, trend or FATF or law enforcement actions
upvoted 1 times

Tee04 2 years ago
By proposing that the annual refresher training be delivered unchanged to all employees, the compliance officer could miss the following two critical pieces of information: A. Any new trends, developments, or risks - Keeping up with the latest trends, developments, and emerging risks in money laundering is essential for an effective training program. C. Changes to internal policies, procedures, and processes - Even if there have been no regulatory changes, internal policies, procedures, and processes might have been updated, and it is crucial to ensure employees are aware of these changes.
upvoted 2 times

KaminskyNina 2 years, 6 months ago

Why not B?

upvoted 1 times

Sorak 2 years, 8 months ago

A and C. B is incorrect because it is previous year not current year. no relevance.

upvoted 1 times

luckiest_13 2 years, 9 months ago

A & B. A: "Review of the internal AML/CFT and sanctions risk assessments (p. 277 v 6.48) B: AML Trends and emerging issues related to criminal activity terrorist financing, and regulatory requirements (p. 278 v 6.48)

This question is in reference to an annual refresher training. C for changes in internal policies, procedures and processes in my experience occurs immediately after the update occurs and is not done on an annual bases during a general refresher training.

upvoted 2 times

luckiest_13 2 years, 9 months ago

A & B. A: "Review of the internal AML/CFT and sanctions risk assessments (p. 277 v 6.48) B: AML Trends and emerging issues related to criminal activity terrorist financing, and regulatory requirements (p. 278 v 6.48) This question is in reference to an annual refresher training. C for changes in internal policies, procedures and processes in my experience occurs immediately after the update occurs and is not done on an annual bases during a general refresher training.The A & B descriptions should be flipped, sorry about that.

upvoted 2 times

luckiest_13 2 years, 9 months ago

The A & B descriptions should be flipped, sorry about that.

upvoted 1 times

StellJerry 2 years, 10 months ago

I go with A & D Page 289 "AML trends and emerging issues related to criminal activity, terrorist financing, and regulatory requirements • Real-life money laundering schemes (preferably cases that have occurred at the organization or at similar organizations), including how the pattern of activity was first detected, its impact on the organization, and its ultimate resolution"

upvoted 1 times

Sbl_89 2 years, 10 months ago

A. Any new trends, developments, or risks. C. Changes to internal policies, procedures, and processes. Even when there have been no regulatory changes or new products introduced, it's essential to stay updated on new trends, developments, and risks in the field of anti-money laundering. Additionally, changes to internal policies, procedures, and processes within the bank may impact the effectiveness of the anti-money laundering program. Therefore, both these pieces of information should be considered in the training program to ensure its continued relevance and effectiveness.

upvoted 1 times

DQD001 2 years, 11 months ago

From ChatGPT: The two critical pieces of information that could be missed by taking this approach and not updating the annual refresher training for all employees are: A. Any new trends, developments, or risks - Even if there haven't been regulatory changes or new products/services introduced, the landscape of money laundering and financial crime is constantly evolving. New trends, developments, or risks in the industry may not have been covered in the previous year's training, and employees need to be aware of these changes to effectively combat money laundering. D. Links to enforcement actions identifying violations in other financial institutions - Information about enforcement actions and violations in other financial institutions can provide valuable insights into what types of activities regulators are scrutinizing. This information can help employees understand the potential pitfalls and red flags to watch out for in their daily work.

upvoted 1 times

mgflash 2 years, 11 months ago

A and C

upvoted 1 times

gymgirl19 3 years, 4 months ago

Select BC. ACAMS study guide, page 290 (training topis), Several basic topics should be factored into AML/CFT training, including: Review of the internal AML/CFT and sanctions risk assessments; Internal policies, such as customer identification and verification procedures and policies, including CDD, EDD, and ongoing due diligence

upvoted 3 times

MIA74 3 years, 6 months ago

Agreed with AC

upvoted 1 times

Lukashh 3 years, 6 months ago

I go for BC

upvoted 1 times

kirabee 3 years, 10 months ago

I guess B & C Page 277 under Training topics - Several basic topics should be factored into AML/CFT training, including: Internal policies, such as customer identification and verification procedures and policies, including CDD, EDD, and ongoing due diligence • Review of the internal AML/CFT and sanctions risk assessments

upvoted 1 times

KikoX 4 years ago

A&C. Study guide-When to Train: "Changes in software, systems, procedures, and regulations are additional triggers for training sessions, as well as specific money laundering or other illicit financial activity risks that impact a specific business line or department."

upvoted 4 times

Question #155 *Topic 1*

An institution receives a request for credit from a local company that has been a client for many years. The information provided by the company indicates that its assets have increased substantially with the addition of several new subsidiaries. Further research performed by the institution indicates the new subsidiaries are recently created shell
companies.
Could this indicate potential money laundering?

A. No, the company has been a client for many years.

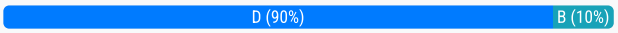
B. Yes, shell companies are typically created to manage tax liabilities.

C. No, it is normal for a business to diversify by creating shell companies.

D. Yes, the shell companies could have been created to hide beneficial ownership.

Suggested Answer: *D*
Official Answer: D

Community vote distribution



Majid2094 Highly Voted 5 years, 10 months ago
The correct answer would be D. P/69, CAMS Study Guide v6.31
upvoted 38 times

Tugga Highly Voted 5 years, 9 months ago
Can the moderator correct these answers?The more wrong answers I see, the more I learn.The more wrong answer I see, the more I doubt I should continue the remaining questions.we have each other
upvoted 30 times

Tugga 5 years, 9 months ago
Can the moderator correct these answers?
upvoted 30 times

perkinsk0328 5 years, 2 months ago
The more wrong answers I see, the more I learn.The more wrong answer I see, the more I doubt I should continue the remaining questions.we have each other
upvoted 17 times

perkinsk0328 5 years, 2 months ago
The more wrong answers I see, the more I learn.
upvoted 17 times

SiewWai 4 years, 6 months ago
The more wrong answer I see, the more I doubt I should continue the remaining questions.
upvoted 15 times

SiewWai 4 years, 6 months ago
The more wrong answer I see, the more I doubt I should continue the remaining questions.we have each other
upvoted 15 times

michaelkhan 2 years, 11 months ago
we have each other
upvoted 3 times

shmurda Most Recent 1 year, 10 months ago
Answer is B, assets have increased substantially in recent years (more taxes have to be paid) + client is long term client, UBO info should already be present
upvoted 1 times

Preethisrajan 2 years ago
D is correct

upvoted 1 times

11a4b09 2 years, 1 month ago

Answer is D

upvoted 1 times

mgflash 2 years, 11 months ago

D "• Using shell companies to obscure the ultimate beneficial owner and assets" from the study guide p. 6.

upvoted 1 times

Dilara89 3 years, 3 months ago

managing tax liabilities is not the same as tax evasion, so Im going with D.

upvoted 3 times

Dilara89 3 years, 3 months ago

managing tax liabilities is not the same as tax evasion, so Im going with D.that's a great point

upvoted 3 times

Neeti32 2 years, 2 months ago

that's a great point

upvoted 1 times

Lola_od 3 years, 8 months ago

Yes. Companies could criminally manage their tax liabilities by setting up additional shell companies where assets are moved to evade tax.

upvoted 1 times

imperialchicken 3 years, 8 months ago

"Offshore" are typically created to manage tax liabilities. "'Shell" companies could have been created to hide beneficial ownership.

upvoted 2 times

Vksh9 4 years, 3 months ago

Shell companies like shell banks a big no no

upvoted 1 times

KUNAL1022 4 years, 4 months ago

the scenario clearly states that it was new subsidiaries are the reason for the assets increasing. THIS SHELL COMPANY IS USED MAINLY BECAUSE THE COMPANY WANTS TO HIDE TAX REVENUE

upvoted 3 times

Prash007 4 years, 5 months ago

D should be the correct answer. As the ownership can change or mislead the information about the ownership which can be the case where B can be wrong and D is more the answer. It can also be possible that since the company was a client for long time the ownership details were always complicated and not known to the bank.

upvoted 1 times

Malgo 4 years, 5 months ago

I have one question. As per my understanding, the company has been know for many years so the ownership and UBO should be known also for subsidiaries - shell companies, so what to hide here?

upvoted 7 times

Tam_3 4 years, 5 months ago

D is the answer. The only answer that could be a potential money laundering method.

upvoted 1 times

JayNDH 4 years, 6 months ago

tax planning is fine

upvoted 1 times

JayNDH 4 years, 6 months ago

pg 69 of acams scipt "In this report, FATF said that of particular concern was the ease with which corporate vehicles can be created and dissolved in some jurisdictions. It allows these vehicles to be used not only for legitimate purposes (such as business finance, mergers and acquisitions or estate and tax planning) but also by those involved in financial crime to conceal the sources of funds while keeping their ownership concealed."

upvoted 1 times

tyjjyt 4 years, 6 months ago

If the shell companies are subsidiaries of the local company, doesn't it mean that the local company owns these shell companies, and therefore the beneficial ownership is not technically 'hidden'? The bank must have done their DD when onboarding the local company at the start to establish the ownership structure already.. hence rendering (D) not entirely accurate imo. Then again for (B), the term to manage 'tax liabilities' is a little ambiguous, would have been better if its 'tax evasion'. Overall, the answers given are poor structured again..

upvoted 4 times

Question #156 *Topic 1*

Which method to finance terrorism involves falsifying transaction-related documents?

A. Bribery

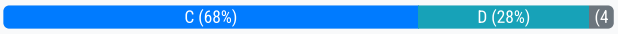
B. Black market peso exchange

C. Trade-based money laundering

D. Informal value transfer system

Suggested Answer: *C*
Official Answer: C

Community vote distribution



Writingsoon_2021 Highly Voted 5 years, 3 months ago
C is the answer - "For many manifestations of TBML there is some sort of document fraud involved" What is Trade-Based Money Laundering (TBML)? [https://www.amlc.eu/strategic-themes/trade-based-money-laundering/what-is-trade-based-money-laundering-tbml/] Such as - Over-invoicing and under-invoicing / Over-shipping and under-shipping / Phantom shipping (invoices sent but nothing actually shipped)/ Multiple invoicing / Incorrect description of goods/services) Cams P.57 "Moreover, letters of credit can also serve as a façade when laundering money through the manipulation of import and export prices."
upvoted 24 times

Nagen09 Most Recent 2 years ago
Correct answer is C Hint as falsifying
upvoted 1 times

Tee04 2 years ago
The method to finance terrorism that involves falsifying transaction-related documents is: C. Trade-based money laundering - This method involves misrepresenting the price, quantity, or quality of imports or exports in order to move money across borders and disguise the origins of the funds, often by falsifying transaction-related documents.
upvoted 3 times

11a4b09 2 years, 1 month ago
Trade Base ML... Over invoicing Under invoicing etc comes in the realm of falsifying
upvoted 2 times

Neeti32 2 years, 2 months ago
C is correct. the key word is "falsifying the document" - TBML is the best option here
upvoted 3 times

holikmc 2 years, 5 months ago
C is the answer
upvoted 2 times

EllabellaD 2 years, 9 months ago
Trade base is the key word
upvoted 2 times

Cmed 2 years, 9 months ago
100% the answer is C as the other options pose a risk, but are not typically tied to falsifying documents to the degree of TBML
upvoted 1 times

Rjones 3 years, 1 month ago
its C. Trade-based money laundering Options A, B, and D refer to other methods of illicit financing but do not specifically involve falsifying transaction-related documents. Bribery involves offering or receiving illicit payments to influence decisions or gain improper advantages. The black market peso exchange is a method used to launder proceeds from illicit activities by converting them into legitimate currency through an informal exchange network. Informal value transfer systems refer to methods of transferring funds outside of traditional banking channels, often involving informal networks or alternative remittance systems. While these methods can be used for money laundering or financing terrorism, they do not necessarily involve falsifying transaction-related documents.Agreed with this logic and answer is C

upvoted 2 times

Rjones 3 years, 1 month ago

its C. Trade-based money laundering Options A, B, and D refer to other methods of illicit financing but do not specifically involve falsifying transaction-related documents. Bribery involves offering or receiving illicit payments to influence decisions or gain improper advantages. The black market peso exchange is a method used to launder proceeds from illicit activities by converting them into legitimate currency through an informal exchange network. Informal value transfer systems refer to methods of transferring funds outside of traditional banking channels, often involving informal networks or alternative remittance systems. While these methods can be used for money laundering or financing terrorism, they do not necessarily involve falsifying transaction-related documents.

upvoted 2 times

Cmed 2 years, 9 months ago

Agreed with this logic and answer is C

upvoted 2 times

MIA74 3 years, 6 months ago

Agreed with C

upvoted 1 times

Shady_Abul_Enin 3 years, 7 months ago

As per study guide: "Hawalas are attractive to terrorist financiers because, unlike formal financial institutions, they are not consistently subject to formal government oversight and are not required to keep detailed records in a standard form. Although some hawaladars do keep ledgers, their records are often written in idiosyncratic shorthand and are maintained only briefly. Al-Qaeda moved much of its money by hawala before September 11, 2001, using approximately 12 trusted hawaladars.."

upvoted 4 times

JDomar8128 3 years, 10 months ago

C 100% There are discrepancies between the description of goods or commodity in the invoice and the actual goods shipped.

upvoted 2 times

HUGGOEPM 3 years, 11 months ago

Answer is C Informal value transfer system does not require documentation

upvoted 4 times

Karaa 4 years ago

They up or decrease pricing on invoices.

upvoted 1 times

kakarotSalada 4 years, 1 month ago

logic should be D

upvoted 2 times

kakarotSalada 4 years, 1 month ago

TF via IVTS with false documents

upvoted 1 times

Vksh9 4 years, 3 months ago

Well confused between A and C Bribe can do anything in the world from falsifying documents to eliminate documents.. C can enable perpetrators to Ghost shipping

upvoted 1 times

Question #157 *Topic 1*

A private banker of a major international bank is onboarding a new private investment company. The banker has verified the identity of the two directors, a husband and wife, who are equal shareholders. The funds in the account will be provided solely by the
wife.
The banker was later informed by the company that an additional director and shareholder will be added to the company although the new shareholder will not provide funds.
What is the next step for due diligence in respect to the additional director and shareholder according to the Wolfsberg Anti-Money Laundering Principles for
Private Banking?

A. Refuse to open the account as it is not usual for an individual to be a director and shareholder of a private investment company without providing funds.

B. Seek to further understand the relationship between the shareholders and undertake due diligence on the source of funds and wealth for each of the shareholders

C. Verify the identity of this individual, including due diligence in respect of background and reputation, and undertake due diligence on her source of funds and wealth

D. Seek to further understand the relationship between the shareholders and verify the identity of the individual which may include due diligence in respect to her background and reputation

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (58%) C (33%) B (9%)

jgallag11 Highly Voted 5 years, 10 months ago
I'm wondering if this should be C

that specific Wolfsberg reference doesn't include anything about "understanding relationship between shareholders". It does include doing thorough DD on all clients and EDD if necessary

CAMS page 124 "endeavor to accept only those clients whose source of wealth and funds can reasonable established to be legitimate"

Anyone else think it might be C?
upvoted 49 times

jgallag11 Highly Voted 5 years, 10 months ago
I'm wondering if this should be C that specific Wolfsberg reference doesn't include anything about "understanding relationship between shareholders". It does include doing thorough DD on all clients and EDD if necessary CAMS page 124 "endeavor to accept only those clients whose source of wealth and funds can reasonable established to be legitimate" Anyone else think it might be C?I think it's DI think C as wellI think its C as well
upvoted 49 times

Kingor123 4 years, 11 months ago
I think it's D
upvoted 7 times

gangmo09 4 years, 10 months ago
I think C as well
upvoted 6 times

Dilara89 3 years, 3 months ago
I think its C as well
upvoted 2 times

nurdan 5 years, 8 months ago

...additional director and shareholder will be added to the company... although the new shareholder will not provide FUNDS.... What is the next step for due diligence... I think that correct answer should be D

upvoted 18 times

nurdan 5 years, 8 months ago

...additional director and shareholder will be added to the company... although the new shareholder will not provide FUNDS.... What is the next step for due diligence... I think that correct answer should be Dagree, in above ref, you can find below "for example, ascertaining the ownership and control structure, database checks and inquiring as to the beneficial owner's source of wealth. If appropriate, the banker should consider verifying the identity of the beneficial owner by reference to official identity papers or other reliable, independent source documents, data, or information"Her is mention.

upvoted 18 times

connieb 5 years, 7 months ago

agree, in above ref, you can find below "for example, ascertaining the ownership and control structure, database checks and inquiring as to the beneficial owner's source of wealth. If appropriate, the banker should consider verifying the identity of the beneficial owner by reference to official identity papers or other reliable, independent source documents, data, or information"

upvoted 6 times

connieb 5 years, 7 months ago

agree, in above ref, you can find below "for example, ascertaining the ownership and control structure, database checks and inquiring as to the beneficial owner's source of wealth. If appropriate, the banker should consider verifying the identity of the beneficial owner by reference to official identity papers or other reliable, independent source documents, data, or information"Her is mention.

upvoted 6 times

Approved 5 years, 5 months ago

Her is mention.

upvoted 1 times

raymondgrr23 Most Recent 5 months, 1 week ago

answer is D, but these choices needed to be worded better

upvoted 1 times

3d520e3 7 months, 2 weeks ago

Answer : D (not C) As additional shareholder is not providing any funds, its useless to verify the source of funds

upvoted 1 times

totopopo84 1 year, 3 months ago

Difference between C and D is verification on the shareholder source of fund. Since the question indicate no funding, answer is D.

upvoted 3 times

138a8ba 1 year, 3 months ago

B seems to be the most appropriate answer even if the new shareholder isnt contributing funds they can still be considered a BO and as such source of wealth is part of some DD depending on jurisdiction.

upvoted 1 times

da8657a 1 year, 4 months ago

one of the most discussed questions for CAMS. I'd go with C. Under the Wolfsberg AML Principles for Private Banking, the bank's responsibility when a new beneficial owner is introduced is clear: perform full KYC on that person just as one would for an original account holder. This includes verifying their identity, understanding their role in the account, and investigating the source of their wealth/funds to ensure everything is legitimate. Option C is the most appropriate choice because it encapsulates all these critical due diligence actions. It ensures the bank knows exactly who the new shareholder is and that her wealth or any funds associated with her are clean, before comfortably continuing the relationship

upvoted 2 times

e8c0ce2 1 year, 7 months ago

Option D makes the most sense. It is stated in the question that the new shareholder/director will not be providing funds. If you look at all the options provided, start by the elimination process, A is definitely NOT the answer, option B and C include the wordings "source of funds" option D is the only one that describes what due diligence means under the wolfsberg AML principals for private banking and using only the information provided we can see that the source of funds is not the issue here.

upvoted 3 times

9dad88f 1 year, 8 months ago

As a "director" and "shareholder" of a Private Investment Company EDD must be performed. A financial organization should consider obtaining additional information from high-risk customers, such as: • Source of funds and wealth • Identifying information on individuals with control over the account, such as signatories and guarantors • Occupation or type of business • Financial statements • Banking references • Domicile

upvoted 1 times

beezkneez1 1 year, 11 months ago

I think its C

upvoted 1 times

Preethisrajan 2 years ago

I think it should be C

upvoted 1 times

Tee04 2 years ago

According to the Wolfsberg Anti-Money Laundering Principles for Private Banking, the next step for due diligence in respect to the additional director and shareholder should be: D. Seek to further understand the relationship between the shareholders and verify the identity of the individual which may include due diligence in respect to her background and reputation - This ensures that the bank has a clear understanding of all parties involved, their relationships, and any potential risks associated with the new director and shareholder.

upvoted 1 times

Neeti32 2 years, 1 month ago

D is correct - under option C it says to verify the source of funds/wealth- if this new director/shareholder is not bringing any fund, the due delligence will only comprise of identity and reputation until this new shareholder decides to introduce funds- which will be a material change , resulting in new EDD to confirm the source of funds.

upvoted 1 times

97cc3ef 2 years, 2 months ago

C is correct, D indicates that due diligence may be done, not should be done

upvoted 1 times

Jp994 2 years, 2 months ago

I was debating if C was the better answer, which could be. But D after looking at it makes sense, because of "Seek to further understand the relationship between the shareholders".

upvoted 1 times

MrsJingW 2 years, 2 months ago

C makes more sense than D.

upvoted 1 times

60ea061 2 years, 7 months ago

The answer is either B or C - D is not applicable bc it references "verify the identify of...her.." when the question already confirmed the identities of the husband and wife were already verified.

upvoted 2 times

Question #158 *Topic 1*

What are two purposes of the USA PATRIOT Act? (Choose two.)

