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NEW QUESTION: 1
Which of the following scenarios describe common risk indicators of money laundering faced by operators of legitimate money services businesses (MSBs)? (Select Three.)
A. A customer conducts cash transactions using multiple branches of the MSB on the same day.
B. A customer changes multiple high-denomination notes to low-denomination notes.
C. A customer only wants to deal with a particular employee in the MSB.
D. A customer sends and receives money transfers in equal amounts at or about the same time.
E. A customer has a family link to the destination of a money transfer
Answer: (SHOW ANSWER)

NEW QUESTION: 2
Which of the following are part of a risk-based approach? (Choose three.)
A. Performing a comprehensive risk assessment to identify customer, transaction, and geographic risks
B. Focusing monitoring primarily on previously flagged customers while using standard controls for others
C. Choosing and applying effective controls that align with the identified risk levels
D. Determining detailed risk profiles for customers based on their activities and relationships
E. Allocating resources equally across all customer segments to ensure fairness
Answer: A,C,D (LEAVE A REPLY)
A risk-based approach involves conducting a comprehensive risk assessment, applying controls that match the identified risk levels, and creating detailed customer risk profiles to focus monitoring and resources where they are most needed to mitigate financial crime risks effectively.

NEW QUESTION: 3
The Office of Foreign Assets Control (OFAC) is responsible for:
A. Ensuring an effective export control and treaty compliance system

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

NEW QUESTION: 4
Which of the following describes a role of the Financial Action Task Force (FATF)?
A. Oversight of the Financial Intelligence Units in FATF Member countries
B. Providing a unique platform for information exchange regarding anti-money laundering efforts
C. Regulation of financial markets through directives and executive orders
D. Enhancement of international cooperation to foster anti-money laundering efforts via recommendations and guidance
Answer: (SHOW ANSWER)
* The FATF's core role is to enhance international cooperation against money laundering and terrorist financing through setting global standards ("Recommendations") and issuing guidance.
* "The FATF is an intergovernmental body whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing."
* The FATF does not have authority to oversee FIUs, nor does it regulate financial markets directly.
References:
CAMS 6th Edition, FATF's Role and Structure
FATF Recommendations (Introduction section)

NEW QUESTION: 5
Which of the following statements describe the strengths associated with public-private partnerships (PPPs)?
(Choose two.)
A. Public organizations can belter understand what the private sector experiences and inform policy and the enactment of laws
B. Data-protection privacy policies provide an opportunity to develop information sharing protocols to prevent unauthorized access to information
C. Data-protection privacy policies prohibit the evolution of PPPs due to restrictions based on legacy government legislation
D. Small business owners can choose third-party providers or financial institutions to keep their private data safe which can easily be shared within a PPP
Answer: A,B (LEAVE A REPLY)
Public-private partnerships allow public organizations to gain insights from the private sector to shape effective policies and legislation. Additionally, strong data protection and privacy frameworks help create secure information-sharing protocols within PPPs, enhancing collaboration while preventing unauthorized access.

NEW QUESTION: 6
Unusual wire transfer transactions can include: (Choose two.)
A. wire transfers in different currencies between accounts held at different banks for the same client.
B. an incoming third-party wire transfer followed by the purchase of real estate in the client's name.
C. an incoming wire transfer followed by the loan payment to a third party that is a business associate of the client.
D. multiple wire transfers sent to counterparties associated with the client as per KYC documentation.
Answer: A,B (LEAVE A REPLY)
Unusual wire transfer transactions may include transfers in different currencies between accounts at different banks for the same client, which can be used to obscure fund flows, and incoming third-party transfers followed by real estate purchases, which may indicate layering and integration stages of money laundering.
These patterns deviate from typical financial behavior and warrant closer scrutiny.

NEW QUESTION: 7
According to the Financial Action Task Force's (FATF's) "Guidance for a Risk-Based Approach Life Insurance Sector," which of the following are money laundering red flags relating to the involvement of a third party in a life insurance product? (Select Two.)
A. A customer engages an attorney to consult on the issuance of the policy.