A. To strengthen United States' measures to prevent, detect, and prosecute international money laundering and financing of terrorism

B. To subject to special scrutiny foreign jurisdictions, foreign financial institutions, and classes of international transactions or types of accounts that are susceptible to criminal abuse

C. To administer and enforce economic and trade sanctions based on United States foreign policy and national security goals against targeted foreign countries and regimes, terrorists, and international narcotics traffickers

D. To set standards and promote effective implementation of legal, regulatory, and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system

Suggested Answer: *A, B*
Official Answer: AB

Community vote distribution
AB (100%)

Majid2094 Highly Voted 5 years, 10 months ago
The answer AB is correct. P/131, CAMS Study Guide v6.31
upvoted 11 times

Majid2094 Highly Voted 5 years, 10 months ago
The answer AB is correct. P/131, CAMS Study Guide v6.31agree with A & B
upvoted 11 times

Prash007 4 years, 5 months ago
agree with A & B
upvoted 1 times

Locustkeke90 4 years, 6 months ago
real exam question form Jan 2022
upvoted 9 times

xiaojw Most Recent 5 months, 2 weeks ago
Why Other Options Are Incorrect C. Enforce economic sanctions This is the responsibility of the Office of Foreign Assets Control (OFAC), not the PATRIOT Act itself. D. Set global AML standards This describes the role of the Financial Action Task Force (FATF).
upvoted 1 times

60c66d2 1 year, 1 month ago
A AND B ARE CORRECT, C IS OFAC AND D IS FATF
upvoted 2 times

3592ea7 2 years, 1 month ago
A,B are the correct ones
upvoted 1 times

Sorak 2 years, 9 months ago
it is an Act, therefore C and D can not be option.
upvoted 1 times

Dilara89 3 years, 3 months ago
AB is the correct answer. C is OFAC, D is FATF.
upvoted 4 times

AYANASingh 4 years, 3 months ago
A & B is correct, C is OFAC and D is FATF
upvoted 5 times

Kzaman_2015CDCS 4 years, 3 months ago
USA PATRIOT Act The purpose of the USA PATRIOT Act is to deter and punish terrorist acts in the United States and around the world, to enhance law enforcement investigatory tools, and other purposes, some of which include: To strengthen U.S. measures to prevent, detect and prosecute

international money laundering and financing of terrorism; To subject to special scrutiny foreign jurisdictions, foreign financial institutions, and classes of international transactions or types of accounts that are susceptible to criminal abuse;

upvoted 4 times

ESTELA926 4 years, 5 months ago

https://www.fincen.gov/resources/statutes-regulations/usa-patriot-act ---- The purpose of the USA PATRIOT Act is to deter and punish terrorist acts in the United States and around the world, to enhance law enforcement investigatory tools, and other purposes, some of which include: ●To strengthen U.S. measures to prevent, detect and prosecute international money laundering and financing of terrorism; ●To subject to special scrutiny foreign jurisdictions, foreign financial institutions, and classes of international transactions or types of accounts that are susceptible to criminal abuse; ●To require all appropriate elements of the financial services industry to report potential money laundering; ●To strengthen measures to prevent use of the U.S. financial system for personal gain by corrupt foreign officials and facilitate repatriation of stolen assets to the citizens of countries to whom such assets belong.

upvoted 2 times

Writingsoon_2021 5 years, 3 months ago

A & B Cams P.131 "The purpose of Title III is “increasing the strength of US measures to prevent, detect, and prosecute international money laundering and the financing of terrorism, to provide a national mandate for subjecting to special scrutiny foreign jurisdictions, financial institutions operating outside the United States, and classes of international transactions or types of accounts that pose particular opportunities for criminal abuse, and to ensure that all appropriate elements of the financial services industry are subject to appropriate requirements to report potential money laundering transactions to proper authorities.”

upvoted 5 times

govin226 5 years, 8 months ago

Agreed AB Page 131 CAMS Study guide line 12-13.“increasing the strength of U.S. measures to prevent, detect, and prosecute international money laundering and the financing of terrorism, to provide a national mandate for subjecting to special scrutiny foreign jurisdictions, financial institutions operating outside the United States, and classes of international transactions or types of accounts that pose particular opportunities for criminal abuse, and to ensure that all appropriate elements of the financial services industry are subject to appropriate requirements to report potential money laundering transactions to proper authorities.”

upvoted 4 times

govin226 5 years, 8 months ago

Agreed AB Page 131 CAMS Study guide line 12-13.

upvoted 4 times

Canadianlala 5 years, 5 months ago

“increasing the strength of U.S. measures to prevent, detect, and prosecute international money laundering and the financing of terrorism, to provide a national mandate for subjecting to special scrutiny foreign jurisdictions, financial institutions operating outside the United States, and classes of international transactions or types of accounts that pose particular opportunities for criminal abuse, and to ensure that all appropriate elements of the financial services industry are subject to appropriate requirements to report potential money laundering transactions to proper authorities.”

upvoted 1 times

AML_Investigator 5 years, 9 months ago

agreed

upvoted 1 times

Question #159 *Topic 1*

After review of the financial institution's enterprise-wide anti-money laundering risk assessment, the new compliance officer identifies several deficiencies that need attention.
Which deficiency could lead to the highest potential for unmitigated risk?

A. The risk assessment is several years old and does not cover all current products and services.

B. The risk assessment is revisited too frequently thereby diverting critical resources from other compliance tasks.

C. The risk assessment is managed by a different team from the previous assessment therefore disrupting continuity of institutional knowledge.

D. The risk assessment does not anticipate potential risks even though the financial institution has no immediate plans involving those risks.

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (75%) D (12%) B (12%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
A is the answer - [https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/faqs/17.%20Wolfsberg-Risk-Assessment-FAQs-2015.pdf] How often should an enterprise-wide risk assessment take place? Regardless of the frequency with which an enterprise-wide risk assessment is undertaken, FIs are usually *****required to report annually *****on the status of the money laundering risk environment. This can take the form of an Annual Report or other types of reports. FIs should review their methodology on a regular basis (most likely annually) to ensure that any changes in internal or external factors are incorporated appropriately in order to arrive at the most accurate picture of risk possible Changes will need to be assessed in terms of a FI's ability to compare results year on year, otherwise potentially significant changes in the results may not be justifiable, clearly explained or understood.definetely A
upvoted 22 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago
A is the answer - [https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/faqs/17.%20Wolfsberg-Risk-Assessment-FAQs-2015.pdf] How often should an enterprise-wide risk assessment take place? Regardless of the frequency with which an enterprise-wide risk assessment is undertaken, FIs are usually *****required to report annually *****on the status of the money laundering risk environment. This can take the form of an Annual Report or other types of reports. FIs should review their methodology on a regular basis (most likely annually) to ensure that any changes in internal or external factors are incorporated appropriately in order to arrive at the most accurate picture of risk possible Changes will need to be assessed in terms of a FI's ability to compare results year on year, otherwise potentially significant changes in the results may not be justifiable, clearly explained or understood.
upvoted 22 times

Prash007 4 years, 5 months ago
definetely A
upvoted 1 times

CallumChan Most Recent 1 year, 3 months ago
why not D?
upvoted 1 times

Neeti32 2 years, 1 month ago
A is correct
upvoted 1 times

mgflash 2 years, 11 months ago
I answered A.
upvoted 1 times

Rjones 3 years, 1 month ago
A. The risk assessment is several years old and does not cover all current products and services. An outdated risk assessment that does not cover all current products and services poses a significant risk as it may fail to capture emerging risks and vulnerabilities associated with new products or

services. Without an accurate and up-to-date risk assessment, the financial institution may not have adequate controls and measures in place to mitigate the specific risks posed by its current business activities. This can leave the institution exposed to potential money laundering and other illicit activities, increasing the likelihood of unmitigated risk.

upvoted 1 times

Alla88 4 years, 2 months ago

agreed A

upvoted 1 times

Vksh9 4 years, 3 months ago

Any issue with D. Well i think the deficiencies in A can be analysed and fixed however if an institution is not going to mitigate the risks knowingly then it is a bigger challenge

upvoted 2 times

Vksh9 4 years, 3 months ago

Any issue with D. Well i think the deficiencies in A can be analysed and fixed however if an institution is not going to mitigate the risks knowingly then it is a bigger challengeagree with D

upvoted 2 times

determined_to_succeed 4 years, 3 months ago

agree with D

upvoted 1 times

HollandLaG 4 years, 5 months ago

A for sure

upvoted 1 times

Tam_3 4 years, 5 months ago

A is the answer

upvoted 2 times

BeckyFA 4 years, 5 months ago

Answer is A

upvoted 1 times

CTPC 4 years, 5 months ago

No doubt

upvoted 2 times

Weslyn 4 years, 6 months ago

The answer is actually B. Read the question. it says the US government has initiated forfeiture action against WTS. Therefore the government would issue a seize warrant for WTS 1 mil at the non-US bankWRONG, its AI think your answering the wrong question. Your response doesn't have anything to do with this question. Please remove your answer as to not further confuse people.

upvoted 1 times

Weslyn 4 years, 6 months ago

Selected Answer: B

The answer is actually B. Read the question. it says the US government has initiated forfeiture action against WTS. Therefore the government would issue a seize warrant for WTS 1 mil at the non-US bank

upvoted 1 times

rocky2022 4 years, 6 months ago

WRONG, its A

upvoted 2 times

BeckyFA 4 years, 5 months ago

I think your answering the wrong question. Your response doesn't have anything to do with this question. Please remove your answer as to not further confuse people.

upvoted 4 times

Koios 4 years, 6 months ago

Agreed A

upvoted 1 times

Question #160 *Topic 1*

Bank A is a non-United States (U.S.) bank that has $5 million in a correspondent account at a bank in New York City. The Worldwide Terrorist Syndicate (WTS) has $1 million in its account at a non-US branch of Bank A. The U.S. government has initiated forfeiture action against the WTS.

Which potential action can the U.S. take under the USA PATRIOT ACT pursuant to the issuance seizure warrant?

A. Seize Bank A's $5 million correspondent account in the U.S.

B. Seize WTS' $1 million account at the non-U.S. branch of Bank A.

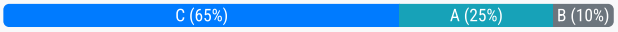
C. Seize $1 million from Bank A's correspondent account in the U.S.

D. Seize $5 million from the non-U.S. branch of Bank A where the WTS' account is located.

Suggested Answer: *C*

Official Answer: C

Community vote distribution



Majid2094 Highly Voted 5 years, 10 months ago

The answer C is correct. P/135, CAMS Study Guide v6.31

upvoted 40 times

Majid2094 Highly Voted 5 years, 10 months ago

The answer C is correct. P/135, CAMS Study Guide v6.31According to p135, Section 319(a): "Forfeiture from U.S. Correspondent Account (18 U.S.C. 981(k)). In situations where funds have been deposited with a foreign bank, this section permits the U.S. government to seize funds in the same amount from a correspondent bank account in the United States that has been opened and maintained for the foreign bank. The U.S. government is not required to trace the funds, because they are deemed to have been deposited into the correspondent account. However, the owner of the funds may contest the seizure order.", the answer should be A?I think C is correct because it says "seize funds in the same amount" so if WTS has $1mil at the non US branch, they would seize the same amount from the correspondent account.

upvoted 40 times

Aimin 5 years, 10 months ago

According to p135, Section 319(a): "Forfeiture from U.S. Correspondent Account (18 U.S.C. 981(k)). In situations where funds have been deposited with a foreign bank, this section permits the U.S. government to seize funds in the same amount from a correspondent bank account in the United States that has been opened and maintained for the foreign bank. The U.S. government is not required to trace the funds, because they are deemed to have been deposited into the correspondent account. However, the owner of the funds may contest the seizure order.", the answer should be A?

upvoted 11 times

Aimin 5 years, 10 months ago

According to p135, Section 319(a): "Forfeiture from U.S. Correspondent Account (18 U.S.C. 981(k)). In situations where funds have been deposited with a foreign bank, this section permits the U.S. government to seize funds in the same amount from a correspondent bank account in the United States that has been opened and maintained for the foreign bank. The U.S. government is not required to trace the funds, because they are deemed to have been deposited into the correspondent account. However, the owner of the funds may contest the seizure order.", the answer should be A?I think C is correct because it says "seize funds in the same amount" so if WTS has $1mil at the non US branch, they would seize the same amount from the correspondent account.

upvoted 11 times

jgallag11 5 years, 10 months ago

I think C is correct because it says "seize funds in the same amount" so if WTS has $1mil at the non US branch, they would seize the same amount from the correspondent account.

upvoted 26 times

Alpaca09 5 years, 8 months ago

Answer should be A. Pg135 stated that "where funds have been deposited with a foreign bank, this section permits the U.S. government to seize funds in the same amount from a correspondent bank account in the United States that has been opened and maintained for the foreign bank" which mean the acct from correspondent acct which has 5million will be seized.

upvoted 8 times

xiaojw Most Recent 5 months, 2 weeks ago

PATRIOT Act §319(b): Foreign illicit funds + U.S. correspondent account = Equivalent seizure in U.S.

upvoted 2 times

11a4b09 2 years, 1 month ago

C is the answer

upvoted 1 times

Neeti32 2 years, 2 months ago

C is the answer

upvoted 1 times

b618413 2 years, 3 months ago

The US is able to seize funds from Bank A's correspondent account, but there's only $5M available in this account? How could they seize more than what's available? They are not able to seize funds from Bank A's non-US branches. Ideally they would want to seize the full $1M, but that's not available in this instance.

upvoted 1 times

Aris145 2 years, 6 months ago

I think this is A, in corespondent account it it can not be easily differentiated whose funds are whose. In this case in order to ensure the terrorist organisation has no access to the funds, the whole amount has to be freezed/ seized until clarification

upvoted 1 times

Sorak 2 years, 9 months ago

I do not really remember these topics were covered in the Study Guide which is a theory book , however this question is quite practical.

upvoted 2 times

JoeJas 2 years, 11 months ago

CAMS study guide - US PTARIORT ACT: Section 319(a): Forfeiture from US correspondent account (18 U.S.C. 981(k)). In situations in which funds have been deposited with a foreign bank, this section permits the US government to seize funds in the same amount from a correspondent bank account in the United States that has been opened and maintained for the foreign bank.

upvoted 5 times

mgflash 2 years, 11 months ago

C. Seize from the correspondent account held by the US Bank.

upvoted 1 times

Rjones 3 years, 1 month ago

C. Seize $1 million from Bank A's correspondent account in the U.S. The USA PATRIOT Act allows the U.S. government to take action against funds related to terrorism or money laundering. In this scenario, since the Worldwide Terrorist Syndicate (WTS) has $1 million in its account at a non-U.S. branch of Bank A, the U.S. government can seize an equivalent amount from Bank A's correspondent account in the U.S., which is the $5 million held by Bank A in the correspondent account. The seizure would be limited to the amount associated with the WTS's account, which is $1 million.

upvoted 1 times

V2222 4 years ago

Easy question - this is C

upvoted 2 times

NDH01 4 years, 2 months ago

According to p135, Section 319(a): "Forfeiture from U.S. Correspondent Account (18 U.S.C. 981(k)) and acc to case study pg136

upvoted 2 times

Alla88 4 years, 2 months ago

agreed C based on study guide

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is C as per the USA Patriot Act Section 319A: "this section permits the US government to seize funds in the SAME AMOUNT from a correspondent bank..."Agreed with C

upvoted 2 times

Tam_3 4 years, 5 months ago

Answer is C as per the USA Patriot Act Section 319A: "this section permits the US government to seize funds in the SAME AMOUNT from a correspondent bank..."

upvoted 2 times

Prash007 4 years, 5 months ago

Agreed with C

upvoted 1 times

BeckyFA 4 years, 5 months ago

Answer is C

upvoted 1 times

CTPC 4 years, 5 months ago

As per study guide it's obviously C

upvoted 1 times

Question #161 *Topic 1*

A money transmitter's nation-wide agent network remits funds to a country in Africa on behalf of an immigrant community based in the United States. A terrorist group is known to operate openly in this African country. In reviewing transaction records, the compliance officer detects a pattern where two customers together visit the same agent each week and remit the same amount of funds, $2,500, to the same recipient in the country in
Africa.
What should alert the compliance officer to possible money laundering or terrorist financing activity by the two customers?

A. The customers always visit together.

B. The customers always visit the same agent.

C. The funds are being sent to the same recipient each week.

D. The dollar amount of each transaction is just below the record keeping threshold.

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

3ply Highly Voted 3 years ago
https://www.fincen.gov/sites/default/files/shared/bsa_quickrefguide.pdf MSBs that provide money transfer services must obtain and record specific information for each money transfer of $3,000 or more, regardless of the method of payment. Answer is D.
upvoted 26 times

LEON_JIN1 Highly Voted 2 years, 7 months ago
A people come together is a suspect not a crime, maybe brothers. B visit the same agent is normal for account relationship. C to the same recipient is normal maybe same family member. D constantly avoiding to touch the threshold so does not want to draw attentions, is a redflag for ML or TF.
upvoted 14 times

Vksh9 Most Recent 1 year, 9 months ago
At first the CO will come to know about the amount. then after getting this alert and undertaking further investigation he will come to know that ohho these 2 people come together.
upvoted 3 times

Prash007 1 year, 11 months ago
answer is D
upvoted 1 times

Surya86 1 year, 11 months ago
Money service business... 3000usd
upvoted 2 times

Tam_3 1 year, 11 months ago
D - The dollar amount of each transaction is just below the record keeping threshold.
upvoted 1 times

BeckyFA 1 year, 11 months ago
D. Instead of 1 person going and remitting 5k (over the threshold) 2 people are going and remitting just under.
upvoted 1 times

CTPC 1 year, 12 months ago
Just below the record keeping threshold leans to D
upvoted 1 times

Ash1004 2 years, 8 months ago
D seems to be correct.
upvoted 4 times

KamranShahzad 2 years, 8 months ago

Though there are other red flags present in subject case but the most critical indicator is avoiding record keep requirement so the answer is D

upvoted 4 times

JB_trust 2 years, 8 months ago

Also, please refer to page 192 of ACAMS Guide. Unusual activity in a money remitter: Two or more persons working together in transactions. Answer A.

upvoted 4 times

JB_trust 2 years, 8 months ago

What should alert the compliance officer? Answer is A: The customers always visit together. Page 187 of the ACAMS Guide. Red flag for unusual cash transactions: Customer comes in with another customer AND THEN, they go to different tellers to conduct currency transactions under the reporting threshold. So the principal red flag here is that customer come in with another customer (Answer A).In this scenario they go to the SAME agent. Your answer specifies different tellers.

upvoted 2 times

JB_trust 2 years, 8 months ago

What should alert the compliance officer? Answer is A: The customers always visit together. Page 187 of the ACAMS Guide. Red flag for unusual cash transactions: Customer comes in with another customer AND THEN, they go to different tellers to conduct currency transactions under the reporting threshold. So the principal red flag here is that customer come in with another customer (Answer A).

upvoted 2 times

FIUgirl 2 years, 4 months ago

In this scenario they go to the SAME agent. Your answer specifies different tellers.

upvoted 2 times

Katrin 2 years, 8 months ago

It's D. This is a combination of structuring and smurfing.

upvoted 3 times

Writingsoon_2021 2 years, 9 months ago

D is the answer. - Cams P.192 - UNUSUAL ACTIVITY IN A MONEY REMITTER/ CURRENCY EXCHANGE HOUSE SETTING - "Transaction altered to avoid completion of record of funds transfer, money order or traveler's checks of $3,000 or more (or whatever the local record-keeping threshold is)."

upvoted 6 times

Iphillip 2 years, 10 months ago

UNUSUAL ACTIVITY IN A MONEY REMITTER/ CURRENCY EXCHANGE HOUSE SETTING Page 192 Customer comes in frequently to purchase less than $3,000 in instruments each time (or whatever the local record-keeping threshold is).

upvoted 4 times

PCEF 2 years, 10 months ago

I think it is D - the pattern was already identified. 2 customers at the same time, remit to the same recipient and same amount. Only new information is the threshold, which should indicate ML concerns.

upvoted 1 times

LordMarco 2 years, 10 months ago

Answer is D

upvoted 1 times

Question #162 *Topic 1*

A large United States (U.S.) bank is performing due diligence on a non-U.S. bank.
The non-U.S. bank has applied for a correspondent account at the U.S.
bank.
Which two steps should the U.S. bank take under the USA PATRIOT Act? (Choose two.)

A. Verify the identity of the customers of the foreign bank

B. Determine whether enhanced due diligence is necessary

C. Assess the money laundering risk presented by the correspondent account

D. Verify the identity of politically exposed persons in management positions at the non-U.S. bank

Suggested Answer: *B, C*
Official Answer: BC

Community vote distribution
BC (100%)

Majid2094 Highly Voted 4 years, 10 months ago
The correct answer is BC. P/132, CAMS Study Guide v6.31
upvoted 32 times

Writingsoon_2021 Highly Voted 4 years, 3 months ago
B & C is correct - P/132, CAMS Study Guide v6.31 Section 312: Correspondent and Private Banking Accounts (31 U.S.C. 5318(i)). The due diligence program must address three measures: 1. Determining whether enhanced due diligence is necessary. 2. Assessing the money laundering risk presented by the correspondent account. 3. Applying risk-based procedures and controls reasonably designed to detect and report suspected money laundering.
upvoted 29 times

Sorak Most Recent 1 year, 9 months ago
As per the book.
upvoted 1 times

Sudar89 1 year, 10 months ago
As per study guide
upvoted 1 times

mgflash 1 year, 11 months ago
B and C per study guide "The due diligence program must address three measures: 1. Determining whether enhanced due diligence is necessary 2. Assessing the money laundering risk presented by the correspondent account 3. Applying risk-based procedures and controls reasonably designed to detect and report suspected money laundering."
upvoted 3 times

Rjones 2 years, 1 month ago
B. Determine whether enhanced due diligence is necessary. Enhanced due diligence involves conducting a more thorough investigation and gathering additional information about the non-U.S. bank to better understand the potential risks associated with the correspondent account. C. Assess the money laundering risk presented by the correspondent account. Assessing the money laundering risk presented by the correspondent account is crucial to evaluate the potential exposure to illicit financial activities.
upvoted 1 times

study6660 2 years, 4 months ago
BC page 227 cams study guide
upvoted 1 times

DJ0112 2 years, 9 months ago
B and C. Because when you assess if EDD is necessary, if there are PEPs involved in the BOD necessary DD measures will be carried out.
upvoted 1 times

Prash007 3 years, 5 months ago
B and C is the answer
upvoted 2 times

Tam_3 3 years, 5 months ago

B and C

upvoted 1 times

CTPC 3 years, 5 months ago

No doubt of B and C here

upvoted 1 times

ffllvvnn 3 years, 6 months ago

B&C is the answer. The question asks about CDD process for correspondent acct. A&D refers to the process for private banking acct.

upvoted 1 times

joanp22 3 years, 7 months ago

B&C are the answers. See page 132 of CAMS study manual . Section 312 of the US PATRIOT Act covering Correspondent and Private Banking Accounts

upvoted 1 times

Rox1983 3 years, 7 months ago

Nothing related to d in the sentence

upvoted 1 times

Gabbaking 3 years, 7 months ago

As answered by others.

upvoted 1 times

ASHU1408 3 years, 7 months ago

The correct answer is BC.

upvoted 2 times

Yewo 3 years, 8 months ago

The correct answer is BC. Ascertaining the PEP status of the account's UBO only applies to private banking accounts and not correspondent banking (Section 312)

upvoted 1 times

Question #163 *Topic 1*

In reviewing recent transaction activity, a compliance officer for a money transmitter notices that several customers are each remitting the same amount of money but much more frequently.
How should the institution respond?

A. File a suspicious transaction report

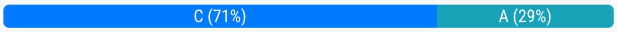
B. Instruct the tellers not to process remittances for these customers in the future

C. Conduct further investigation to determine whether this is truly suspicious activity

D. Immediately contact the customers and ask them why they are remitting money more often

Suggested Answer: *C*
Official Answer: C

Community vote distribution



Yewo Highly Voted 3 years, 8 months ago
The answer should be C. The decision to file an STR should be arrived at after an investigation is conducted first
upvoted 22 times

mgflash Most Recent 1 year, 11 months ago
C per an ACAMS practice test with answers.
upvoted 4 times

Rjones 2 years, 1 month ago
C. Conduct further investigation to determine whether this is truly suspicious activity - While the frequency of transactions may appear unusual or raise suspicions, conducting a further investigation is necessary to gather additional information and assess the nature of the activity. This investigation may involve reviewing customer profiles, transaction histories, and any other relevant data to determine whether there are legitimate reasons behind the increased frequency of remittances. It is important to gather sufficient evidence before taking any action or making any conclusions.
upvoted 2 times

Wonnie 2 years, 10 months ago
C - investigation first
upvoted 2 times

V2222 3 years ago
Should be C - is A wrong then?
upvoted 2 times

V2222 3 years ago
Should be C - is A wrong then?yes A is wrong
upvoted 2 times

ProCrypto 2 years, 4 months ago
yes A is wrong
upvoted 1 times

Alla88 3 years, 2 months ago
needs further investigation to determine whether STR filing would be appropriate
upvoted 1 times

ABenny7 3 years, 5 months ago
Answer is C - an STR comes after an investigation. Not before.
upvoted 2 times

Prash007 3 years, 5 months ago
definetely C
upvoted 2 times

Tam_3 3 years, 5 months ago

Answer is C.

upvoted 2 times

CTPC 3 years, 5 months ago

Please read the key word here 'reviewing'....answer will automatically comes

upvoted 2 times

jlhickman8 3 years, 6 months ago

Agree with C, they need to investigate further

upvoted 1 times

joanp22 3 years, 7 months ago

the answer is C

upvoted 1 times

Rox1983 3 years, 7 months ago

Should investigate

upvoted 1 times

Cyc4real 3 years, 8 months ago

Answer is C. The key word to aid you is "several customers". In filing STR as a compliance professional, you must ensure it is qualitative.

upvoted 2 times

Cyc4real 3 years, 8 months ago

Answer is C. The key word to aid you is "several customers". In filing STR as a compliance professional, you must ensure it is qualitative.Meanwhile, I am writing my exams in about 24hrs from now. Wish me luck😊updates pleaseHow did it go? I have mine next weekhow was it?how was it?

upvoted 2 times

Cyc4real Highly Voted 3 years, 8 months ago

Meanwhile, I am writing my exams in about 24hrs from now. Wish me luck😊

upvoted 10 times

Cyc4real 3 years, 8 months ago

Meanwhile, I am writing my exams in about 24hrs from now. Wish me luck😊updates pleaseHow did it go? I have mine next weekhow was it?how was it?

upvoted 10 times

Badro44 3 years, 6 months ago

updates please

upvoted 1 times

Rara01 3 years, 8 months ago

How did it go? I have mine next week

upvoted 1 times

Rara01 3 years, 8 months ago

How did it go? I have mine next weekhow was it?

upvoted 1 times

Fgun 3 years, 7 months ago

how was it?

upvoted 1 times

Aml2021 3 years, 10 months ago

Answer is A. The role of CO is not contact the customers. It's not make sens contact serveral customers.Answer is C

upvoted 2 times

Aml2021 3 years, 10 months ago

Answer is A. The role of CO is not contact the customers. It's not make sens contact serveral customers.

upvoted 2 times

junebug6 3 years, 9 months ago

Answer is C

upvoted 1 times

Ash1004 4 years, 2 months ago

C is correct.

upvoted 4 times

LordMarco 4 years, 4 months ago

Correct answer

upvoted 4 times

Question #164 *Topic 1*

A local law enforcement officer notifies the bank compliance officer that he is working on an insurance fraud scheme that appears to be running transactions using the account of a bank employee. The law enforcement officer refers to a kiting suspicious transaction report filed by the compliance officer and requests further information.
What action should the compliance officer take?

A. Inform the board of directors

B. Call the employee and demand an explanation

C. Allow access to the bank's documents immediately

D. Provide the information to the law enforcement in response to a formal written request

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

Writingsoon_2021 Highly Voted 4 years, 3 months ago
D is correct
upvoted 13 times

marykate1 Most Recent 1 year, 8 months ago
I think D.
upvoted 1 times

Rjones 2 years, 1 month ago
D. Provide the information to the law enforcement in response to a formal written request. When law enforcement requests information regarding an ongoing investigation, it is important to handle it in a proper and lawful manner. The compliance officer should request a formal written request from the law enforcement officer, which would typically include the necessary legal authorization for accessing the bank's documents. Options A, B, and C are not appropriate actions in this situation. Informing the board of directors (option A) may be necessary at a later stage or if there are significant implications for the bank, but the immediate priority is to follow the proper legal procedures.
upvoted 2 times

V2222 3 years ago
easy question - is D
upvoted 2 times

Prash007 3 years, 5 months ago
Answer is D
upvoted 1 times

melodyqhf 3 years, 5 months ago
Believe this should be A. It has to do with a bank employee, so perhaps even more risk there, so I think board of directors needs to be informed. (Since the compliance officer is already informed) For D - banking regulatory agencies do not need to use subpoenas or search warrants or other jurisdiction-specific legal mechanisms. Rather, their authority to conduct examinations includes the ability to inspect all books and records of a regulated institution. It is when law enforcement agencies request for the bank to keep account open, then a written request is required.
upvoted 1 times

vi80991 4 years, 4 months ago
I think the correct answer is A. Bank has already filed SAR, so need for D
upvoted 4 times

vi80991 4 years, 4 months ago
I think the correct answer is A. Bank has already filed SAR, so need for DYour board of director very free hor. can listen to so many of ur requestsMalaysian English makes me laughI please ni. Upgrade your english firstHi, the only way the CO could provide information to a local law officer is through a written request. Thus, the correct answer is indeed DThe correct answer is indeed DIn fact no SAR/STR is mentioned hereMy bad I

didn't pay attention to "The law enforcement officer refers to a kiting suspicious transaction report filed by the compliance officer and requests further information"

upvoted 4 times

Siha0 Highly Voted 4 years ago

Your board of director very free hor. can listen to so many of ur requestsMalaysian English makes me laugh

upvoted 5 times

Siha0 4 years ago

Your board of director very free hor. can listen to so many of ur requests

upvoted 5 times

Kingor123 3 years, 11 months ago

Malaysian English makes me laugh

upvoted 5 times

Siha0 4 years ago

I please ni. Upgrade your english first

upvoted 2 times

timbarr 4 years, 3 months ago

Hi, the only way the CO could provide information to a local law officer is through a written request. Thus, the correct answer is indeed DThe correct answer is indeed D

upvoted 4 times

timbarr 4 years, 3 months ago

Hi, the only way the CO could provide information to a local law officer is through a written request. Thus, the correct answer is indeed D

upvoted 4 times

forced2signup 3 years, 11 months ago

The correct answer is indeed D

upvoted 1 times

Jasou 3 years, 1 month ago

In fact no SAR/STR is mentioned hereMy bad I didn't pay attention to "The law enforcement officer refers to a kiting suspicious transaction report filed by the compliance officer and requests further information"

upvoted 1 times

Jasou 3 years, 1 month ago

In fact no SAR/STR is mentioned here

upvoted 1 times

Jasou 3 years, 1 month ago

My bad I didn't pay attention to "The law enforcement officer refers to a kiting suspicious transaction report filed by the compliance officer and requests further information"

upvoted 1 times

Question #165 *Topic 1*

A compliance officer is tasked with implementing an enterprise-wide anti-money laundering program for a bank, which operates in multiple countries. Not all the bank products and services are available in all countries.
Which three factors should be considered as part of the approach? (Choose three.)

A. The types of customers serviced by the bank

B. The customer onboarding platform that will be used

C. The extent of anti-money laundering regulations in the various countries

D. The anti-money laundering risk posed by the products and services offered by the bank

E. The amount of resources needed to implement the anti-money laundering program in the countries

Suggested Answer: *A, C, D*
Official Answer: ACD

Community vote distribution
ACD (89%)

Majid2094 Highly Voted 4 years, 10 months ago
The correct answer would be ACD. P/147, CAMS Study Guide v6.31
upvoted 36 times

Writingsoon_2021 Highly Voted 4 years, 3 months ago
A, C, D is the correct answer Cams P.147 "A vital step in a risk assessment is the analysis of the users of the products and services that the institution or business offers." "The risks of money laundering for a financial services company are indisputable. The types of customers served, the products and services provided and how these are delivered, as well as the geographic footprint of the company and location of its customers all, pose risks. For decades, the Financial Action Task Force (FATF), governments and regulators, and industry bodies such as The Wolfsberg Group have emphasized that anti-money laundering (AML) risk assessments are foundational underpinnings of a sound AML compliance program."
upvoted 20 times

JoeJas Most Recent 1 year, 11 months ago
The righ answer should be ABD because ML/TF risk assessment takes into account 4 risk factors: (i) customer charecteristics - which is answer 1, (ii) products, services and transactions - which is answer D, (iii) delivery channels - which is answer B and (iv) countries. Hence, the right answer is ABD.
upvoted 1 times

mgflash 1 year, 11 months ago
A,C,D per study guide
upvoted 1 times

Chukz 2 years, 7 months ago
A C and D
upvoted 1 times

Aboanas92 3 years, 4 months ago
ACD IS RIGHT
upvoted 1 times

Prash007 3 years, 5 months ago
A, C, D must be the correct answer
upvoted 2 times

Tam_3 3 years, 5 months ago
Answer is A, C and D
upvoted 2 times

CTPC 3 years, 5 months ago
Keep it as simple as it is.....customer, product, service and geography.....just collate all of those....answer will automatically comes
upvoted 7 times

jlhickman8 3 years, 6 months ago

Answer should be ACD

upvoted 1 times

joanp22 3 years, 7 months ago

ACD answers Read page 147 CAMS Study guide

upvoted 1 times

Yewo 3 years, 8 months ago

The answer should be ACD

upvoted 1 times

desp03 4 years ago

Correct answer is ACD: p.146: "The core of a risk-based approach includes the assessment of risk of a financial institution's customers, geography locations and its products/services"

upvoted 3 times

mdshr 4 years, 1 month ago

ACD is correct

upvoted 1 times

Ash1004 4 years, 2 months ago

ACD is right.

upvoted 2 times

Samimi 4 years, 4 months ago

Any one please gives more details about the answers ?

upvoted 1 times

Samimi 4 years, 4 months ago

Any one please gives more details about the answers ?Look into p 147 and further. You have information about customer and product/services used, that is two, deducting only information abot aml laws in countries should be considered additionally. This gives ACD.

upvoted 1 times

Kasteros 4 years, 4 months ago

Look into p 147 and further. You have information about customer and product/services used, that is two, deducting only information abot aml laws in countries should be considered additionally. This gives ACD.

upvoted 2 times

RajAML 4 years, 10 months ago

ACD corrrect

upvoted 1 times

Question #166 *Topic 1*

A compliance officer receives a report from the institution's monitoring system. One account was identified in multiple alerts for the amount of cash deposited and international wires sent.
Which two sources of information held within the institution will enable the compliance officer to determine whether the activity should be reported? (Choose two.)

A. The signature card for the account

B. The customer due diligence information on file

C. The monitoring system parameters for identifying unusual activity

D. Transaction records for the period during which the unusual activity occurred

Suggested Answer: *B, D*
Official Answer: BD

Community vote distribution
BD (100%)

Usmon Highly Voted 5 years, 8 months ago
You don't do CDD upon encountering suspicious transaction. Once you come across suspicious activity you can conduct EDD or further investigation. CDD is done during the customer onboarding. In order to report customer you need to review initial CDD files, and transaction records. So the answer is B and D. Moreover, C is incorrect because what is the point of going through parameters of your monitoring system when you are trying to report suspicious activity. It has nothing to do with it.
upvoted 22 times

ArielC Highly Voted 4 years, 11 months ago
I agree it should be B and D. You need to compare the customer's DD info (B) to the suspicious activities (D) in order to understand if the suspicious activities are actually suspicious. And by spotting the different patterns through the DD file, you can further investigate if there's an explaination for these suspcious activities.
upvoted 7 times

Neeti32 Most Recent 2 years, 2 months ago
B&D are correct
upvoted 2 times

97cc3ef 2 years, 2 months ago
B D according to the Study Guide
upvoted 1 times

Prash007 4 years, 5 months ago
B and D correct answer
upvoted 1 times

Tam_3 4 years, 5 months ago
Answer is B and D
upvoted 2 times

CTPC 4 years, 5 months ago
Both are correct.... others two doesn't carry any weight
upvoted 1 times

Koios 4 years, 6 months ago
B/D is correct
upvoted 2 times

Writingsoon_2021 5 years, 3 months ago
B & D is the correct answer
upvoted 3 times

Kasteros 5 years, 4 months ago

B and D correct. B, as CDD file will give valuable information, for example ties with countries, D as upon checking period it can be found whenver there are susp. credits as source of funds or other concernign activity.

upvoted 2 times

Willyz89 5 years, 4 months ago

Why would you need to include the monitoring system parameters. They're included in procedures and would be assumed to be followed.

upvoted 1 times

anna_sia 5 years, 4 months ago

it should be B & D - Since the monitoring procedure already held and found the suspicious activities.

upvoted 1 times

bmb251 5 years, 6 months ago

I think B & D

upvoted 1 times

Salmabariq 5 years, 6 months ago

B and D is correct

upvoted 1 times

goshikidai 5 years, 8 months ago

should be C&D because cdd is next step. at this step , cdd is not the factor to consider.

upvoted 1 times

Tammyr 5 years, 8 months ago

I think the answer is C and D. Anyone agrees?

upvoted 3 times

Question #167 *Topic 1*

A company service provider in Country A sets up a corporate structure for a client from Country B, which is known for corruption. The corporate structure includes a holding company in Country A with a bank account in one of the international banks located there.
During on-boarding, the client's wealth was estimated at $7 million. Shortly thereafter, the client's father became president of Country B. During a routine client review two years later, it was identified that client's wealth had grown to $510 million.
What are two red flags that indicate money laundering or financial terrorism? (Choose two.)