B. A customer transfers the policy to another insurance company unaffiliated with the original policy issuer.
C. Payments are regularly received from third parties that have no apparent relationship with the policy holder.
D. A customer names an apparently unrelated third party as a beneficiary.
Answer: C,D (LEAVE A REPLY)
FATF and CAMS 6th Edition highlight certain third-party activities as red flags for money laundering in the life insurance sector:
* Payments are regularly received from third parties that have no apparent relationship with the policy holder (C):"Red flags include payments made by third parties, especially where there is no apparent connection between the third party and the policy holder."(FATF, Risk-Based Approach for Life Insurance Sector, Section IV: Red Flags; CAMS 6th Edition, Customer Due Diligence for Life Insurance)
* A customer names an apparently unrelated third party as a beneficiary (D):"Another warning sign is when beneficiaries have no apparent relation to the policyholder."(FATF, Ibid; CAMS 6th Edition, Life Insurance ML/TF Red Flags) Incorrect Options:
* A: Consulting an attorney is not, by itself, a red flag.
* B: Policy transfer may warrant review but is not specifically a red flag for third-party involvement.
References:
CAMS 6th Edition, Life Insurance ML/TF Risks
FATF, Guidance for a Risk-Based Approach for the Life Insurance Sector (October 2018)

NEW QUESTION: 8
Which of the following are considered best practices regarding senior management involvement in a financial crime compliance program? (Choose two.)
A. Setting tone from the top
B. Mandatory participation in all regulatory inspections
C. Mandatory attendance and review of all financial crime trainings
D. Setting clear criteria for escalations to senior management
Answer: (SHOW ANSWER)
Best practices for senior management involvement include setting the tone from the top to promote a strong compliance culture and establishing clear criteria for escalations, ensuring that significant financial crime issues are promptly brought to their attention for action.

NEW QUESTION: 9
What key element contributes to the effectiveness of AML training programs'?
A. In-person training sessions
B. Comprehensive curriculum delivered by senior management
C. Comprehensive content with engaging delivery methods
D. Generalized content designed to apply to a broad audience
Answer: C (LEAVE A REPLY)

The effectiveness of AML training programs depends on comprehensive content that covers relevant regulatory, risk, and procedural topics, combined with engaging delivery methods that promote retention and practical application by participants.

NEW QUESTION: 10
Business entities established in offshore financial centers (OFCs) pose unique risks for money laundering because they often:
A. have informal business arrangements between persons or entities.
B. are located in geographies that are not accountable to US laws.
C. include trusts, investment funds, and insurance companies.
D. have limited organizational disclosure and recordkeeping requirements for establishing these business entities.
Answer: (SHOW ANSWER)
Business entities in offshore financial centers often pose money laundering risks due to limited organizational disclosure and recordkeeping requirements, which can obscure beneficial ownership and make it easier to conceal illicit financial activities.

NEW QUESTION: 11
Which risks are specifically associated with the misuse of gaming accounts in financial crime? (Choose three.)
A. Using gaming accounts to transfer illicit funds between players undetected
B. Structuring transactions to avoid reporting thresholds by keeping them under certain limits
C. Providing false personal information to evade regulatory oversight
D. Ensuring identity verification is completed prior to the onboarding of new customers
E. Investing all gaming winnings into high-risk stocks to conceal funds
Answer: A,B,C (LEAVE A REPLY)
Risks tied to the misuse of gaming accounts include transferring illicit funds between players undetected, structuring transactions to avoid reporting thresholds, and providing false personal information to evade KYC and regulatory oversight, all of which can facilitate money laundering and other financial crimes.

NEW QUESTION: 12
To provide aid in investigating a cross-border money laundering case, a Financial Intelligence Unit (PIU) that is a member of the Egmont Group can:
A. directly contact other FIUs in another country and share information pertinent to the investigation.
B. directly contact financial institutions in another country and share information pertinent to the investigation.
C. deputize its law enforcement investigators to assist in a material ongoing investigation in another country
D. assist law enforcement in another country with a material ongoing investigation.

Answer: (SHOW ANSWER)

NEW QUESTION: 13

A compliance manager at a virtual asset service provider (VASP) is evaluating its business and its impact on AML policies. Which of the following features of the VASP's business would be of greatest concern? (Select Four.)