A. The client is from a country known for corruption.

B. The substantial growth in wealth during a short period of time.

C. The client is a family member of a PEP from a country known for corruption.

D. The holding company is in Country A with a bank account in one of the international banks.

Suggested Answer: *B, C*
Official Answer: BC

Community vote distribution
BC (100%)

Ozii07 Highly Voted 5 years, 2 months ago
BC correct indeed. C both includes PEP + corrupt country
upvoted 21 times

holikmc Most Recent 1 year, 11 months ago
B and C correct indeed.
upvoted 1 times

MDAVIDM 2 years, 3 months ago
B & C. D is not the right answer, because the choice of the holding company's location and having a bank account in an international bank (Option D) may be part of legitimate business structures and not necessarily indicative of illicit activities. Company has business there
upvoted 2 times

Edoli93 2 years, 7 months ago
This question's options is miss. E option should have been included. Because another sites include E option. E : The client's account has not been reviewed for two years. This answer is red flag. Because the instution should review high/medium customer profile especially PEP family and screening on the customers regularly. İnstution could not catch the this customer transcation and up grade profile day by day. This is fault to clear and include risk of ML/TF C: The client is a family member of a PEP from a country known for corruption. This is true and red flag. EDD and high risk must have. Not ordinary customer and need to review frequently maybe transaction monitoring special rules should be written for customer. C and E are correct in my opinionB: The substantial growth in wealth during a short period of time. >>> Short Period? After routine 2 years investigated.. This is short period or not. but after father's presidant of B country if customer suddenly has gotten grow wealth.. We dont know when time he/she is wealthy? After suddenly from father's president or 2 years.. However this option B is not really correct. We dont say
upvoted 2 times

Edoli93 2 years, 7 months ago
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upvoted 2 times

Edoli93 2 years, 7 months ago
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father's president or 2 years.. However this option B is not really correct. We dont say

upvoted 1 times

Rjones 2 years, 7 months ago

B. The substantial growth in wealth during a short period of time: The significant increase in the client's wealth from $7 million to $510 million in just two years raises suspicions of potential illicit activities such as money laundering or other illegal financial activities. C. The client is a family member of a PEP from a country known for corruption: The fact that the client's father has become the president of Country B, a country known for corruption, and the client's association with a politically exposed person (PEP) increases the risk of corruption, bribery, and misuse of public office for personal gain, which are common red flags for money laundering and financial terrorism.

upvoted 1 times

Dilara89 2 years, 9 months ago

BC for sure

upvoted 2 times

KUNAL1022 3 years, 9 months ago

WHY IS "D" NOT ONE OF THE ANSWERS? CAN SOMEONE EXPLAIN!

upvoted 1 times

KUNAL1022 3 years, 9 months ago

WHY IS "D" NOT ONE OF THE ANSWERS? CAN SOMEONE EXPLAIN!Holding company is the company which runs the subsidiary company (in our case the corp structure) Anyone can have an account in a international bank.

upvoted 1 times

Vksh9 3 years, 9 months ago

Holding company is the company which runs the subsidiary company (in our case the corp structure) Anyone can have an account in a international bank.

upvoted 1 times

Prash007 3 years, 11 months ago

A and C should be the correct answer.

upvoted 2 times

Prash007 3 years, 11 months ago

A and C should be the correct answer.The reason being it doesn't say anything on the business or company's turnover.

upvoted 2 times

Prash007 3 years, 11 months ago

The reason being it doesn't say anything on the business or company's turnover.

upvoted 1 times

Tam_3 3 years, 11 months ago

Answer is B and C

upvoted 1 times

BeckyFA 3 years, 11 months ago

B&C all day!

upvoted 2 times

joanp22 4 years, 1 month ago

BC are the most appropiate answers.

upvoted 2 times

JPC_55 4 years, 2 months ago

A question very similar to this came out in the Exam, BC are my answers.

upvoted 3 times

JPC_55 4 years, 2 months ago

A question very similar to this came out in the Exam, BC are my answers.how did it go? Were the questions similar to these ones?

upvoted 3 times

Fgun 4 years, 1 month ago

how did it go? Were the questions similar to these ones?

upvoted 3 times

iceman07 4 years, 3 months ago

should be bc. They are toking about red flags, one red flag as its own cannot be used to determine ml. It should be a combination which is rapid wealth increase and being a pep from a corruption country.

upvoted 2 times

Rox1983 4 years, 4 months ago

AC. Question from the real exam

upvoted 1 times

Rox1983 4 years, 4 months ago

AC. Question from the real examMay I know the reason? The risk of B is higher than A. Isn't it BC? Btw, corrected answer will be shown after submitting the exam? just wondering cuz I'm going to have the exam on Monday.i dont think ACAMS will show the correct answer. They will just inform us with the result.

upvoted 1 times

Jen015 4 years, 4 months ago

May I know the reason? The risk of B is higher than A. Isn't it BC? Btw, corrected answer will be shown after submitting the exam? just wondering cuz I'm going to have the exam on Monday.i dont think ACAMS will show the correct answer. They will just inform us with the result.

upvoted 2 times

Jen015 4 years, 4 months ago

May I know the reason? The risk of B is higher than A. Isn't it BC? Btw, corrected answer will be shown after submitting the exam? just wondering cuz I'm going to have the exam on Monday.

upvoted 2 times

gangmo09 4 years, 4 months ago

i dont think ACAMS will show the correct answer. They will just inform us with the result.

upvoted 2 times

IbiH 4 years, 4 months ago

B and C. Simple.

upvoted 1 times

Tonymuaythai 4 years, 5 months ago

It's A & C. The client is from a country known for corruption and the increase in wealth. Does not matter that his father is now a PEP they are both from country B.

upvoted 1 times

Tonymuaythai 4 years, 5 months ago

It's A & C. The client is from a country known for corruption and the increase in wealth. Does not matter that his father is now a PEP they are both from country B.Your saying A & C but your explanation is saying A & B...

upvoted 1 times

iceman07 4 years, 3 months ago

Your saying A & C but your explanation is saying A & B...

upvoted 1 times

KamranShahzad 4 years, 8 months ago

BC is the right answer

upvoted 3 times

Question #168 *Topic 1*

What do the Financial Action Task Force (FATF) mutual evaluations of each member assess?

A. The levels of implementation of the FATF Recommendations

B. The member's ability to send a representative to the plenary sessions

C. If the member has a large enough economy to maintain its membership

D. If the member has made any suggestions for updates to the FATF Recommendations

Suggested Answer: *A*

Reference: https://www.fatf-gafi.org/publications/mutualevaluations/documents/more-about-mutual-evaluations.html

Community vote distribution

A (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago

A is the answer - Cams 87 "Starting with its own members, FATF monitors countries' progress in implementing the FATF Recommendations; ... "

upvoted 16 times

Majid2094 Highly Voted 5 years, 10 months ago

The answer A is correct.

upvoted 6 times

3592ea7 Most Recent 2 years, 1 month ago

A is correct

upvoted 1 times

Neeti32 2 years, 1 month ago

A is correct

upvoted 1 times

Rjones 3 years, 1 month ago

A. The levels of implementation of the FATF Recommendations - The Financial Action Task Force (FATF) mutual evaluations assess the levels of implementation of the FATF Recommendations by each member country. These evaluations examine the effectiveness of a country's anti-money laundering and counter-terrorism financing framework, including the legal and regulatory framework, institutional arrangements, and the implementation of preventive measures and enforcement actions.

upvoted 2 times

Prash007 4 years, 5 months ago

A is the answer

upvoted 1 times

Tam_3 4 years, 5 months ago

A - The levels of implementation of the FATF Recommendations

upvoted 1 times

joanp22 4 years, 7 months ago

A is the answer

upvoted 1 times

Nimvael 5 years, 3 months ago

Correct. A In 2011, FATF concluded its third round of mutual evaluations of all its members. The process began in 2004. For its fourth round of mutual evaluations, which started in 2014, it adopted a new approach for assessing technical compliance with Recommendations and assessing a member's AML/CFT system is effective.

upvoted 3 times

jgallag11 5 years, 10 months ago

Agree A CAMS pg 87 "The FATF monitors countries' progress in implementing the FAT recommendations"

upvoted 4 times

Question #169 *Topic 1*

A compliance officer is reviewing the activity of the wire transfer department for the previous month and identifies an unusual wire transfer from a customer's account.
Which information should be included in the review of the customer's activity?

A. Records of the recent deposit activity

B. Wire transfer requests initiated by phone and internet

C. Total number of wires processed each month over the previous year

D. Whether the bank processes wire transfers through a correspondent bank

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (75%) B (12%) C (12%)

jenzee Highly Voted 4 years, 10 months ago
A - to see the link of where the money came from (follow the money rule)
upvoted 28 times

RajAML Highly Voted 5 years, 4 months ago
I think C should be the answer
upvoted 24 times

e8c0ce2 1 year, 7 months ago
I have been debating between option A and C. I can see where the confusion lays. But lets break it down. For starters, this question cannot be on the exam; for the two options mentioned above, is there even a correct answer between the two? If I were the CO in this situation, I would first look to see the customer's activity and ask myself: 1. does this customer have a history of wire transfers or any other activity that might set me off? If yes, then I'll search through the records of recent deposit and start making the links. A one time wire transfer wont set me off unless I see the history. 2. Take a look to see if the customer has received a large sum in their account recently. If yes, then the two add up for suspicious activity. Therefore, my answer remains C. The history will give the overall picture of what I'm dealing with.
upvoted 2 times

swolfring 2 years, 1 month ago
Answer is A - is the suspicious wire coming from a verified source of funds (customer's payroll) or an unverified source of funds (Cash)? Cash In -> Suspicious Wire Out is way more risky than an uptick in Wire activity. Based on my AML Analytics exp.
upvoted 3 times

matovu 3 years, 3 months ago
Am thinking it's C.
upvoted 1 times

JDomar8128 3 years, 4 months ago
I am going with A to analyze placement
upvoted 2 times

Bethanycams 3 years, 5 months ago
Selected Answer: A
In money laundering, it is always about where does it come from where does it go. The cotton eyed Joe effect.
upvoted 8 times

Bethanycams 3 years, 5 months ago
In money laundering, it is always about where does it come from where does it go. The cotton eyed Joe effect.Thanks, Bethany, now I'll never forget this! Also I'll have an earworm for the next few hours.what is cotton eyed Joe effect
upvoted 8 times

0f9692f Most Recent 1 year ago
Thanks, Bethany, now I'll never forget this! Also I'll have an earworm for the next few hours.
upvoted 1 times

Sorak 2 years, 3 months ago

what is cotton eyed Joe effect

upvoted 1 times

Vksh9 3 years, 9 months ago

What can be unusual - -international wire when there is no such historical wires -unusual large amount wire while history doesnt support it I m more inclined towards D

upvoted 1 times

CTPC 3 years, 12 months ago

Selected Answer: B

It's more logical than others option

upvoted 2 times

CTPC 3 years, 12 months ago

It's more logical than others optionagree with B that might be unusual customer activity.

upvoted 2 times

Prash007 3 years, 11 months ago

agree with B that might be unusual customer activity.

upvoted 1 times

Koios 4 years ago

Further to my last comment, the CO also only reviews transactions for the previous month, so a broader sample should be included to determine if the activity is consistent or not.

upvoted 2 times

Koios 4 years ago

I think C should be the answer. Understanding the customers activity regarding wire trfs would lead to a more conclusive review.

upvoted 2 times

coolman_spooky 4 years ago

A is correct as the compliance officer views the transaction last month, and deem as unusual; which means all other transactions in previous month seem to be fine, which will leave out C

upvoted 4 times

IbiH 4 years, 3 months ago

C cant be correct because it refers to the total number of wire transfers not amounts of all wire transfers over the year. Numbers dont mean anything here, A is correct.

upvoted 4 times

BrandonSun 4 years, 4 months ago

I'll go with A. The goal here is to get more info on this one particular unusual transaction (not the account behavior), and only A is related to that particular transaction.

upvoted 2 times

kayangel 4 years, 5 months ago

I think if C includes the total amounts of wire transfers then it makes more sense. Merely the number of wire transfers doesn't provide any useful information.In addition, theres only ONE usual wire. Comparing it with the previous number of wires doesn't seem useful at allI mean unusual

upvoted 5 times

kayangel 4 years, 5 months ago

I think if C includes the total amounts of wire transfers then it makes more sense. Merely the number of wire transfers doesn't provide any useful information.

upvoted 5 times

kayangel 4 years, 5 months ago

In addition, theres only ONE usual wire. Comparing it with the previous number of wires doesn't seem useful at all

upvoted 1 times

kayangel 4 years, 5 months ago

In addition, theres only ONE usual wire. Comparing it with the previous number of wires doesn't seem useful at allI mean unusual

upvoted 1 times

kayangel 4 years, 5 months ago

I mean unusual

upvoted 1 times

AMLSpecialist_MK1 4 years, 5 months ago

Correct answer is A, u have to trace the source especially cash deposits

upvoted 2 times

Question #170 *Topic 1*

Which two steps should a financial institution take when it receives a law enforcement request to keep an account open that may be associated with suspicious or criminal activity? (Choose two.)

A. File a suspicious transaction report on the account owner(s)

B. Maintain account records for at least five years after the request expires

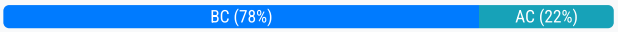
C. Ask for a written request from the law enforcement agency that defines the duration

D. Stop filing suspicious transaction reports because law enforcement will be monitoring the account

Suggested Answer: *B, C*

Official Answer: BC

Community vote distribution



Jolei Highly Voted 5 years, 9 months ago

B and C is correct - pg 109 - Banks should also document decisions related to investigations of unusual activity, whether a decision is made to file a report of suspicious activity or not. Banks should maintain all of these records as required by law, for at least 5 years after closure of the account. If an ongoing investigation is occurring, relevant CDD records should not be destroyed merely because the record retention period has expired. Its not A because filing a STR is not automatic C CAMS pg 206 "If the government asks the institution to keep certain accounts open, such a request should be obtained in writing under the proper letterhead and authority from the government"

upvoted 33 times

Jolei Highly Voted 5 years, 9 months ago

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upvoted 33 times

ezeekim 4 years, 11 months ago

B is wrong answer because it says "after the request expires," not "after the closure of the account."

upvoted 5 times

ezeekim 4 years, 11 months ago

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upvoted 5 times

ArJayc 4 years, 3 months ago

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upvoted 6 times

ArJayc 4 years, 3 months ago

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upvoted 6 times

diacea 3 years, 9 months ago

That's wrong. Your quote says "documentation of the request should be maintained for at least five years". B says "maintain account records for 5 years". Two very different things.

upvoted 6 times

jgallag11 5 years, 10 months ago

I see what you are saying with AC A CAMS page 205 "Determine whether the activity of its customer identified in the subpoena or warrant requires the filing of an STR" C CAMS pg 206 "If the government asks the institution to keep certain accounts open, such a request should be obtained in writing under the proper letterhead and authority from the government"

I'm just wondering if its not A because that specifically applies to a warrant/subpoena?

upvoted 15 times

jgallag11 5 years, 10 months ago

I see what you are saying with AC A CAMS page 205 "Determine whether the activity of its customer identified in the subpoena or warrant requires the filing of an STR" C CAMS pg 206 "If the government asks the institution to keep certain accounts open, such a request should be obtained in writing under the proper letterhead and authority from the government" I'm just wondering if its not A because that specifically applies to a warrant/subpoena?It's not A b/c the question asks what steps must be taken, and the step that p. 205 is referencing is the *determination* of whether an STR should be filed, whereas the step in choice A is the act of filing of a STR. The LEA request in and of itself is not a trigger for filing an STR.

upvoted 15 times

Sipi 4 years, 5 months ago

It's not A b/c the question asks what steps must be taken, and the step that p. 205 is referencing is the *determination* of whether an STR should be filed, whereas the step in choice A is the act of filing of a STR. The LEA request in and of itself is not a trigger for filing an STR.

upvoted 1 times

96a3dc3 Most Recent 1 year, 1 month ago

VOTED FOR B/C

upvoted 1 times

da8657a 1 year, 10 months ago

Did anyone consider D since account records should be kept no matter what circumstances come up and doesn't have any relation to suspicious activity? C is beyond any doubt

upvoted 1 times

Neeti32 2 years, 1 month ago

B ,C is correct

upvoted 2 times

jemabah 3 years ago

BC https://www.fincen.gov/resources/statutes-regulations/guidance/requests-law-enforcement-financial-institutions-maintain

upvoted 1 times

Rjones 3 years, 1 month ago

B. Maintain account records for at least five years after the request expires - Even if the account remains open for a specific duration as requested by law enforcement, the financial institution should ensure that all account records are retained for a minimum of five years after the request expires. This is necessary to comply with record-keeping obligations and potential future investigations. C. Ask for a written request from the law enforcement agency that defines the duration - When receiving such a request, it is important for the financial institution to ask for a written request from the law enforcement agency. This request should clearly define the duration for which the account should be kept open and provide any necessary supporting documentation or legal requirements.

upvoted 1 times

Dilara89 3 years, 3 months ago

BC is the correct answer

upvoted 1 times

venuskk 3 years, 8 months ago

B,C is correct. B said at least 5 years not necessarily be 5 years after requets expired. since records should be kept 5 years after account closure, during the request period account will not be closed. after it expires, bank can decided to close it anytime. maybe immediately maybe 2 years,3 years depending on the risk. hence records should be kept at least 5 years after request expired.

upvoted 1 times

Avetter149 3 years, 8 months ago

B&C per CAMS study guide v6.46 If the government asks the organization to keep certain accounts open, this request should be obtained in writing under proper letterhead and authority from the government. The request should include the duration for which the account should remain open. Documentation of the request should be maintained for at least five years after the request has expired.

upvoted 1 times

imperialchicken 3 years, 8 months ago

Receipt of a governmental subpoena or search warrant Financial organizations often initiate investigations upon receipt of a governmental subpoena or search warrant. In either situation, the organization has two independent obligations: (1) legally fulfill the requirements of the subpoena or warrant, and (2) determine whether the activity of its customer identified in the subpoena or warrant requires THE FILING OF A SAR. - IF THE GOVERNMENT ASKS the organization to keep certain accounts open, this request SHOULD BE OBTAINED IN WRITING under proper letterhead and authority from the government. The request should include the duration for which the account should remain open. DOCUMENTATION OF THE REQUEST SHOULD BE MAINTAINED FOR AT LEAST FIVE YEARS AFTER THE REQUEST HAS EXPIRED (this is the part causes confusion).

upvoted 1 times

examlearnerxyzabc 3 years, 9 months ago

Answer is B and C As per ACAMS study material "If the government asks the organization to keep certain accounts open, this request should be obtained in writing under proper letterhead and authority from the government. The request should include the duration for which the account should remain open. Documentation of the request should be maintained for at least five years after the request has expired."

upvoted 1 times

diacea 3 years, 9 months ago

I feel like people aren't reading the answer's correctly. B says "Maintain account records for at least five years after the request expires". Yes, the bank does need to keep the REQUEST for five years, but that's entirely different from account records.

upvoted 1 times

Guitarman86 4 years, 3 months ago

my mom says it's B and C

upvoted 6 times

jacenkilcap 4 years, 4 months ago

B and C -- C because you definitely need a written request, and B to maintain the records. It's not A because the request to keep an account open by itself is not a reason to file a STR. This should trigger a review of the account where an STR may be filed if suspicious activity is identified, but the keep account open request isn't something itself to be reported.

upvoted 1 times

ABenny7 4 years, 5 months ago

Its B & C - just because there is a request for information on a client from Law Enforcement, that doesn't mean they necessarily conducted the criminal activity in this particular bank account. Filing an STR is not automatic based on this inquiry. You need to review the account activity to determine if the funds in the account appear to be related to the criminal activity in the LEOs request.

upvoted 2 times

Prash007 4 years, 5 months ago

agreed with B and C

upvoted 1 times

Question #171 *Topic 1*

A startup virtual currency exchange has registered as a money services business and will commence operations in six months. The company will provide digital wallets to customers to hold their virtual currency after purchase. Customers will have the option to conduct purchases of the virtual currency and transfer the currency to and from the digital wallet. The startup must develop an anti-money laundering compliance program prior to
launch.
Which two anti-money laundering responsibilities should be considered before business launch? (Choose two.)

A. A customer onboarding process

B. Transaction limits consistent with risk appetite

C. Employees to handle complaints in a timely fashion

D. Mechanisms to monitor and protect customers' digital wallets from cyber-attacks

Suggested Answer: *A, B*
Official Answer: AB

Community vote distribution
AB (100%)

Ozii07 Highly Voted 5 years, 8 months ago
A-B should be correct. pls refer to page: 14

- Financial institutions and DNFBP should be required to comply with customer identification and verification and transaction monitoring requirements for decentralised convertible VCPPS, using the most effective and efficient means available, as soon as such products/services are offered. For example, developers may be able to create new VC technologies, such as application programming interfaces (APIs) that provide customer identification information, or allow financial institutions or DNFBP to limit transaction size and velocity or establish a variety of conditions that must be satisfied before a VC transaction can be sent to the recipient/beneficiary to reduce the ML/TF risks associated with a particular VCPPS.
upvoted 32 times

Ozii07 Highly Voted 5 years, 8 months ago
A-B should be correct. pls refer to page: 14 - Financial institutions and DNFBP should be required to comply with customer identification and verification and transaction monitoring requirements for decentralised convertible VCPPS, using the most effective and efficient means available, as soon as such products/services are offered. For example, developers may be able to create new VC technologies, such as application programming interfaces (APIs) that provide customer identification information, or allow financial institutions or DNFBP to limit transaction size and velocity or establish a variety of conditions that must be satisfied before a VC transaction can be sent to the recipient/beneficiary to reduce the ML/TF risks associated with a particular VCPPS.link :) https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-RBA-Virtual-Currencies.pdf
upvoted 32 times

Ozii07 5 years, 8 months ago
link :) https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-RBA-Virtual-Currencies.pdf
upvoted 6 times

96a3dc3 Most Recent 1 year, 1 month ago
VOTED - A,B
upvoted 1 times

Preethisrajan 2 years ago
A&B is correct
upvoted 1 times

Neeti32 2 years, 2 months ago
the answer is A&B this website needs a major FIX
upvoted 4 times

Rjones 3 years, 1 month ago

A. A customer onboarding process - Before launching the business, the startup virtual currency exchange should establish a robust customer onboarding process. This process should include verifying the identity of customers, conducting due diligence checks, and assessing the risk associated with each customer. Implementing proper customer onboarding procedures is crucial for detecting and preventing potential money laundering activities. B- Before launching the business, the startup virtual currency exchange should establish a robust customer onboarding process. This process should include verifying the identity of customers, conducting due diligence checks, and assessing the risk associated with each customer. Options C and D are not directly related to anti-money laundering responsibilities but are important considerations for overall business operations and customer service.

upvoted 1 times

VojechBrno 3 years, 6 months ago

A and B is correct. D is not even AML related so it cannot be correct.

upvoted 1 times

VojechBrno 3 years, 6 months ago

This is so obvious it needs no explanation.

upvoted 1 times

GlitterBot 3 years, 8 months ago

Based on the link provided to the FATF document, it also states "The possibility of using information collected online to augment the customer profile and help in detecting suspicious activity and transactions is another important AML/CFT compliance growth area" - Wouldn't that be a mechanism to prevent a cyber attack?

upvoted 1 times

Vksh9 4 years, 3 months ago

due to obvious reasons

upvoted 2 times

Guitarman86 4 years, 3 months ago

THE ANSWER IS "A" AND "B"

upvoted 1 times

Prash007 4 years, 5 months ago

correct answer is A and B

upvoted 1 times

Gracey31 4 years, 5 months ago

CD does not make sense more of improving Customer Experience but not associated with ML

upvoted 1 times

Tam_3 4 years, 5 months ago

Answer is A and B

upvoted 1 times

flowvalo 4 years, 6 months ago

A and B

upvoted 2 times

Koios 4 years, 6 months ago

Agreed A/B

upvoted 2 times

joanp22 4 years, 7 months ago

A & B. https://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-RBA-Virtual-Currencies.pdf. Require some extra reading

upvoted 1 times

NN4123 4 years, 11 months ago

D is not directly related to AML. I would choose A and B.

upvoted 2 times

Question #172 *Topic 1*

Which three measures are contained in Financial Action Task Force 40 Recommendations for reporting suspicious activity? (Choose three.)

A. The activity should be reported promptly to the country's financial intelligence unit.

B. The financial institution has been contracted by law enforcement regarding the activity.

C. The financial institution has grounds to believe the activity is related to terrorist financing.

D. The financial institution has contacted the account holder to determine the activity of the account.

E. The financial institution has reasonable grounds to suspect the funds are proceeds of criminal activity.

Suggested Answer: *A, C, E*

Official Answer: ACE

Community vote distribution

ACE (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago

A,C,E is the answer - REPORTING OF SUSPICIOUS TRANSACTIONS [https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf] If a financial institution suspects or has reasonable grounds to suspect that funds are the proceeds of a criminal activity, or are related to terrorist financing, it should be required, by law, to report promptly its suspicions to the financial intelligence unit (FIU). According to the Financial Action Task Force's (FATF) Recommendation 20, a suspicious transaction report (STR) or a suspicious activity report (SAR) is filed by a financial institution or, by a concerned citizen, to the local Financial Intelligence Unit if they have reasonable grounds to believe that a transaction is related to criminal activity. [https://aml-cft.net/library/suspicious-transaction-report-str-suspicious-activity-report-sar/]

upvoted 19 times

96a3dc3 Most Recent 1 year, 1 month ago

VOTED FOR A/C/E

upvoted 1 times

Neeti32 2 years, 2 months ago

100% sure

upvoted 1 times

Dilara89 3 years, 3 months ago

Definitely

upvoted 1 times

V2222 4 years ago

A correct answer :)

upvoted 1 times

Prash007 4 years, 5 months ago

answer is A,C,E

upvoted 2 times

CTPC 4 years, 5 months ago

No doubt

upvoted 2 times

joanp22 4 years, 7 months ago

A C & E are the correct answers

upvoted 2 times

AlvinS77 4 years, 10 months ago

ACE it is. Study guide pg. 95: Suspicious transaction and/or activity reporting: Financial institutions must report to the appropriate financial intelligence unit when they suspect or have reasonable grounds to suspect that funds are the proceeds of a criminal activity or are related to terrorist financing. The financial institutions and the employees reporting such suspicions should be protected from liability for reporting and should be prohibited from disclosing that they have reported such activity.

upvoted 4 times

Ash1004 5 years, 2 months ago

ACE it is.

upvoted 2 times

Question #173 *Topic 1*

What is a tool governments and multi-national bodies can use to prevent the proliferation of weapons of mass destruction?

A. Economic Sanctions

B. Commission Rogatoire

C. Account Monitoring Order

D. Mutual Legal Assistance Treaties

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (100%)

Szymbrush Highly Voted 5 years, 11 months ago
Should be A, economic sanctions.
upvoted 30 times

Writingsoon_2021 Highly Voted 5 years, 3 months ago
A is the answer - Cams P.177 - Economic sanctions "countries are using eco- nomic sanctions instead of military force as an instrument of foreign policy."
upvoted 10 times

96a3dc3 Most Recent 1 year, 1 month ago
VOTED A
upvoted 1 times

Jp994 2 years, 1 month ago
Why A, that makes no sense?
upvoted 1 times

Neeti32 2 years, 2 months ago
A is the answer.
upvoted 2 times

7480f4e 2 years, 2 months ago
how are so many answers incorrect? this is not even a close one. "Creation of a Recommendation for targeted financial sanctions related to the proliferation of weapons of mass destruction (WMD)."
upvoted 2 times

mgflash 2 years, 11 months ago
A since sanctions are used to prevent an activity "Global sanctions efforts have reduced funding to organizations from traditional state sponsors of terror."
upvoted 1 times

matovu 3 years, 9 months ago
A is the answer.
upvoted 1 times

Prash007 4 years, 5 months ago
Definetely A
upvoted 1 times

CTPC 4 years, 5 months ago
Except A all are irellevent
upvoted 1 times

Ankit_G 4 years, 6 months ago
it shuld be A
upvoted 1 times

jlhickman8 4 years, 6 months ago

A is the correct answer

upvoted 1 times

joanp22 4 years, 7 months ago

A economic sanction

upvoted 1 times

akz546 4 years, 7 months ago

A CAMS p137 OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers and those engaged in activities related to the proliferation of weapons of mass destruction. "

upvoted 3 times

ASHU1408 4 years, 7 months ago

Should be A, economic sanctions.

upvoted 2 times

BABTEE 4 years, 10 months ago

A IS THE ANSWER. TOOL IS THE QUESTION

upvoted 3 times

Kingor123 4 years, 11 months ago

Thanks I thought I got it wrong at first

upvoted 1 times

Question #174 *Topic 1*

Which two actions should Financial Intelligence Units (FIUs) take when submitting a request to another FIU? (Choose two.)

A. Send the same request to all FIUs

B. Disclose the reason and purpose for the request

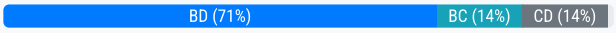
C. Provide feedback on how the information was used

D. Make best efforts to provide complete and factual information

Suggested Answer: *B, D*

Official Answer: BD

Community vote distribution



Writingsoon_2021 Highly Voted 5 years, 3 months ago

B & D is the answer https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/Consolidated-FATF-Standards-information-sharing.pdf In the context of mutual legal assistance Principles applicable to all forms of international cooperation D - P.28 “make their best efforts to provide complete factual and, as appropriate, legal information…” Exchange of information between FIUs B – P.29 “When making a request for cooperation, FIUs should make their best efforts to provide complete factual, and, as appropriate, legal information, including the description of the case being analysed and the potential link to the requested country.”

upvoted 16 times

evann159 Highly Voted 5 years, 9 months ago

Ans B, D Ans to C - providing feedback is upon request rather than making a request https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/Consolidated-FATF-Standards-information-sharing.pdf When making a request for cooperation, FIUs should make their best efforts to provide complete factual, and, as appropriate, legal information, including the description of the case being analysed and the potential link to the requested country. Upon request and whenever possible, FIUs should provide feedback to their foreign counterparts on the use of the information provided, as well as on the outcome of the analysis conducted, based on the information provided.

upvoted 13 times

Neeti32 Most Recent 2 years, 2 months ago

answer is B & D Exchange of information between FIUs B – P.29 “When making a request for cooperation, FIUs should make their best efforts to provide complete factual, and, as appropriate, legal information, including the description of the case being analysed and the potential link to the requested country.”

upvoted 1 times

Jaffar_95 2 years, 7 months ago

B and D

upvoted 1 times

marykate1 2 years, 8 months ago

BD are obviously correct per Egmont Group document https://egmontgroup.org/wp-content/uploads/2021/09/Egmont-Group-of-Financial-Intelligence-Units-Principles-for-Information-Exchange-Between-Financial-Intelligence-Units.pdf C) is incorrect, because providing feedback is UPON REQUEST and the question states WHEN SUBMITTING A REQUEST per Egmont "Upon request and whenever possible, FIUs should provide feedback"

upvoted 1 times

Jamiebanana 2 years, 10 months ago

according to FATF policy - exchange of info between FIU

upvoted 1 times

jeasuncion 3 years ago

D if for the FIU receiving the request not the one requesting

upvoted 1 times

Rjones 3 years, 1 month ago

When submitting a request to another Financial Intelligence Unit (FIU), it is important for the requesting FIU to disclose the reason and purpose for the request. This helps the receiving FIU understand the context and relevance of the information being sought. Additionally, the requesting FIU

should make best efforts to provide complete and factual information to ensure that the receiving FIU has accurate and comprehensive data to work with. Providing feedback on how the information was used is not typically an action taken when submitting a request to another FIU.

upvoted 2 times

Rox1983 4 years, 5 months ago

D would be for the fiu that receives the request bc are for the fiy that submits the request

upvoted 1 times

Prash007 4 years, 5 months ago

B and D

upvoted 1 times

Tam_3 4 years, 5 months ago

B and D

upvoted 1 times

joanp22 4 years, 7 months ago

Answer B & D very logical

upvoted 3 times

Jo2021 4 years, 9 months ago

the correct answers are B, C, and D according to Egmont Group of Financial Intelligence Units Principles for Information Exchange between Financial Intelligence Units 28 October 2013. but the question only asks for two choices. Para 17:When requesting co-operation, FIUs should make their best efforts to provide complete, factual and, as appropriate, legal information... Para 19:FIUs should provide feedback to their foreign counterparts on the use of the information provided Para 20: An FIU requesting information should disclose, to the FIU that will process the request, the reason for the request, and to the extent possible the purpose for which the information will be used

upvoted 2 times

Annnnnnnna 5 years, 1 month ago

CD, FATF40, p.111-112: When making requests for cooperation, competent authorities should make their best efforts to provide complete factual and, as appropriate, legal information, including indicating any need for urgency, to enable a timely and efficient execution of the request, as well as the foreseen use of the information requested. Upon request, requesting competent authorities should provide feedback to the requested competent authority on the use and usefulness of the information obtained.

upvoted 1 times

bmb251 5 years, 6 months ago

Agree with evann159.. correct answer B,D

upvoted 3 times

mngmng 5 years, 9 months ago

answer- C,D

upvoted 1 times

Question #175 *Topic 1*

What can a compliance officer do in the absence of automated software to conduct U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) sanction screens?

A. Rely on a credit report from OFAC

B. Conduct a key-word search on the Internet

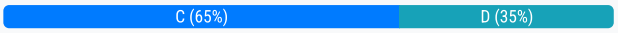
C. Use the consolidated Sanctions List Search screen on the OFAC website

D. Obtain up-to-date copies of the OFAC's Specially Designated Nationals list

Suggested Answer: *C*

Official Answer: C

Community vote distribution



jgallag11 Highly Voted 5 years, 9 months ago

Does anyone else think its C? I did find a sanctions search list on the OFAC website https://sanctionssearch.ofac.treas.gov/https://home.treasury.gov/policy-issues/financial-sanctions/consolidated-sanctions-list-non-sdn-lists "In order to make it easier to comply with OFAC's sanctions regulations, the office is now offering all of its non-SDN sanctions lists in a consolidated set of data files "the Consolidated Sanctions List". These consolidated files comply with all OFAC's existing data standards." So I think it's C

upvoted 34 times

jgallag11 Highly Voted 5 years, 9 months ago

Does anyone else think its C? I did find a sanctions search list on the OFAC website https://sanctionssearch.ofac.treas.gov/

upvoted 34 times

kwiecik 5 years, 2 months ago

https://home.treasury.gov/policy-issues/financial-sanctions/consolidated-sanctions-list-non-sdn-lists "In order to make it easier to comply with OFAC's sanctions regulations, the office is now offering all of its non-SDN sanctions lists in a consolidated set of data files "the Consolidated Sanctions List". These consolidated files comply with all OFAC's existing data standards." So I think it's C

upvoted 6 times

96a3dc3 Most Recent 1 year, 1 month ago

VOTED FOR C

upvoted 1 times

0b70f32 1 year, 2 months ago

C. Use the consolidated Sanctions List Search screen on the OFAC website Explanation: In the absence of automated screening software, the OFAC Sanctions List Search tool on the official OFAC website is the most accurate and reliable method for manually screening names against the sanctions lists. It is specifically designed for this purpose and includes all relevant OFAC lists, including the Specially Designated Nationals (SDN) list.

upvoted 1 times

9dad88f 1 year, 9 months ago

Answer: C OFAC consolidated sanction lists include: Specially Designated Nationals and Blocked Persons list ("SDN List") and all other sanctions lists administered by OFAC, including the Foreign Sanctions Evaders List, the Non-SDN Iran Sanctions Act List, the Sectoral Sanctions Identifications List, the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions and the Non-SDN Palestinian Legislative Council List.

upvoted 3 times

9dad88f 1 year, 9 months ago

Answer: C OFAC consolidated sanction lists include: Specially Designated Nationals and Blocked Persons list ("SDN List") and all other sanctions lists administered by OFAC, including the Foreign Sanctions Evaders List, the Non-SDN Iran Sanctions Act List, the Sectoral Sanctions Identifications List, the List of Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions and the Non-SDN Palestinian Legislative Council List.I just checked this and you are right! The text you shared is from OFAC's website here - https://sanctionslist.ofac.treas.gov/Home/index.html

upvoted 3 times

Geeflix 1 year, 8 months ago

I just checked this and you are right! The text you shared is from OFAC's website here - https://sanctionslist.ofac.treas.gov/Home/index.html

upvoted 1 times

Kuldeeppal009 2 years, 9 months ago

In the absence of automated software, a compliance officer can manually conduct U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) sanction screens using a variety of methods and resources. Here are some steps and tools they can employ: OFAC's SDN List: The OFAC provides a list of Specially Designated Nationals (SDNs) and Blocked Persons on its website. A compliance officer can manually check individuals and entities against this list. Consolidated Sanctions List: OFAC provides a consolidated list that includes names from various U.S. government agencies. The compliance officer can cross-reference names against this consolidated list.

upvoted 4 times

mgflash 2 years, 11 months ago

I say C.

upvoted 1 times

DJ0112 3 years, 9 months ago

Will be up-to-date.

upvoted 4 times

mjosef20202 4 years, 3 months ago

Answer is DI go with D because C)the Consolidated Sanction List lists parties the United States Government has imposed restrictions on certain exports. If a company on this list matches a party likely to be involved in the export transaction, additional due diligence should be done before proceeding. --> this is not as relevant as SDN List

upvoted 2 times

mjosef20202 4 years, 3 months ago

Selected Answer: D

Answer is D

upvoted 2 times

NDH01 4 years, 2 months ago

I go with D because C)the Consolidated Sanction List lists parties the United States Government has imposed restrictions on certain exports. If a company on this list matches a party likely to be involved in the export transaction, additional due diligence should be done before proceeding. --> this is not as relevant as SDN List

upvoted 2 times

Lesha 4 years, 4 months ago

C for sure

upvoted 1 times

Prash007 4 years, 5 months ago

answer is C

upvoted 1 times

genahaw 4 years, 5 months ago

I would Say C As in the OFAC Website it is mentioned: https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists As part of its enforcement efforts, OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals" or "SDNs." Their assets are blocked and U.S. persons are generally prohibited from dealing with them. View more information on Treasury's Sanctions Programs.

upvoted 1 times

CTPC 4 years, 5 months ago

No doubt

upvoted 2 times

Ankit_G 4 years, 6 months ago

Answer is C

upvoted 3 times

Koios 4 years, 6 months ago

I think the Answer is C, Sanction Screening is conducted beyond the scope of SDN. It would also stand to reason that if your getting the info from the OFAC website that it's going to be up to date and more comprehensive than just the SDN list.....so D doesn't make sense.

upvoted 1 times

joanp22 4 years, 7 months ago

D out of an abundance of caution While the consolidated sanctions list data files are not part of OFAC's list of Specially Designated Nationals and Blocked Persons "the SDN List," the records in these consolidated files may also appear on the SDN List.https://home.treasury.gov/policy-issues/financial-sanctions/consolidated-sanctions-list-non-sdn-lists

upvoted 1 times

littlecloud 4 years, 9 months ago

The answer should be C - The Sanctions list on OFAC's website includes OFAC"s SDN list. https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists

upvoted 2 times

Munevver 4 years, 9 months ago

D should be correct because the consolidated list does not include the SDN list and the question addresses that list

upvoted 1 times

Question #176 *Topic 1*

A bank maintains a number of United States (U.S.) dollar correspondent accounts for foreign financial institutions. Upon a routine review of a U.S. dollar correspondent account owned by Foreign Bank A, a number of transactions appear to have been originated by Foreign Bank B outside the expected activity for this account. These transactions appear suspicious and a suspicious transaction report was filed by the compliance officer.
Which step should the compliance officer take?