A. Allowing clients lo transact anonymity-enhanced tokens

B. Enabling transfer of tokens from one blockchain to another

C. Operating a network of crypto ATMs charging high fees

D. Offering services to VASPs established in jurisdictions that are not FATF compliant

E. Lack of adequate IP address tracking capabilities

F. Onboardlng of clients who are residents abroad. Including those with politically exposed person (PEP) status

Answer: A,D,E,F (LEAVE A REPLY)

NEW QUESTION: 14

Which of the following entities could potentially pose a higher money laundering risk and require additional review prior to onboarding? (Select Two.)

A. A large multinational corporation with extensive, documented wire transfer activity

B. A local convenience store that replenishes the onsite automated teller machine (ATM) with cash from its till

C. A local used car sale lot that allows individuals to pay their monthly bill in cash

D. A virtual asset service provider (VASP), facilitating peer-to-peer cryptocurrency transactions

Answer: C,D (LEAVE A REPLY)

Higher-risk customer profilesoften include businesses that:

* Regularly handle large volumes of cash
* Operate in sectors withhistorical vulnerabilities to money laundering
* Are involved invirtual assets or unregulated financial activities

Option C - A local used car sale lot that allows cash payments:

This business type is consideredcash-intensive, and accepting monthly payments in cash raises concerns about the source of funds, potential structuring, or placement of illicit proceeds.

Option D - A Virtual Asset Service Provider (VASP):

VASPs involved inpeer-to-peer crypto transactionspresent elevated AML risks due to theanonymity, speed, and borderless natureof virtual assets. These institutions are often subject toenhanced due diligence requirements.

Option Ais incorrect: A large multinational with documented transactions and transparency typically poseslower inherent risk, though still subject to review.

Option Bmay be reviewed, buton-site ATM replenishment using store cashis not automatically a red flag without other risk indicators.

Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Customer Risk Profiling- Section:Higher- Risk Business Types and Entities

NEW QUESTION: 15
Which of the following attributes would enhance an AML program's effectiveness?
A. Providing basic AML training to all employees
B. An AML officer being appointed to the board as a working member of management with increased authority
C. Auditors providing prescriptive guidance and support to the program following a less than satisfactory audit
D. Providing effective challenge with AML staff and continuous cross-training
Answer: D (LEAVE A REPLY)
Effective AML programs promote aculture of compliance, which includes an environment where staff are empowered to raise concerns, challenge decisions, and continuously improve through cross-functional learning.Providing effective challengeis a supervisory expectation and best practice in institutions that value AML governance integrity.
While AML officer authority (option B) supports oversight, it is not as impactful on daily operational effectiveness as fostering a challenging and adaptive compliance culture.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter: AML Program Components - Section:
Culture of Compliance

NEW QUESTION: 16
In which of the following situations would it be most crucial for the designated AML compliance officer of a company to perform a complete review of the company's AML program, including identifying the risks and commensurate controls?
A. An external audit highlights several deficiencies
B. A high-profile money laundering case involving another industry is publicized
C. The company is merging with or acquiring another entity
D. Extensive AML legislation is proposed by a legislative body in the company's jurisdiction
Answer: (SHOW ANSWER)

NEW QUESTION: 17

Which of the following programs would most likely be considered part of an effective supervision regime for a regulator?
A. Onsite and offsite reviews, cooperating on an international basis with access to a range of sanctions and outreach
B. Onsite and offsite reviews, cooperating on an international and domestic basis with access to a range of sanctions and outreach
C. Offsite reviews, cooperating on a domestic basis with access to a range of sanctions and outreach
D. Onsite reviews, cooperating on an international and domestic basis with outreach and access to a range of sanctions
Answer: B (LEAVE A REPLY)
An effective supervision regime includes both onsite and offsite reviews, cooperation on international and domestic levels, and access to a range of sanctions and outreach programs. This combination allows regulators to detect and address risks comprehensively while promoting compliance through engagement and enforcement.