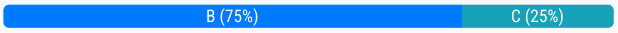
A. File a report with the appropriate tax authorities in the jurisdictions of Foreign Bank A and Foreign Bank B

B. Notify senior management of the money laundering risks by allowing Foreign Bank A to maintain its U.S. dollar correspondent account

C. Notify Foreign Bank A of the discovery and seek documentation supporting Foreign Bank A was collusive and a willing partner with Foreign Bank B in the activity

D. Notify other U.S. financial institutions who maintain U.S. dollar correspondent accounts for Foreign Bank A and Foreign Bank B in an effort to shut down the activity

Suggested Answer: *B*
Official Answer: B

Community vote distribution


jgallag11 Highly Voted 5 years, 9 months ago
Does anyone else agree with B? Wouldn't C potentially be tipping off Bank A that they are under suspicion?Yes, exactlyyes, C is tipping off.
upvoted 33 times

jgallag11 Highly Voted 5 years, 9 months ago
Does anyone else agree with B? Wouldn't C potentially be tipping off Bank A that they are under suspicion?
upvoted 33 times

FatiPaca13 5 years ago
Yes, exactly
upvoted 4 times

gangmo09 4 years, 10 months ago
yes, C is tipping off.
upvoted 3 times

IbiH 4 years, 10 months ago
B. escalate and inform senior management, the other options dont make sense. C and D will get you fired.
upvoted 10 times

Neeti32 Most Recent 2 years, 2 months ago
Answer is B - Page 212 of CAMS Study Material - "In many jurisdictions, it is a requirement to report certain information regarding STRs to senior management and/or the board of directors. This information may be limited to the number of reports filed, the dollar amounts involved, and significant trends as observed by compliance personnel. In some cases, if the activity presents a significant or potentially ongoing risk to the institution, the leaders of the institution should be made aware so that high level decisions can be made regarding potential changes to systems, staffing, products, services, or particular relationships maintained by the institution"
upvoted 3 times

StellJerry 2 years, 11 months ago
Answer is B - Page 212 of CAMS Study Material - "In many jurisdictions, it is a requirement to report certain information regarding STRs to senior management and/or the board of directors. This information may be limited to the number of reports filed, the dollar amounts involved, and significant trends as observed by compliance personnel. In some cases, if the activity presents a significant or potentially ongoing risk to the institution, the leaders of the institution should be made aware so that high level decisions can be made regarding potential changes to systems, staffing, products, services, or particular relationships maintained by the institution"
upvoted 2 times

mgflash 2 years, 11 months ago

sorry typo, this is why I stood with B

upvoted 1 times

mgflash 2 years, 11 months ago

I chose B and here's why. I know why some answered C per 312 "Determining whether the correspondent account is being used by other foreign banks that have a correspondent relationship with the foreign bank for which the correspondent account was established, and taking reasonable steps to assess and mitigate the money laundering risks associated with such accounts," but the word "collusive" in the answer was added. If the MLO requested additional documents then I would understand. Per the ACAMS study guide "In some cases, if the activity presents a significant or potentially ongoing risk to the organization, the leaders should be notified so that high-level decisions can be made regarding potential changes to systems, staffing, products, services, or specific relationships maintained by the organization." This is I stood with answer C.

upvoted 1 times

mgflash 2 years, 11 months ago

I say B. Why tip off the client?

upvoted 1 times

Rjones 3 years, 1 month ago

The answer is B. STR was already filed so we will not consider C as we wouldn't want to Notify the clients or request for any further info. A is out as already an STR is filed, it would not be relevant to again report to other authority. D is not even considered. Coming to B, "Procedures to periodically notify senior management or the board of directors of SAR filings" Pg no 316 study guide vs 6.48.

upvoted 2 times

Dilara89 3 years, 3 months ago

B is the correct answer. C is tipping off

upvoted 1 times

ThalThal23 3 years, 5 months ago

Seeking documentation supporting Foreign Bank A's involvement or non-involvement in the activity is an appropriate measure to help the bank comply with the requirements of section 312 of the patriot act. Further, when suspicious transactions are identified in the correspondent bank account of a foreign financial institution, the compliance officer should initiate further investigation to determine the nature of the suspicious activity and asses the level of ML of TF. C is not tipping off because the compliance officer is not sharing specifics of the suspicious activity or raising any suspicious of ML or TF with foreign bank A. Rather, the officer is notifying foreign bank A of the discovery and only seeking documentation supporting Foreign Bank A involvement or non-involvement in the activity. Tipping off is when an individual informs a customer or third party about a suspicious activity report or related investigation which could potentially compromise the investigation or alert the customer to take actions to evade detection.

upvoted 2 times

AT2709 3 years, 6 months ago

D due to Patriot Act "Section 314(b) allows these financial organizations to share information with one another regarding individuals, entities, organizations, and countries for purposes of identifying and, when appropriate, reporting activities that might involve possible terrorist activity or money laundering. Section 314(b) also allows for safe harbor liability protections to share information related to activities the financial organization suspects might involve money laundering or terrorist activity, even if the financial organization or association cannot identify specific proceeds of a specified unlawful activity being laundered or the activity does not constitute a “transaction"

upvoted 1 times

VojechBrno 3 years, 6 months ago

C may be correct if you want to be fired.

upvoted 1 times

gogocurry 3 years, 9 months ago

D. 314(b)

upvoted 3 times

kirabee 3 years, 10 months ago

May be C because of Section 312: Correspondent and Private Banking Accounts- Determining whether the correspondent account is being used by other foreign banks that have a correspondent relationship with the foreign bank for which the correspondent account was established, and taking reasonable steps to assess and mitigate the money laundering risks associated with such accounts and Section 314(b) allows these financial organizations to share information with one another regarding individuals, entities, organizations, and countries for purposes of identifying and, when appropriate, reporting activities that might involve possible terrorist activity or money laundering. Section 314(b) also allows for safe harbor liability protections to share information related to activities the financial organization suspects might involve money laundering or terrorist activity, even if the financial organization or association cannot identify specific proceeds of a specified unlawful activity being laundered or the activity does not constitute a “transaction.”

upvoted 2 times

RedPapa 4 years, 4 months ago

did they change the order of choices at some point but didn't update the "A/B/C/D" answer selections? that's the only logical explanation I can come up with for how wrong some of the answer are.

upvoted 2 times

ABenny7 4 years, 5 months ago

Answer is B - C & D are tipping, so they are ruled out. A doesn't make sense so the only logical answer is B

upvoted 1 times

Prash007 4 years, 5 months ago

B can be the only answer

upvoted 1 times

Question #177 *Topic 1*

A New York-based lawyer is interested in purchasing a luxury condo in Manhattan
listed at $30 million for a client based in the
Caribbean.
The client does not want to be named on the deed and wants the purchase to be made under the name of a limited liability company (LLC). The client states that the reason for this arrangement is that he is a high level government official who is concerned about his privacy if the purchase were to be made in his name.
The funds for the purchase are to be wired from several accounts in various countries.
Which two facts lead to gathering more information about this potential client before moving forward with the transaction? (Choose two.)

A. The client is from a Caribbean country

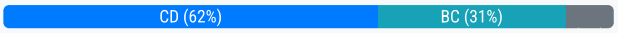
B. The use of an LLC to make the purchase

C. The client is a high level government official

D. The funds are coming from several accounts in various countries.

Suggested Answer: *C, D*
Official Answer: CD

Community vote distribution



desp03 Highly Voted 5 years ago
CD are correct.

An LLC or a private investment company (or complex legal arrangements) by themselves do not warrant high risk. It's because these arrangements hide TRUE BENEFICIAL OWNERSHIP that renders them so. In this case, as the true beneficial ownership is ALREADY ESTABLISHED (i.e. the government official), that aspect is no longer a risk. What is risky is the SOURCE OF FUNDS AND WEALTH which cannot be reasonably verified as LEGITIMATE. Therefore, EDD must be conducted on the government official himself and the funds (BUT NOT THE LLC).
upvoted 43 times

desp03 Highly Voted 5 years ago
CD are correct. An LLC or a private investment company (or complex legal arrangements) by themselves do not warrant high risk. It's because these arrangements hide TRUE BENEFICIAL OWNERSHIP that renders them so. In this case, as the true beneficial ownership is ALREADY ESTABLISHED (i.e. the government official), that aspect is no longer a risk. What is risky is the SOURCE OF FUNDS AND WEALTH which cannot be reasonably verified as LEGITIMATE. Therefore, EDD must be conducted on the government official himself and the funds (BUT NOT THE LLC).I agree with this reasoningthank youThis makes complete sense. I agree.
upvoted 43 times

Jazz_MLRO 4 years, 8 months ago
I agree with this reasoning
upvoted 1 times

KUNAL1022 4 years, 3 months ago
thank you
upvoted 1 times

Bethanycams 3 years, 11 months ago
This makes complete sense. I agree.
upvoted 2 times

Rinkuji 5 years, 2 months ago
B, C is the answer. B - hiding ownership, C - PEP, requires gathering more informationAn LLC doesn't necessarily mean they're trying to hide ownership.
upvoted 9 times

Rinkuji 5 years, 2 months ago
B, C is the answer. B - hiding ownership, C - PEP, requires gathering more information
upvoted 9 times

Art_G92 4 years ago

An LLC doesn't necessarily mean they're trying to hide ownership.

upvoted 3 times

96a3dc3 Most Recent 1 year, 1 month ago

VOTED FOR C/D

upvoted 1 times

Tee04 2 years ago

The two facts that lead to gathering more information about this potential client before moving forward with the transaction are: C. The client is a high level government official - High-level government officials are considered politically exposed persons (PEPs) and are subject to higher scrutiny due to the increased risk of involvement in corruption and money laundering. D. The funds are coming from several accounts in various countries - This pattern of fund transfers from multiple accounts in different countries can be indicative of attempts to obscure the source of funds, which raises concerns about potential money laundering.

upvoted 3 times

Neeti32 2 years, 2 months ago

i'd choose C & D

upvoted 1 times

Rjones 3 years, 1 month ago

My Answer is B and C as the customer clearly hints that he does not want it in his name and on the LLC to hide the true beneficiary, 2nd one is the client being a high gov official, which requires further EDD.. D is not the correct answer as if you see in the question "Which two facts lead to gathering more information about this potential client before moving forward with the transaction? " "BEFORE MOVING FWD WITH THE TRANSACTION" - so first concentrate on the clients requirements and status of being a PEP first, as these two firstly needs to be addressed and more info needs to be gathered.

upvoted 4 times

VojechBrno 3 years, 6 months ago

LLC has clear ownership which can be tracked

upvoted 2 times

GoharHar 3 years, 7 months ago

C and D

upvoted 1 times

JDomar8128 3 years, 10 months ago

B is actually routine. C because is it makes him a PEP and D obviously

upvoted 1 times

V2222 4 years ago

B and C is the definite correct answer;

upvoted 2 times

Alla88 4 years, 2 months ago

privacy concern makes sense, the SOF is sus and of course he is a potential PEP so...

upvoted 1 times

Will_C 4 years, 2 months ago

C is not necessarily correct because the customer may just claim to be a senior government official to justify his intention to buy the condo using a LLC so my choice is BD

upvoted 1 times

Prash007 4 years, 5 months ago

agreed with c and d

upvoted 1 times

Tam_3 4 years, 5 months ago

C and D. B is not a concern because the client explained why he wants to make the purchase this way. However, the fact that he is a PEP now requires EDD and the funds coming from different countries is questionable.

upvoted 2 times

RickM15 4 years, 5 months ago

BCD are right, but I would go with B&D. Hiding ownership within an LLC and 30M spread out over various accounts and countries... sketchy!

upvoted 1 times

Koios 4 years, 6 months ago

Agreed C/D

upvoted 1 times

joanp22 4 years, 7 months ago

C D are the answers.

upvoted 1 times

Question #178 *Topic 1*

Which two methods can be used to structure casino-related transactions? (Choose two.)

A. Playing at the same game

B. Purchase of chips at multiple gaming tables

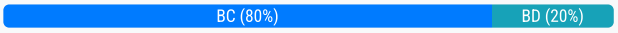
C. Use of third parties to conduct transactions

D. One time deposit of cash at a single gaming machine

Suggested Answer: *B, C*

Official Answer: BC

Community vote distribution



Ash1004 Highly Voted 4 years, 2 months ago

B & C is correct

upvoted 8 times

96a3dc3 Most Recent 1 year, 1 month ago

VOTED B/C

upvoted 1 times

Sorak 1 year, 9 months ago

However purchasing chips from cash is not a placement instead of structuring?

upvoted 1 times

Rjones 2 years, 1 month ago

Structuring casino-related transactions refers to the practice of dividing large transactions into smaller, less conspicuous amounts to avoid reporting requirements and scrutiny. Purchasing chips at multiple gaming tables allows individuals to break down a large amount of money into smaller transactions, making it harder to detect the overall transaction amount. Additionally, using third parties to conduct transactions, such as agents or intermediaries, can further obscure the source and nature of the funds. Playing at the same game (choice A) and making a one-time deposit of cash at a single gaming machine (choice D) are not commonly associated with structuring casino-related transactions.

upvoted 4 times

TooBeFehr745 2 years, 10 months ago

I vote BC. My source is: https://www.fatf-gafi.org/media/fatf/documents/reports/Vulnerabilities%20of%20Casinos%20and%20Gaming%20Sector.pdf Page 33: The use of third parties to undertake transactions using single or multiple accounts. and Regularly switching gaming tables, gaming rooms, junkets or casinos within a chain when the wagering amounts are approaching the reporting threshold.

upvoted 1 times

Sagah_matz 2 years, 10 months ago

BC....question is about “methods used to structure”. D: One time deposit at a single machine doesn’t look like something complex unlike B&C

upvoted 1 times

Wonnie 2 years, 10 months ago

structuring is placing the funds..so I think it's more related to B & D.

upvoted 1 times

Sagah_matz 2 years, 10 months ago

Selected Answer: BD

D appears stronger than C in terms of casino related transaction.

upvoted 1 times

Sagah_matz 2 years, 10 months ago

D appears stronger than C in terms of casino related transaction.BC....Looking at the question again...it is about “methods used to structure”. D: One time deposit at a single machine doesn’t look like something complex unlike B&C

upvoted 1 times

Sagah_matz 2 years, 10 months ago

BC....Looking at the question again...it is about “methods used to structure”. D: One time deposit at a single machine doesn’t look like something complex unlike B&C

upvoted 4 times

Himasha 3 years, 3 months ago

pg 37... B &C

upvoted 1 times

Aboanas92 3 years, 4 months ago

I went with A and B because in A they can work together to cover their losses and in B they can buy below the threshold.

upvoted 1 times

Prash007 3 years, 5 months ago

B AND C

upvoted 1 times

Tam_3 3 years, 5 months ago

Answer is B and C

upvoted 1 times

CTPC 3 years, 5 months ago

More meaningful than others

upvoted 1 times

joanp22 3 years, 7 months ago

B & C are the answer

upvoted 2 times

bmb251 4 years, 6 months ago

agree B, C

upvoted 2 times

prasadthanganathan 4 years, 8 months ago

Agreed B & C

upvoted 2 times

jgallag11 4 years, 9 months ago

Should this be A and C? The book references working together to cover both sides of a bet, but I'm not sure about buying chips at multiple gaming tables

upvoted 4 times

jgallag11 4 years, 9 months ago

Should this be A and C? The book references working together to cover both sides of a bet, but I'm not sure about buying chips at multiple gaming tablesIn my eyes, the question is asking about structuring. The multiple gaming tables is a way to possibly avoid the suspicion of bringing too much money to one dealer. They can break it up.. aka structuring

upvoted 4 times

rach_225 Highly Voted 4 years, 9 months ago

In my eyes, the question is asking about structuring. The multiple gaming tables is a way to possibly avoid the suspicion of bringing too much money to one dealer. They can break it up.. aka structuring

upvoted 8 times

Question #179 *Topic 1*

An anti-money laundering officer is conducting employee reviews.
Which employee action warrants enhanced due diligence?

A. The teller reviews customer profiles and makes notations of personal information to reportedly become familiar with bank customers.

B. The private banker has recently taken long vacations which caused staff members to fall behind in their work to help cover bank duties.

C. The branch manager reviews the daily hold report and releases holds on non-cash items once the bank receives credit from the paying bank.

D. The bank chief executive officer lives in a lavish home and has requested the board to approve a membership payment at an exclusive country club.

Suggested Answer: *A*
Official Answer: A

Community vote distribution
A (51%) D (44%) (5%)

Willyz89 Highly Voted 5 years, 4 months ago
Let's use common sense, shall we? In what scenario does it make sense that a teller is taking bank customer personal information for referencing? IN WHAT WORLD? I wish the moderator could come clear the nonsense comments that throw us all off.I was thinking about A, but due considerations, IMHO, our topic is ML, how the cashier make notation on customers' profiles introduce risks to ML?Because it is suspicious employee behaviour.
upvoted 45 times

Willyz89 Highly Voted 5 years, 4 months ago
Let's use common sense, shall we? In what scenario does it make sense that a teller is taking bank customer personal information for referencing? IN WHAT WORLD? I wish the moderator could come clear the nonsense comments that throw us all off.
upvoted 45 times

SiewWai 4 years, 6 months ago
I was thinking about A, but due considerations, IMHO, our topic is ML, how the cashier make notation on customers' profiles introduce risks to ML?
upvoted 3 times

SiewWai 4 years, 6 months ago
I was thinking about A, but due considerations, IMHO, our topic is ML, how the cashier make notation on customers' profiles introduce risks to ML? Because it is suspicious employee behaviour.
upvoted 3 times

imperialchicken 3 years, 8 months ago
Because it is suspicious employee behaviour.
upvoted 4 times

Writingsoon_2021 5 years, 3 months ago
A is the answer - Tellers shouldn't be "making personal notes" on clients EDD is required
upvoted 13 times

FMGA Most Recent 11 months, 4 weeks ago
A does not seem to relate to ML
upvoted 1 times

96a3dc3 1 year, 1 month ago
VOTED A
upvoted 1 times

TinaChuah 1 year, 3 months ago
D is correct. Because bank chief holds a senior position, any unusual financial behaviour warrants EDD to prevent abuse of power. A although taking personal notes might raise a privacy concern, it's not automatically a money laundering risk, and doesn't not warrant EDD unless abuse is suspected.
upvoted 2 times

pufflehuff1993 1 year, 8 months ago

Sometimes institutions instruct their front line employees to make notations in the customer's profile concerning interactions with customers about personal info such as if the customer was getting married that month or sold a house recently. My frustration concerning the question is clarification on if the note was written by hand or for bank purposes, in banking systems. Either way personal information would be fraud related (trying to steal their identity) rather than related to money laundering. I think D is the answer.

upvoted 1 times

9dad88f 1 year, 9 months ago

Answer: A Let's first eliminating the options that do not apply. B - a private banker taking a long vacation and staff falling behind work is not a concern for EDD. C - branch manager reviewing and releasing holds after checks have cleared are standard practices some FIs take. D - CEO asking board to approve membership payment to exclusive country club is not of concern because the review will be conducted by the board, therefore, they should conduct additional research to why they want to approve/deny request. Questionable option: A - personal identifying information should be protected to prevent unauthorized access/identity theft.

upvoted 2 times

9955458 2 years ago

Answer is A

upvoted 2 times

Tee04 2 years ago

Selected Answer: D

The employee action that warrants enhanced due diligence is:

D. The bank chief executive officer lives in a lavish home and has requested the board to approve a membership payment at an exclusive country club.