NEW QUESTION: 18
Public-private partnerships (PPPs) that involve the sharing of information between law enforcement authorities, Financial Intelligence Units (FIUs), and the private sector are established to: (Select Two.)
A. Exchange operational information between public authorities and obliged entities
B. Exchange strategic information between FIUs and obliged entities
C. Exchange strategic information between financial institutions
D. Create a common database of key information and share analysis of suspicious activities with FATF
Answer: A,B (LEAVE A REPLY)
Public-Private Partnerships (PPPs)are collaborative initiatives involvinglaw enforcement, FIUs, and financial institutions. Their objective is to improve theefficiency and effectivenessof the fight against money laundering, terrorist financing, and other financial crimes bysharing both operational and strategic intelligence.
Option A - Exchange operational information between public authorities and obliged entities:
PPPs often facilitate real-time or near-real-time information sharing that supportsspecific investigations and the detection of suspicious activity, helping financial institutions respond quickly and accurately to ongoing threats.
Option B - Exchange strategic information between FIUs and obliged entities:
Strategic-level intelligence sharing helps financial institutionsunderstand typologies, risk trends, and evolving criminal methods, thereby strengthening their risk assessments and transaction monitoring frameworks.
Option Cis incorrect: Strategic information exchange between private institutions is limited and heavily regulated.

Option Dis incorrect: FATF does not collect or manage databases of suspicious activity reports; it sets standards and reviews national frameworks.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Public-Private Partnerships and Information Sharing- Section:Purpose and Function of PPPs in AML/CFT

NEW QUESTION: 19
Which of the following presents the highest money laundering risk from a money services business (MSB)?
A. Some MSBs provide bureau de change services to retail customers after they complete a due diligence process.
B. Some MSBs process large, individual cash transactions on behalf of customers.
C. Some MSBs allow regular and frequent transactions to the same family members based in another country
D. Some MSBs process small remittance payments on behalf of workers based abroad sending money home.
Answer: (SHOW ANSWER)
Large individual cash transactions pose the highest money laundering risk for money services businesses.
Cash is difficult to trace and, when handled in significant amounts, can be used to introduce illicit funds into the financial system with minimal transparency.

NEW QUESTION: 20
A compliance officer is reviewing an institutional banking prospect proposal for a new foreign entity that is a multinational business but headquartered in a country where most businesses are state-owned.
Which risks should be prioritized in the review? (Choose two.)
A. Politically exposed persons (PEPs)
B. Capital flight risk
C. Anti-bribery and corruption risk
D. Tax evasion
Answer: A,C (LEAVE A REPLY)
The review should prioritize politically exposed persons (PEPs) risk, as state ownership increases the likelihood of political connections, and anti-bribery and corruption risk, since such environments may have higher exposure to corrupt practices and misuse of influence.

NEW QUESTION: 21
Which of the following best describes one of the principal threats of proliferation financing?
A. Adversary governments using sophisticated attacks to threaten critical infrastructure and sectors, including finance, health care and energy
B. Networks of individuals and entities exploiting financial systems to move funds that will be used to acquire weapons of mass destruction or their components

C. Transnational criminal organizations expanding their engagement into more varied types of illicit activities, including human trafficking and corruption
D. Networks of individuals and entities raising funds to further proliferate their ideological goals wholly or in part through unlawful acts of force or violence
Answer: B (LEAVE A REPLY)
Proliferation financingrefers to the act of providing financial services or funds for thedevelopment, acquisition, or delivery of nuclear, chemical, or biological weapons. The core threat involvesnetworks of individuals and entities using the financial systemto obtain sensitive technologies, materials, or knowledge forweapons of mass destruction (WMDs).
TheFinancial Action Task Force (FATF)identifies this as a major international security threat and requires institutions to assess and mitigate such risks.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Sanctions and Proliferation Financing- Section:Understanding and Identifying Proliferation Risks

NEW QUESTION: 22
When a financial institution (FI) is considering providing traditional banking services to a virtual asset service provider (VASP), consideration should be given to whether the FI: (Select Two.)
A. has a general understanding of virtual assets.
B. consistently reviews transactions between fiat and virtual currencies.
C. implements enhanced KYC measures.
D. owns virtual currencies itself.
Answer: A,C (LEAVE A REPLY)
* A: FIs should ensure they have a general understanding of virtual assets and VASP operations to assess risks accurately.
* C: Enhanced KYC measures are recommended for VASPs due to their higher ML/TF risk profile.
* "FIs must understand the business model and risk of VASPs and apply enhanced due diligence as required by FATF and regulatory guidance."(CAMS 6th Edition, Virtual Assets and VASPs; FATF Guidance) Incorrect:
* B: While monitoring transactions is important, it's not a primary initial consideration for onboarding.
* D: The FI's own holdings are not relevant to due diligence on VASPs.
References:
CAMS 6th Edition, Virtual Assets and VASPs
FATF, Guidance for a Risk-Based Approach to Virtual Assets and VASPs

NEW QUESTION: 23
Financial crime risk related to the use of "hawalas" can stem from: (Choose two.)
A. remote verification of identity by third-party program managers
B. heavy usage by senior political figures.
C. heightened risks of returned transactions.

D. informal networks used for cross-border transactions outside of the formal banking system
E. difficulty in tracking the originator recipient, and source of transactions.
Answer: D,E (LEAVE A REPLY)
Hawala operatives rely on informal networks outside the regulated banking system, allowing funds to move across borders without the usual AML controls.
Because hawala transactions are settled on trust rather than recorded through formal channels, it's often impossible to trace who originated or ultimately received the funds.

NEW QUESTION: 24
Which payment type presents the highest financial crime risk?
A. A bill payment made to a friend after splitting a dinner bill
B. A regular standing order to a high-interest savings account
C. A check returning a mortgage overpayment made in error
D. A payment made to a mixer platform
Answer: D (LEAVE A REPLY)

NEW QUESTION: 25
Which red flags apply to trade-based money laundering (TBML) schemes? (Choose three.)
A. Use of wire transfers
B. Loitering
C. Instructions or involvement from third parties
D. Amended letters of credit without reasonable justification
E. Non-standard settlement arrangements
Answer: C,D,E (LEAVE A REPLY)
Trade-based money laundering red flags include third-party involvement in transactions, amended letters of credit without clear justification, and non-standard settlement arrangements, all of which can indicate attempts to disguise illicit fund movements or the true nature of the trade.

NEW QUESTION: 26
The role of FATF-style regional bodies (FSRBs) is to; (Select Three.)
A. set and amend the FATF 40 Recommendations for members in their FSRB jurisdiction.
B. coordinate technical assistance for members in their FSRB jurisdiction
C. identify and address any gaps in the AML/CFT policies for members outside of their FSRB jurisdiction.
D. provide AM L/C FT technical assistance needed by members in their FSRB junsdiction.
E. identify and address the current financial crime trends through the issuance of typologies originating in members outside of their FSRB's Jurisdiction.
F. offer mutual evaluation and follow-up processes for members in their FSRB Jurisdiction.
Answer: B,D,F (LEAVE A REPLY)

NEW QUESTION: 27

The first line of defense is responsible for:
A. collecting complete customer information.
B. ongoing screening of customers.
C. suspicious activity and sanctions reporting.
D. evaluating the effectiveness of compliance controls.
Answer: (SHOW ANSWER)
The First Line of Defense (1LoD) consists of customer-facing business units (e.g., relationship managers, front-office staff, and operational teams). Their primary responsibility in financial crime risk management is to implement AML/CFT controls as part of daily operations. This includes Collecting complete customer information.
The First Line of Defense is responsible for conducting Know Your Customer (KYC) and Customer Due Diligence (CDD) during onboarding and throughout the customer relationship. Ensuring that all relevant customer details (e.g., identity, business purpose, ownership structure) are accurately collected and documented is crucial for mitigating financial crime risks.

NEW QUESTION: 28
The financial industry relies heavily on rules-based approaches to transaction monitoring to detect suspicious activities.
Scenario-based systems use technology and algorithms to identify: (Choose three.)
A. fraudulent identities involving stolen or manufactured identification.
B. suspicious behavior involving a transaction that occurs at an unusual time of day.
C. hidden beneficial owners.
D. transaction patterns involving transactions that exceed a certain dollar amount.
E. anomalies involving a transaction that occurs in a location far away from the customer's usual spending patterns.
Answer: B,D,E (LEAVE A REPLY)
Scenario-based systems use algorithms to detect suspicious behaviors, such as transactions occurring at unusual times, those exceeding specified thresholds, or those taking place in locations inconsistent with a customer's typical activity. These anomalies help identify potential financial crime risks.