This situation warrants enhanced due diligence because the CEO's lifestyle and request for the board to approve a luxury membership could indicate potential misuse of bank resources or involvement in financial misconduct. Enhanced due diligence would help ensure that the CEO's finances and actions are legitimate and transparent.

upvoted 4 times

Tee04 2 years ago

The employee action that warrants enhanced due diligence is: D. The bank chief executive officer lives in a lavish home and has requested the board to approve a membership payment at an exclusive country club. This situation warrants enhanced due diligence because the CEO's lifestyle and request for the board to approve a luxury membership could indicate potential misuse of bank resources or involvement in financial misconduct. Enhanced due diligence would help ensure that the CEO's finances and actions are legitimate and transparent.doesn't make sense, we can expect CEOs to earn a higher salary and live a more "lavish".

upvoted 4 times

shmurda 1 year, 10 months ago

doesn't make sense, we can expect CEOs to earn a higher salary and live a more "lavish".

upvoted 2 times

djunta 2 years, 7 months ago

D does not make sense. Lots of CEOs have high salaries and negotiate perks like club memberships. There's nothing AML-related about that. But it is highly suspicious for an employee to be taking personal info about customers.

upvoted 4 times

Cmed 2 years, 9 months ago

A - a teller is reviewing customer profiles and makes notations of personal information to become familiar with bank customers. Why would a teller need to write anything down, unless they want to share that information? Why would a teller need to become familar with multiple bank customers if a teller's job is typically to accept deposits and make withdrawals. B is out because it's silly to associate a long vacation that put staff members behind with money laundering. C is out because the branch manager is reviewing a daily hold report, which is likely due to their regular protocals, and releases a hold on non-cash items once the bank receives credit, which means the item did not return for any reason. D is out because CEOs are known to be exceptionally wealthy due to their salary. The CEO asking the board of directors to approve a membership payment at an exclusive country club is extreme, but true money launderers are not going to ask "permission" to launder money.

upvoted 4 times

Bunos62 2 years, 12 months ago

D is the answer - unusual employee activity, ACAMS study guide pg. 329

upvoted 1 times

Bunos62 2 years, 12 months ago

D is the answer - unusual employee activity, ACAMS study guide pg. 329Please explain how taking notes of personal details of customers is not unusual?

upvoted 1 times

CiaranDallas 2 years, 11 months ago

Please explain how taking notes of personal details of customers is not unusual?

upvoted 3 times

Rjones 3 years, 1 month ago

"Employee uses company resources to further private interests" pg no 329 vs 6.48 study guide

upvoted 1 times

Harriode 3 years, 3 months ago

I will go with A, as it is an usual activity on the part of the Teller. A bank employee should only access client accounts/information for business purpose only.

upvoted 1 times

Dilara89 3 years, 3 months ago

Answer is D imo. A is suspicious but not ML related.

upvoted 2 times

Phoebe91 3 years, 4 months ago

D Acams study guide Unsual Employee Activity Employee uses company resources to further private interests page329

upvoted 4 times

Phoebe91 3 years, 4 months ago

D Acams study guide Unsual Employee Activity Employee uses company resources to further private interests page329exactly

upvoted 4 times

Sorak 2 years, 8 months ago

exactly

upvoted 1 times

study6660 3 years, 4 months ago

I think its AD

upvoted 2 times

Question #180 *Topic 1*

The local manager of a remote mortgage origination department of a financial institution has just discovered that sanctions screening of new customers is not being performed.
Which action should the local manager take in this situation?

A. Start screening new customers

B. Immediately inform the regulators

C. Immediately inform senior management

D. Do nothing because the department only handles a very small number of mortgages

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (80%) A (20%)

Writingsoon_2021 Highly Voted 4 years, 3 months ago
C is the answer
upvoted 10 times

96a3dc3 Most Recent 1 year, 1 month ago
VOTED C
upvoted 1 times

Edoli93 2 years, 1 month ago
Escalate to up manager. but at the same time screening the new customer :D
upvoted 1 times

Rjones 2 years, 1 month ago
Firstly when we notice something big like that, we are always supposed to escalate and then take a remedial action. In this case A is not advisable as for the local manager to take the initiative and start screening new customers themselves, it is not the recommended action in this situation. Compliance with sanctions screening is a responsibility that should be implemented at the institutional level and overseen by senior management. By taking matters into their own hands, the local manager may not have the necessary authority, resources, or expertise to properly conduct sanctions screening.Informing senior management allows for a more coordinated and effective response to the compliance issue, involving the relevant stakeholders and ensuring that appropriate measures are implemented institution-wide.
upvoted 2 times

Rjones 2 years, 1 month ago
Selected Answer: C
Firstly when we notice something big like that, we are always supposed to escalate and then take a remedial action. In this case A is not advisable as for the local manager to take the initiative and start screening new customers themselves, it is not the recommended action in this situation. Compliance with sanctions screening is a responsibility that should be implemented at the institutional level and overseen by senior management. By taking matters into their own hands, the local manager may not have the necessary authority, resources, or expertise to properly conduct sanctions screening.
upvoted 2 times

Rjones 2 years, 1 month ago
Informing senior management allows for a more coordinated and effective response to the compliance issue, involving the relevant stakeholders and ensuring that appropriate measures are implemented institution-wide.
upvoted 2 times

MrHongshaoyu 2 years, 5 months ago
C is the answer. A should be incorrect. Every employee being responsible for compliance means that issues identified won't be left unattended, not that every employee is capable of setting up compliance policies and procedures by themselves. In this particular case, the person is just a local manager. IF he starts monitoring by himself, without any expertise or established policies or procedures, most likely mistakes will be made, adding further compliance risks and risk of personal liabilities. This issue needs to be escalated to senior management so they bring a top-down solution.
upvoted 2 times

examlearnerxyzabc 2 years, 9 months ago

A is wrong because the old customers aren't remediated. B and D clearly wrong. So C is the answer

upvoted 1 times

NDH01 3 years, 2 months ago

1st step escalate and then start remediation action

upvoted 3 times

Alla88 3 years, 2 months ago

As a remedial process would need to be implemented by the appropriate parties within the organization, after review, to address required screening for new and existing customers.

upvoted 1 times

determined_to_succeed 3 years, 3 months ago

C is the answer as the priority is to address the exposure to risk.

upvoted 1 times

Vksh9 3 years, 4 months ago

Compliance is the responsibility of every employee. Start complying first then inform CO

upvoted 2 times

Michibu 3 years, 5 months ago

A first then Compliance Officer then Snr Manager

upvoted 2 times

Prash007 3 years, 5 months ago

answer should be C. My original thought was B but C makes more sense.

upvoted 2 times

CTPC 3 years, 5 months ago

Undoubtedly

upvoted 1 times

joanp22 3 years, 7 months ago

C my option.

upvoted 1 times

bmb251 4 years, 6 months ago

Totally agree with C

upvoted 4 times

Sundar1990 4 years, 8 months ago

Correct c

upvoted 1 times

AML_Investigator 4 years, 9 months ago

I agree with the given answer

upvoted 2 times

Question #181 *Topic 1*

What is a method of placement that can be used by a money launderer in a deposit taking institution?

A. Depositing cash into the money launderer's account

B. Sending a large number of funds transfers between accounts

C. Withdrawing large amounts of cash from the money launderer's account

D. Depositing cashier's checks and money orders into the money launderer's account

Suggested Answer: *A*

Official Answer: A

Community vote distribution

A (100%)

ZD_2020 Highly Voted 4 years, 10 months ago

Would agree with A. Also not sure why the reference to the answer is from Investopedia instead of the actual ACAMs study guide or associated literature? Might as well refer to the back of a cereal box at this rate...hilariousthat made me laugh, and totally agreed! :)

upvoted 64 times

ZD_2020 Highly Voted 4 years, 10 months ago

Would agree with A. Also not sure why the reference to the answer is from Investopedia instead of the actual ACAMs study guide or associated literature? Might as well refer to the back of a cereal box at this rate...

upvoted 64 times

Alla88 3 years, 2 months ago

hilarious

upvoted 3 times

Dilara89 2 years, 3 months ago

that made me laugh, and totally agreed! :)

upvoted 2 times

AMNAMEZ 4 years, 1 month ago

A is placement B and D are layering since it has been already placed in the financial system in forms of instruments. Answer is definitely A

upvoted 12 times

96a3dc3 Most Recent 1 year, 1 month ago

voted a

upvoted 1 times

mgflash 1 year, 11 months ago

A. Isn't D a layering stage. You already took the cash and converted them into cashier's checks and money orders. The placement already occurred.

upvoted 2 times

imperialchicken 2 years, 8 months ago

Placement of criminal proceedings in the form of cash is the most common method to introduce the illegal money to the financial system. Cash is still king not only among criminals but also among the customers. No one buys drugs with money orders, no one embezzles cashier's checks, give bribes with such instruments. The only scenario where placement could occur with the use of cashier's checks, or money orders is where criminals generate the illegal proceedings in the form of those instruments. Like drug-dealer gets the compensation with money orders or cashier's checks. Theoretically, it could happen, but it is extremely rare to non-existent. It is million times less occuring than cash. However, because of the fact placement still could happen with use of money orders and other instruments, ACAMS should avoid to include such options in the questions!! D is less common than A but is not incorrect scenario!!

upvoted 1 times

Alla88 3 years, 2 months ago

is this mockery? the most basic test of understanding of all, even? "Examples of placement transactions include the following: • Blending of funds: Commingling illegitimate funds with legitimate funds, such as placing the cash from illegal narcotics sales into a cash-intensive locally owned restaurant • Purchasing significant stored value cards with currency • Foreign exchange: Purchasing foreign exchange with illegal funds • Breaking up amounts: Dividing cash into small amounts and depositing it into numerous bank accounts in an attempt to evade reporting requirements • Currency

smuggling: Cross-border, physical movement of cash or monetary instruments • Loans: Repayment of legitimate loans using laundered cash" study guide p.5 cashhhh

upvoted 3 times

jacenkilcap 3 years, 4 months ago

The correct answer is A -- depositing cash at the banking institution. D is close, but the cash proceeds from the illegal activity have already been converted into cashiers checks and money orders at another financial institution somewhere. Depositing them now would just be layering, not placement. Option A is the closest to the true beginning of the money laundering process and would therefore be placement.

upvoted 6 times

Tam_3 3 years, 5 months ago

Answer is A

upvoted 2 times

madduck2 4 years ago

B and C are out. This one is A or D. Since this is about placement, it should be about the cash, so A seems to be a better answer. Cashier's checks and money orders leave a trail, so it should not be placement. So A.

upvoted 7 times

Eveej 4 years, 1 month ago

D appears incorrect because cashiers check and money orders are not usually used n the placement stage. A is the answer because cash is used in this initial stage.

upvoted 3 times

Ash1004 4 years, 2 months ago

A is right answer. it talks about PLACEMENT OF CASH.

upvoted 3 times

Writingsoon_2021 4 years, 3 months ago

D is the answer. Cams p.244 -- Definition -- Monetary Instruments: Monetary Instruments Travelers checks, negotiable instruments, including personal checks and business checks, official bank checks, cashier's checks, promissory notes, money orders, securities or stocks in bearer form. Monetary instruments are normally included, along with currency, in the anti- money laundering regulations of most countries, and financial institutions must file reports and maintain records of customer activities involving them.

upvoted 7 times

Writingsoon_2021 4 years, 3 months ago

BSA/AML MANUAL - Monetary instruments are products provided by banks and include cashier's checks, traveler's checks, and money orders. Monetary instruments are typically purchased to pay for commercial or personal transactions and, in the case of traveler's checks, as a form of stored value for future purchases.
[https://bsaaml.ffiec.gov/manual/RisksAssociatedWithMoneyLaunderingAndTerroristFinancing/12#:~:text=Monetary%20instruments%20are%20products%20provided,stored%20value%20for%20future%20purchases.]

upvoted 2 times

Writingsoon_2021 4 years, 3 months ago

D is the answer! not A (my previous entry) - [BSA/AML MANUAL] Risk Factors "The purchase or exchange of ***monetary instruments at the placement*** and layering stages of money laundering can conceal the source of illicit proceeds."
[https://bsaaml.ffiec.gov/manual/RisksAssociatedWithMoneyLaunderingAndTerroristFinancing/12] CAMS P.2/3 - Three Stages in the Money Laundering Cycle Examples of placement transactions include: • Currency smuggling: Cross-border physical movement of cash or monetary instrumentsBuying monetary instruments with cash is placement but depositing monetary instruments in the account is layering. So, A is correct.

upvoted 3 times

Writingsoon_2021 4 years, 3 months ago

D is the answer! not A (my previous entry) - [BSA/AML MANUAL] Risk Factors "The purchase or exchange of ***monetary instruments at the placement*** and layering stages of money laundering can conceal the source of illicit proceeds."
[https://bsaaml.ffiec.gov/manual/RisksAssociatedWithMoneyLaunderingAndTerroristFinancing/12] CAMS P.2/3 - Three Stages in the Money Laundering Cycle Examples of placement transactions include: • Currency smuggling: Cross-border physical movement of cash or monetary instruments

upvoted 3 times

Rinkuji 4 years, 2 months ago

Buying monetary instruments with cash is placement but depositing monetary instruments in the account is layering. So, A is correct.

upvoted 4 times

Writingsoon_2021 4 years, 3 months ago

A is the answer - Definition of Placement according to FINCEN is : involves physically placing illegally obtained money into the financial system or the retail economy. Money is most vulnerable to detection and seizure during placement. and., Cams P.2 - The physical disposal of ***cash*** or other

assets derived from criminal activity.

upvoted 2 times

jgallag11 4 years, 10 months ago

I agree with A

upvoted 3 times

prasadthanganathan 4 years, 11 months ago

"A" would be the right answer / disposing of cash into banking system will be in the placement stage "D" is incorrect as checks already in the banking systemCashier cheque is given to the customer to deposit. The definition says "The physical disposal of cash or other assets derived from criminal activity". Other assets can be cashier cheque also.But if the asset becomes cashier cheques, etc, then wouldnt that become more like 'layering' as the purchase of the instrument would have been placement already. I am more inclined with A being the answer.

upvoted 4 times

prasadthanganathan 4 years, 11 months ago

"A" would be the right answer / disposing of cash into banking system will be in the placement stage "D" is incorrect as checks already in the banking system

upvoted 4 times

MAJID1982 4 years, 11 months ago

Cashier cheque is given to the customer to deposit. The definition says "The physical disposal of cash or other assets derived from criminal activity". Other assets can be cashier cheque also.But if the asset becomes cashier cheques, etc, then wouldnt that become more like 'layering' as the purchase of the instrument would have been placement already. I am more inclined with A being the answer.

upvoted 1 times

MAJID1982 4 years, 11 months ago

Cashier cheque is given to the customer to deposit. The definition says "The physical disposal of cash or other assets derived from criminal activity". Other assets can be cashier cheque also.

upvoted 1 times

LFT 4 years, 6 months ago

But if the asset becomes cashier cheques, etc, then wouldnt that become more like 'layering' as the purchase of the instrument would have been placement already. I am more inclined with A being the answer.

upvoted 2 times

Question #182 *Topic 1*

The compliance officer for a private bank has been tasked with reviewing the procedure for authorized signatories on customer accounts to ensure it is in line with relevant Wolfsberg Anti-Money Laundering Principles for Private Banking.
Which three statements from the procedure are in line with Wolfsberg? (Choose three.)

A. Where the Authorized Signatory is not a lawyer or accountant, due diligence as to the source of funds and wealth of the Authorized Signatory should be undertaken.

B. The responsible private banker must establish the identity of a holder of general powers over an account (e.g. a signatory for the account) and, as appropriate, verify that identity.

C. Where due diligence has been satisfactorily completed on all authorized signers, the responsible private banker may reduce the due diligence performed on the account holder and/or beneficial owner.

D. The responsible private banker must obtain the necessary documentation establishing the authorized signer's authority to act on behalf of the account holder or beneficial owner (e.g. a Power of Attorney).

E. If an individual has signing authority over an account but does not act on a professional basis as a manager of funds, the responsible private banker must understand and document the relationship between that authorized signer, the account holder, and, if different, the beneficial owner of the account.

Suggested Answer: *B, D, E*
Official Answer: BDE

Community vote distribution
BDE (100%)

Writingsoon_2021 Highly Voted 5 years, 3 months ago
B, D, E is correct - B) Wolfsberg Anti-Money Laundering Principles for Private Banking (2012) P.3 - 1.2.5 Powers of Attorney/Authorised Signers (1.2.5 - The identity of a holder of general powers over an account (such as the power to act as a signatory for the account) will be established and, as appropriate, verified.) D) Wolfsberg FAQs on Intermediaries P.5 - Q.8. What due diligence should be undertaken on an Authorised Signer? The private banker ***must obtain the necessary documentation establishing the Authorised Signer's authority to act on behalf of the accountholder or beneficial owner (e.g. the Power of Attorney). **** E) P.5 Wolfsberg FAQs on Intermediaries Q.7. How is a holder of a power of attorney or an authorised signer ("Authorised Signer") different from a Managing Intermediary? "has signatory authority over an account but does not act on a professional basis as a manager of funds"
upvoted 42 times

Locustkeke90 Highly Voted 4 years, 6 months ago
real exam question form Jan 2022
upvoted 12 times

96a3dc3 Most Recent 1 year, 1 month ago
voted B/D/E
upvoted 1 times

Neeti32 2 years, 2 months ago
100% B,D,E is the answer
upvoted 1 times

jacenkilcap 4 years, 4 months ago
BDE is correct. Cannot be A because it specifically excludes attorneys and accountants and cannot be C because there are no measures for reducing due diligence just because other related parties have come back as okay.
upvoted 2 times

Tam_3 4 years, 5 months ago
Agree with BDE
upvoted 1 times

anna_sia 5 years, 4 months ago
B , D , E - correct answer

upvoted 5 times

bmb251 5 years, 6 months ago

Definitely B,D,E

upvoted 4 times

Abby32 5 years, 7 months ago

BDE is correct

upvoted 3 times

melmas 5 years, 8 months ago

"The due diligence performed on the accountholder and, if different, the beneficial owner, is the same as it would be in the situation where there is no Authorised Signer." quoted from same link

upvoted 1 times

olvic 5 years, 8 months ago

• E. If an individual has signing authority over an account but does not act on a professional basis as a manager of funds, the responsible private banker must understand and document the relationship between that authorized singer, the account holder, and, if different, the beneficial owner of the account. E. Makes reference to authorized singer could this be a trick or typo!!

upvoted 1 times

evann159 5 years, 9 months ago

ans BDE 'https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/10.%20Wolfsberg-Private-Banking-Prinicples-May-2012.pdf 1.2.5 Powers of Attorney/Authorised Signers The relationship between the holder of a power of attorney or another authorised signer, the accountholder and if different, the beneficial owner of the account, must be understood. The identity of a holder of general powers over an account (such as the power to act as a signatory for the account) will be established and, as appropriate, verified.

upvoted 2 times

AML_Investigator 5 years, 9 months ago

agree with BDE

upvoted 1 times

Cos08 5 years, 10 months ago

BDE: 1.customer identification, 2.source of funds and wealth; 3.due diligence on intermediaries of the client.

upvoted 3 times

RajAML 5 years, 10 months ago

BDE is correct

upvoted 2 times

Shadoowww 5 years, 10 months ago

Agree, the answer is BDE

upvoted 2 times

Szymbrush 5 years, 11 months ago

C is not correct - the provided reference states the following: "The due diligence performed on the accountholder and, if different, the beneficial owner, is the same as it would be in the situation where there is no Authorised Signer. " I.e. the presence of an Authorised signer, and any applicable CDD, does not reduce the requirements for the holder. Should be B

upvoted 4 times

Question #183 *Topic 1*

Who has the day-to-day responsibility of communicating and reinforcing the established anti-money laundering compliance culture and program?