NEW QUESTION: 29
A legal instrument executed between two nations that governs cross-border information sharing is known as a:
A. Memorandum of Agreement.
B. Declaration of Understanding.
C. Memorandum of Understanding.
D. Mutual Legal Assistance Treaty.
E. Request for Urgent Information.
Answer: (SHOW ANSWER)

AMutual Legal Assistance Treaty (MLAT)is aformal agreement between two or more countriesthat facilitatescooperation in legal and law enforcement matters, includingAML investigations.
Option D (Correct):MLATs allow governments to share financial intelligence, request legal assistance, and conduct joint investigations.
Option A (Incorrect):A Memorandum of Agreement (MOA) is typically a non-binding contract used for general business or governmental cooperation.
Option B (Incorrect):A Declaration of Understanding is an informal agreement and does not provide a legal framework for law enforcement cooperation.
Option C (Incorrect):A Memorandum of Understanding (MOU) is often used for informal cooperation but lacks the legal enforceability of an MLAT.
Option E (Incorrect):A Request for Urgent Information is not a recognized international legal instrument.
Best Practices for Cross-Border AML Cooperation:
Use MLATs to request access to financial records in foreign jurisdictions.
Collaborate with Financial Intelligence Units (FIUs) via the Egmont Group.
Leverage FATF's International Cooperation Review Group (ICRG) for guidance.
Reference:
FATF Recommendation 37 (International Cooperation & MLATs)
U.S. Department of Justice MLAT Procedures
Egmont Group Guidelines on Cross-Border FIU Information Sharing

NEW QUESTION: 30
What is the primary purpose of anti-bribery and corruption regulations?
A. To prohibit the payment of anything of value by persons or entities to government officials or employees of state-owned enterprises to obtain an improper business advantage
B. To prohibit the conversion of illegally obtained money into legal money by senior government figures
C. To protect against election interference by corrupt foreign adversaries facilitated by illicit funds
D. To protect against the use of illegal means by senior political figures to avoid paying taxes
Answer: (SHOW ANSWER)
* A: The main objective of anti-bribery and corruption regulations is to prohibit bribes to government officials or employees of state-owned enterprises for the purpose of obtaining or retaining business or securing improper advantages.
* "Anti-bribery and corruption regulations, such as the FCPA and UK Bribery Act, prohibit offering anything of value to public officials to gain a business advantage."(CAMS 6th Edition, Anti-Bribery and Corruption) References:
CAMS 6th Edition, Anti-Bribery and Corruption Standards
FCPA, UK Bribery Act

NEW QUESTION: 31
The primary roles of a Country's Financial Intelligence Unit (FIU) include: (Select Two.)

A. collaborating with law enforcement agencies, financial institutions, and other stakeholders to detect and prevent Illicit financial activities.
B. engaging in providing financial services, including banking and investment activities, to the public and private sectors
C. conducting examinations of financial institutions to ensure compliance with anti-money laundering regulations.
D. enacting legislation regarding the operations of financial institutions.
E. facilitating the exchange of information between the public and private sectors.
Answer: A,E (LEAVE A REPLY)

NEW QUESTION: 32
Common risks associated with cryptocurrency and convertible virtual currencies include: (Choose three.)
A. funds being stolen from other users.
B. obscuring the source of illicit funds.
C. layering transactions to hide the origin of funds derived from illicit activity.
D. difficulty converting into physical currency.
E. facilitating payment for other illicit activities and goods.
Answer: B,C,E (LEAVE A REPLY)
Cryptocurrency and convertible virtual currencies present common financial crime risks such as obscuring the origin of illicit funds, being used to layer transactions for money laundering, and facilitating payments for illegal goods and services due to their pseudo-anonymous and borderless nature.

NEW QUESTION: 33
Which activities are part of adverse media screening for negative news and reputational risks? (Select Three.)
A. Analyzing customer sentiment through feedback and surveys
B. Identifying individuals or entities linked to criminal activities or sanctions
C. Periodically monitoring regulatory updates and enforcement actions for associated entities
D. Scanning publicly available news articles and regulatory alerts
E. Monitoring changes in credit scores of individuals or entities

Answer: B,C,D (LEAVE A REPLY)
Adverse media screening seeks to identify reputational or financial crime risk by:
* B: Identifying links to criminal activity or sanctions.
* C: Monitoring regulatory actions and updates for risk associations.
* D: Regularly scanning news and public records for negative information.
"Adverse media screening involves collecting and reviewing publicly available information, news, and regulatory actions to detect links to criminal activity or reputational risks." (CAMS 6th Edition, Adverse Media Screening; FATF Guidance) Incorrect:
* A and E: Customer sentiment and credit scores are not core to adverse media screening.
References:
CAMS 6th Edition, Customer Due Diligence and Screening
FATF Guidance on Customer Due Diligence

NEW QUESTION: 34
A recruitment manager in the human resources department of a bank has shortlisted a candidate for the position of relationship manager in its private banking division.
The bank's compliance policy requires proper background checks to protect against fraud and money laundering risks.
Which resources would be most useful for identifying potential negative information regarding the shortlisted candidate? (Select Three.)
A. Past employment records.
B. Personal references from close associates.
C. Personal resume.
D. Internet and public media searches.
E. Criminal history searches.
Answer: (SHOW ANSWER)
Financial institutions must conduct thorough background checks on employees in sensitive roles (e.g., private banking) to mitigate fraud, insider trading, and money laundering risks.
Option A (Correct): Past employment records help verify work history and identify any red flags related to prior financial misconduct.
Option D (Correct): Internet and media searches reveal any negative press, regulatory issues, or connections to illicit activity.
Option E (Correct): Criminal history searches help screen for prior convictions related to financial crimes.
Why Other Options Are Incorrect:
Option B (Incorrect): Personal references are less reliable and may not uncover objective risk factors.
Option C (Incorrect): A resume is self-reported and should be verified using independent sources.
Best Practices for Employee Background Screening:
Conduct enhanced due diligence for high-risk roles (e.g., private bankers, compliance officers).
Use reliable background screening tools and legal databases.

Verify employment history and check against regulatory blacklists.
Reference:
FATF Recommendation 18 (Internal Controls & Employee Screening)
Wolfsberg Group Guidance on AML Employee Background Checks
6th EU AML Directive (6AMLD) on Employee Due Diligence

NEW QUESTION: 35
During which process must a country demonstrate to the Financial Action Task Force (FATF) that it has an effective framework to protect the financial system from abuse?
A. Formal assessment
B. Regulatory overview
C. Technical analysis
D. Mutual evaluation
Answer: D (LEAVE A REPLY)
In a mutual evaluation, a country must demonstrate to the FATF that it has an effective framework to protect its financial system from abuse. This process assesses both technical compliance with FATF Recommendations and the effectiveness of the country's AML/CFT measures.

NEW QUESTION: 36
Which of the following best describes the use of fuzzy logic in customer screening systems?
A. It produces outputs that include a range of intermediate possibilities between "Yes" and "No"
B. It is an advanced analytics tool widely used to implement AFC controls
C. It allows for a greater number of exact matches, reducing the need for manual review
D. It is a new technique for enhancing the quality of alerts for review
Answer: A (LEAVE A REPLY)
Fuzzy logic in customer screening systems is used to handle uncertainty and variability in data by producing outputs that include a range of intermediate possibilities between "Yes" and "No." This enables the system to identify potential matches that are not exact but still relevant, improving the detection of name variations and misspellings.

NEW QUESTION: 37
Which of the following actions is specifically permitted or required under FinCEN section 314(b) for financial institutions (FIs) to enhance their efforts in combating money laundering and terrorist financing?
A. FIs may disclose customer information to any third party
B. FIs may provide information about their internal compliance programs to law enforcement agencies without any limitations
C. FIs are required to report all transactions involving foreign entities to FinCEN so that FinCEN can share this information with other financial institutions
D. FIs may share information about suspected money laundering activities with other FIs to aid in identifying and reporting suspicious transactions

Answer: D (LEAVE A REPLY)
Under FinCEN Section 314(b), financial institutions are permitted to share information with other financial institutions about suspected money laundering or terrorist financing activities. This collaboration helps identify and report suspicious transactions while complying with legal safeguards and privacy requirements.

NEW QUESTION: 38
Which line of defense would be tasked with interpreting new AML regulations and revising training for client- facing relationship managers?
A. The first line
B. The second line
C. Senior management
D. The third line
Answer: (SHOW ANSWER)
The second line of defense is responsible for compliance functions, including interpreting new AML regulations and updating policies, procedures, and training programs. This ensures that client-facing staff, such as relationship managers, remain informed and aligned with regulatory expectations.