A. Business lines

B. Senior management

C. Board of directors

D. Compliance officer

Suggested Answer: *D*
Official Answer: D

Community vote distribution
D (100%)

Ash1004 Highly Voted 4 years, 2 months ago
Communicating and Re enforcing... D
upvoted 14 times

Locustkeke90 Highly Voted 3 years, 6 months ago
real exam question form Jan 2022
upvoted 8 times

96a3dc3 Most Recent 1 year, 1 month ago
VOTED D
upvoted 1 times

Sbl_89 1 year, 10 months ago
AML/CFT compliance staff: Under the direction of a designated compliance officer, the compliance staff function coordinates and monitors the organization's day-to-day AML/CFT compliance program. It is the second line of defense.
upvoted 2 times

Rjones 2 years, 1 month ago
The board's role in AML/CFT compliance consists of reviewing and approving the overall AML/CFT program and ensuring that there is ongoing oversight. Board members are not expected to become AML/CFT experts, nor are they responsible for day-to-day program management. Typically, the ultimate responsibility for the AML/CFT compliance program rests with the organization's board of directors. The board and senior management must set the tone from the top by openly voicing their commitment to the AML/CFT program, ensuring that their commitment flows through all service areas and lines of business, and holding responsible parties accountable for compliance
upvoted 2 times

bwtkns15 3 years, 1 month ago
It is C Pg 282 - Embedding a culture of compliance into the overall structure of a financial organization is critical to the development and ongoing administration of an effective AML/CFT program. "Typically, the ultimate responsibility for the AML/CFT compliance program rests with the organization's board of directors."
upvoted 1 times

bwtkns15 3 years, 1 month ago
It is C Pg 282 - Embedding a culture of compliance into the overall structure of a financial organization is critical to the development and ongoing administration of an effective AML/CFT program. "Typically, the ultimate responsibility for the AML/CFT compliance program rests with the organization's board of directors."Never mind. It is D, sorry.
upvoted 1 times

bwtkns15 3 years, 1 month ago
Never mind. It is D, sorry.
upvoted 2 times

Rani_panda 3 years, 5 months ago
D: Compliance officer
upvoted 1 times

Cj1995 3 years, 5 months ago

It is D

upvoted 1 times

Tam_3 3 years, 5 months ago

D - Compliance Officer

upvoted 1 times

kath07 3 years, 5 months ago

Pg 159 Study Guide AML/CFT compliance staff: Under the direction of a designated compliance officer, this function coordinates and monitors the organization's day-to-day AML/CFT compliance program. => Answer is D

upvoted 2 times

Phoenix1982 4 years, 2 months ago

But in Pg 106 It mentioned as CO

upvoted 3 times

Phoenix1982 4 years, 2 months ago

Ans is "Board of Director" Ref Pg 165 & 157 0f CAMS Compliance : CO Compliance Culture & Program : BoDThe question is talking about « day to day » responsibility of communicating and also it's not their role to reinforce the compliance program. So answer is D, it's the role of the compliance officer.

upvoted 4 times

Phoenix1982 4 years, 2 months ago

Ans is "Board of Director" Ref Pg 165 & 157 0f CAMS

Compliance : CO Compliance Culture & Program : BoD

upvoted 4 times

Polcos 4 years ago

The question is talking about « day to day » responsibility of communicating and also it's not their role to reinforce the compliance program. So answer is D, it's the role of the compliance officer.

upvoted 4 times

Writingsoon_2021 4 years, 3 months ago

D is the answer

upvoted 3 times

bmb251 4 years, 6 months ago

correct D

upvoted 2 times

Question #184 *Topic 1*

The board of directors receives notice from the primary regulator of the bank that potentially suspicious activity has been identified and the bank president appears to be involved. The Board asks the compliance officer for advice.
Which action should the compliance officer take when informed?

A. Destroy all records relating to the matter

B. Insist on the president's immediate resignation

C. Inform the bank's legal counsel and follow their instructions

D. Inform the president of the regulator's suspicions and ask for his advice

Suggested Answer: *C*
Official Answer: C

Community vote distribution
C (100%)

Writingsoon_2021 Highly Voted 4 years, 3 months ago
C is the answer - D would be "Tipping" off
upvoted 11 times

96a3dc3 Most Recent 1 year, 1 month ago
VOTED C
upvoted 1 times

Rjones 2 years, 1 month ago
he compliance officer should immediately involve the bank's legal counsel, as legal expertise is crucial when dealing with potentially suspicious activity and matters involving senior management. Legal counsel can provide guidance on the appropriate steps to take, ensuring compliance with relevant laws, regulations, and internal policies.
upvoted 2 times

Dilara89 2 years, 3 months ago
this is one of the questions with very obvious answers, and hope more questions like this one come in the real exam.
upvoted 1 times

KJ780 2 years, 5 months ago
All other answers besides C are ridiculous and clearly wrong
upvoted 2 times

V2222 3 years ago
really easy question. C is right
upvoted 1 times

Tam_3 3 years, 5 months ago
C - Legal counsel
upvoted 1 times

bmb251 4 years, 6 months ago
Sorry C
upvoted 3 times

bmb251 4 years, 6 months ago
Definitely D
upvoted 2 times

bmb251 4 years, 6 months ago
Definitely DPlease advise why do you think its D.no, it could not be "D" . The CO needs to inform the legal counsel of the bank, because he/she acts represents the "bank" as legal entities and not represents the "president".Don't think so. Should be C
upvoted 2 times

Dilara89 2 years, 3 months ago

Please advise why do you think its D.

upvoted 1 times

timbarr 4 years, 3 months ago

no, it could not be "D" . The CO needs to inform the legal counsel of the bank, because he/she acts represents the "bank" as legal entities and not represents the "president".

upvoted 3 times

V2222 3 years ago

Don't think so. Should be C

upvoted 1 times

Question #185 *Topic 1*

In which two ways do Financial Action Task Force-style regional bodies influence anti-money laundering and terrorist financing standards within their respective regions? (Choose two.)

A. They issue typologies specific to their geographical region.

B. They administer mutual evaluations of participating members.

C. They enforce the laws of the member countries in their geographic region.

D. They require participating countries to adopt laws in line with their recommendations.

Suggested Answer: *A, B*

Official Answer: AB

Community vote distribution

AB (100%)

Mrutyunjaya110 Highly Voted 4 years, 2 months ago

AB is the correct Answer

upvoted 22 times

Mrutyunjaya110 Highly Voted 4 years, 2 months ago

AB is the correct AnswerThe FSRB is a Member State, and mutual evaluation is done by the Member States.

upvoted 22 times

maybe_717 2 years, 8 months ago

The FSRB is a Member State, and mutual evaluation is done by the Member States.

upvoted 2 times

jgallag11 4 years, 9 months ago

Agree with AB, used this doc https://www.fatf-gafi.org/media/fatf/documents/High-Level%20Principles%20and%20Objectives%20for%20FATF%20and%20FSRBs.pdfYou're correct. Core funding for the budget should come from member government contributions, and should allow the body to exercise all its core functions (such as plenary meetings, mutual evaluations, typologies, technical assistance co-ordination, etc.)A: P.10 Risk and typologies 38) The body should conduct regional-level research and analysis of ML/TF methods and trends where relevant, in particular sharing jurisdictions' experiences in typologies exercises and join FATF and other FSRBs in joint typologies work. Global co-ordination of all typologies work will continue to be undertaken by the FATF and FSRBs together. 39) The FSRB should conduct its typologies work in accordance with best practices, procedures and templates used for FATF typologies reports, if it wishes to submit such work to FATF for endorsement / publication. B: P.7 Mutual evaluations 33) The body should conduct mutual evaluations of its members for compliance with the FATF Recommendations, in accordance with the Universal Procedures for AML/CFT Assessments12, and endorse the Key Principles for Mutual Evaluations and Assessments, and the principle that all mutual evaluations of FATF and FSRBs must be consistent and based on a common interpretation of the FATF Recommendations to protect the FATF brand.

upvoted 11 times

jgallag11 4 years, 9 months ago

Agree with AB, used this doc https://www.fatf-gafi.org/media/fatf/documents/High-Level%20Principles%20and%20Objectives%20for%20FATF%20and%20FSRBs.pdf

upvoted 11 times

Canadianlala 4 years, 5 months ago

You're correct. Core funding for the budget should come from member government contributions, and should allow the body to exercise all its core functions (such as plenary meetings, mutual evaluations, typologies, technical assistance co-ordination, etc.)

upvoted 3 times

kwiecik 4 years, 2 months ago

A: P.10 Risk and typologies 38) The body should conduct regional-level research and analysis of ML/TF methods and trends where relevant, in particular sharing jurisdictions' experiences in typologies exercises and join FATF and other FSRBs in joint typologies work. Global co-ordination of all typologies work will continue to be undertaken by the FATF and FSRBs together. 39) The FSRB should conduct its typologies work in accordance with best practices, procedures and templates used for FATF typologies reports, if it wishes to submit such work to FATF for endorsement / publication. B: P.7 Mutual evaluations 33) The body should conduct mutual evaluations of its members for compliance with the FATF Recommendations, in

accordance with the Universal Procedures for AML/CFT Assessments12, and endorse the Key Principles for Mutual Evaluations and Assessments, and the principle that all mutual evaluations of FATF and FSRBs must be consistent and based on a common interpretation of the FATF Recommendations to protect the FATF brand.

upvoted 10 times

Rjones Most Recent 2 years, 1 month ago

C and D are incorrect because Enforcing the laws of member countries in their geographic region is not a typical role of Financial Action Task Force-style regional bodies. Enforcement of laws generally falls within the jurisdiction of national authorities and regulatory agencies within each country and FATF regional bodies encourage and support member countries in adopting laws and regulations in line with their recommendations, they do not have direct authority to require participating countries to adopt specific laws.

upvoted 1 times

V2222 3 years ago

A and B is right.

upvoted 1 times

KellyManzo 3 years, 1 month ago

Real Exam Question from June 2022.

upvoted 10 times

NDH01 3 years, 2 months ago

in Answer A I diagree with "issue" - > they give only input B is correct C: no D: I think it is correctI correct me to A/B. I have seen that FSRBs are issue own typology reports for their specific region

upvoted 1 times

NDH01 3 years, 2 months ago

in Answer A I diagree with "issue" - > they give only input B is correct C: no D: I think it is correct

upvoted 1 times

NDH01 3 years, 1 month ago

I correct me to A/B. I have seen that FSRBs are issue own typology reports for their specific region

upvoted 1 times

jacenkilcap 3 years, 4 months ago

AB -- it cannot be C or D because FSRB's are not regulatory bodies that can enforce laws or require countries to adopt laws

upvoted 4 times

ABenny7 3 years, 5 months ago

A&B - process of eliminationThey can't enforce laws and C & D talk about laws, so those are ruled out.

upvoted 2 times

ABenny7 3 years, 5 months ago

A&B - process of elimination

upvoted 2 times

ABenny7 3 years, 5 months ago

They can't enforce laws and C & D talk about laws, so those are ruled out.

upvoted 3 times

Cj1995 3 years, 5 months ago

A and B are correct: PG. 114 Role: FSRBs play an essential role in identifying and addressing AML/CFT technical assistance needs for their individual members. In those FSRBs that carry out this coordination work, technical assistance necessarily complements mutual evaluation and follow-up processes by helping jurisdictions to implement FATF standards and PG 130 the chart with FSRB's - under the documents section: "Typologies and so on" and "Provide input to FATF on standards and typologies." FSRB's 100% do have their own typologies specific to their regions. FSRB's are not the Law setting bodies!

upvoted 2 times

Tam_3 3 years, 5 months ago

A and B

upvoted 1 times

Avonie 3 years, 11 months ago

The keywords term is 'Influence Standards'. A and B.

upvoted 1 times

desp03 4 years ago

A is for FSRBs, not FATF itself.

Answer: B & D

upvoted 1 times

desp03 4 years ago

A is for FSRBs, not FATF itself. Answer: B & Dbut the question is asking about FSRBs..

upvoted 1 times

Hayley666 4 years ago

but the question is asking about FSRBs..

upvoted 7 times

Eveej 4 years, 1 month ago

I agree with B and D.

upvoted 2 times

Flyhigh_ 4 years, 2 months ago

FATF do not have any power to enforce laws! these answers are crazy! OMG! The answer is A and B

upvoted 6 times

Leanneblu 4 years, 3 months ago

AB should be correct isn't it?

upvoted 1 times

Writingsoon_2021 4 years, 3 months ago

B & D is correct

upvoted 3 times

Canadianlala 4 years, 5 months ago

B & D Despite the autonomy of the FATF and individual FSRBs from one another, they share a common goal in combating money laundering and the financing of terrorism and proliferation, and in fostering effective AML/CFT systems. In concrete terms, they do this as assessor bodies through mutual evaluation processes and follow-up procedures. FSRBs should actively promote the FATF Recommendations and support the actions of the FATF at the international level through its members' implementation of and compliance with the FATF Recommendations, and through the adoption of policies consistent with FATF Recommendations and actions. FATF should actively support the work of FSRBs on the regional level. https://www.fatf-gafi.org/media/fatf/documents/High-Level%20Principles%20and%20Objectives%20for%20FATF%20and%20FSRBs.pdfA &B. Core funding for the budget should come from member government contributions, and should allow the body to exercise all its core functions (such as plenary meetings, mutual evaluations, typologies, technical assistance co-ordination, etc.)

upvoted 4 times

Canadianlala 4 years, 5 months ago

B & D

Despite the autonomy of the FATF and individual FSRBs from one another, they share a common goal in combating money laundering and the financing of terrorism and proliferation, and in fostering effective AML/CFT systems. In concrete terms, they do this as assessor bodies through mutual evaluation processes and follow-up procedures.

FSRBs should actively promote the FATF Recommendations and support the actions of the FATF at the international level through its members' implementation of and compliance with the FATF Recommendations, and through the adoption of policies consistent with FATF Recommendations and actions. FATF should actively support the work of FSRBs on the regional level.

https://www.fatf-gafi.org/media/fatf/documents/High-Level%20Principles%20and%20Objectives%20for%20FATF%20and%20FSRBs.pdf

upvoted 4 times

Canadianlala 4 years, 5 months ago

A &B. Core funding for the budget should come from member government contributions, and should allow the body to exercise all its core functions (such as plenary meetings, mutual evaluations, typologies, technical assistance co-ordination, etc.)

upvoted 4 times

Question #186 *Topic 1*

What are two aspects of the Wolfsberg Anti-Money Laundering (AML) Principles for Correspondent Banking? (Choose two.)

A. At least one person, aside from the person sponsoring the relationship, should approve the correspondent relationship.

B. Correspondent banking is an inherently high risk business and all correspondent bank relationships should be reviewed on an annual basis.

C. Factors such as politically exposed person involvement and downstream (nested) correspondents increase the risk inherent in a correspondent relationship.

D. An Institution may assign a low risk rating to a correspondent bank located in a jurisdiction deemed to have an adequate AML environment (e.g., Financial Action Task Force member country) without needing to consider other factors.

Suggested Answer: *A, C*
Official Answer: AC

Community vote distribution
AC (80%) C (20%)

RajAML Highly Voted 5 years, 10 months ago
A and C
upvoted 30 times

RajAML Highly Voted 5 years, 10 months ago
A and CThe policies and procedures shall require that at least one person, senior to or independent from, the officer sponsoring the relationship, approve the Correspondent Banking relationship. https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdfagreed B is incorrect "Periodic reviews shall be conducted of ALL HIGH RISK Correspondent Banking relationships, at minimum on an annual basis. " only all high risk one needed, and there's no claim saying all corr bank bus are high risk
upvoted 30 times

ccz 5 years, 3 months ago
The policies and procedures shall require that at least one person, senior to or independent from, the officer sponsoring the relationship, approve the Correspondent Banking relationship. https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf
upvoted 10 times

ccz 5 years, 3 months ago
The policies and procedures shall require that at least one person, senior to or independent from, the officer sponsoring the relationship, approve the Correspondent Banking relationship. https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdfagreed B is incorrect "Periodic reviews shall be conducted of ALL HIGH RISK Correspondent Banking relationships, at minimum on an annual basis. " only all high risk one needed, and there's no claim saying all corr bank bus are high risk
upvoted 10 times

jy0330 4 years, 10 months ago
agreed B is incorrect "Periodic reviews shall be conducted of ALL HIGH RISK Correspondent Banking relationships, at minimum on an annual basis. " only all high risk one needed, and there's no claim saying all corr bank bus are high risk
upvoted 6 times

evann159 5 years, 9 months ago
AC https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf 5 Enhanced Due Diligence In addition to due diligence, each institution shall also apply enhanced due diligence to those Correspondent Banking Clients which present greater risks. The enhanced due diligence process shall involve further consideration of the following elements, designed to satisfy the institution that it has secured a greater level of understanding: 1. PEP Involvement 2. Downstream Correspondents 3. Approval: Approval of higher risk Correspondent Banking relationships at the time of on-boarding and periodic review shall be subject to a higher level of approvals by business and Compliance, or relevant control function. The policies and procedures shall require that at least one person, senior to or independent from, the officer sponsoring the relationship, approve the Correspondent Banking relationship.
upvoted 17 times

Tee04 Most Recent 2 years ago

Two aspects of the Wolfsberg Anti-Money Laundering (AML) Principles for Correspondent Banking are: A. At least one person, aside from the person sponsoring the relationship, should approve the correspondent relationship. - This ensures that there is a level of oversight and that the relationship is scrutinized by multiple individuals within the institution to mitigate risks. C. Factors such as politically exposed person involvement and downstream (nested) correspondents increase the risk inherent in a correspondent relationship. - Recognizing these factors helps institutions identify higher-risk relationships and apply appropriate due diligence and monitoring.

upvoted 2 times

luckiest_13 2 years, 9 months ago

I wouldnt get too caught up on this one per se, in the 2014 version of the papers it states explicitly that one person senior to or independent from, the officer sponsoring the relationship, approve the Correspondent Banking relationship; however, in the 2022 version of the paper it simply states that at the time of onboarding shall be subject to a higher level of approvals by the first line of defense and the relationship reviewed periodically. I believe this question was when the 2014 principles were still current and valid, hence the prior responses.

upvoted 3 times

mgflash 2 years, 11 months ago

How can B be an answer. This is from Wolfsberg "• Approval Approval of higher-risk Correspondent Banking relationships at the time of on-boarding shall be subject to a higher level of approvals by the first line of defence and the relationship shall be reviewed periodically." It's on-going not annual. Institutions shall review the relationship with the Respondent on an ongoing basis to assess whether the relationship remains within the risk appetite

upvoted 2 times

XERSIKA 3 years, 3 months ago

A and C for sure

upvoted 1 times

RukawaKaede 3 years, 8 months ago

Not A. A is for Private Banking.

upvoted 3 times

imperialchicken 3 years, 8 months ago

Selected Answer: C

Currently, under new text of the Principles nonsense "officer sponsoring" excluded from the document!

Periodic reviews shall be conducted of all high risk Correspondent Banking relationships, at minimum on an annual basis - this part is also includes only high-risk relationships, so B also dropped.

Only valid option here is CCCCC. No other answer is correct. Please don't misguide yourself.

upvoted 1 times

imperialchicken 3 years, 8 months ago

Currently, under new text of the Principles nonsense "officer sponsoring" excluded from the document! Periodic reviews shall be conducted of all high risk Correspondent Banking relationships, at minimum on an annual basis - this part is also includes only high-risk relationships, so B also dropped. Only valid option here is CCCCC. No other answer is correct. Please don't misguide yourself.Page 2: "The policies and procedures shall require that at least one person, senior to or independent from, the officer sponsoring the relationship, approve the Correspondent Banking relationship." Below is the link, which new text are you referring to please. And thank you. https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf

upvoted 1 times

Dilara89 3 years, 3 months ago

Page 2: "The policies and procedures shall require that at least one person, senior to or independent from, the officer sponsoring the relationship, approve the Correspondent Banking relationship." Below is the link, which new text are you referring to please. And thank you. https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/8.%20Wolfsberg-Correspondent-Banking-Principles-2014.pdf

upvoted 1 times

V2222 4 years ago

Agree A and B.

upvoted 1 times

Alla88 4 years, 2 months ago

A: "The policies and procedures shall require that at least one person, senior to or independent from, the officer sponsoring the relationship, approve the Correspondent Banking relationship. "Agree to A acc to wolfsberg CB, pg 2 "The policies and procedures shall require that at least one person, senior to or independent from, the officer sponsoring the relationship, approve the Correspondent Banking relationship."

upvoted 1 times

Alla88 4 years, 2 months ago

Selected Answer: AC