NEW QUESTION: 39
The UN Security Council's primary role in imposing sanctions is that it has the authority to:
A. impose sanctions lo maintain of restore international peace and security
B. impose sanctions on countries that lack AML/CFT controls.
C. conduct research on and analyze the impacts of sanctions to improve the effectiveness of sanctions regimes.
D. impose sanctions on economic targets to maintain or restore financial stability within a country.
Answer: (SHOW ANSWER)
The UN Security Council has the authority to impose sanctions specifically to maintain or restore international peace and security.

NEW QUESTION: 40
A financial institution is conducting an enterprise-wide risk assessment (EWRA) and has identified a high inherent risk of money laundering associated with its private banking division due to the clientele's high net worth and complex financial structures. However, the institution has implemented robust customer due diligence (CDD) and enhanced due diligence (EDD) procedures, along with sophisticated transaction monitoring systems.
How would these controls impact the assessment of residual risk?
A. The residual risk would be significantly reduced due to the effectiveness of the controls in place
B. The residual risk would be moderately reduced, but further controls may be necessary to achieve an acceptable level

C. The residual risk would remain high due to the inherent nature of the private banking business
D. The residual risk would be eliminated entirely because the controls are sufficient to mitigate all potential risks
Answer: (SHOW ANSWER)
In anEnterprise-Wide Risk Assessment (EWRA),residual riskis the level of risk that remains after applying mitigating controls to theinherent risk(the risk present before controls are applied).
In this scenario, theinherent risk is highdue to the nature of private banking-high net worth clients,cross- border transactions,complex ownership structures, andhigh-value financial products. However, the institution has implementedrobust CDD and EDD, as well asadvanced transaction monitoring systems.
According to the CAMS Study Guide - 6th Edition, wheneffective and properly implemented controlsare in place, they cansignificantly reducethe residual risk-even in high-risk business areas like private banking.
However, no control framework caneliminate all riskentirely.
* Option Ais correct: Controls can significantly reduce the residual risk when strong, effective systems and procedures are in place.
* Option Bis partially true but suggests inadequacy, which is not indicated here.
* Option Cincorrectly assumes residual risk cannot be lowered even with controls.
* Option Dis incorrect because residual riskcannot be eliminated entirely.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Enterprise-Wide Risk Assessment (EWRA)- Section:Inherent Risk vs. Residual Risk and the Role of Controls

NEW QUESTION: 41
Which statement best describes a key money laundering risk associated with virtual asset service providers (VASPs), cryptoassets, and related products?
A. Cryptoassets can be transferred across borders quickly, but the volatility of their value still makes them less attractive for money laundering compared to traditional assets
B. Mandatory reporting requirements have been implemented for certain types of crypto transactions, but gaps in regulation and enforcement still leave room for money laundering activities.
C. The transparency of blockchain technology helps law enforcement trace transactions, but it can also provide criminals with ways to obscure their financial activities through complex layering techniques.
D. The pseudonymous nature of transactions allows criminals to hide their identities while transferring large sums of money globally, making it difficult to trace the ultimate beneficial owner.
Answer: D (LEAVE A REPLY)
The pseudonymous nature of cryptoasset transactions enables criminals to transfer large sums globally while concealing their identities. This lack of transparency poses a significant money laundering risk, as it hinders efforts to trace the ultimate beneficial owner.

NEW QUESTION: 42

Perpetual KYC includes: (Choose two.)
A. triggers identifying static data changes and data based on client's behaviors in real time.
B. periodic refreshing at one-, three- and five-year cycles.
C. ability to prioritize better based on client data rather than driven by schedules alone.
D. classification of clients into categories of risk.
Answer: A,C (LEAVE A REPLY)
Perpetual KYC (pKYC) involves real-time monitoring of data triggers, such as static changes or behavioral anomalies, and prioritization based on client-specific data rather than fixed refresh schedules. This dynamic approach enhances risk management by responding more quickly to changes in client risk profiles.

NEW QUESTION: 43
According to the Egmont Group, which benefits do public-private partnerships (PPPs) provide to Financial Intelligence Units (FIUs)? (Select Three.)
A. Helping overcome data protection and information sharing limitations
B. Enhancing the quality of reporting and additional informational input
C. Helping to alleviate the financial cost burden on law enforcement
D. Helping to design common approaches and identify desired deliverables
E. Offering flexibility, agility, and opportunities to adjust to the ML/TF threat environment
Answer: (SHOW ANSWER)
According to the Egmont Group and CAMS 6th Edition, PPPs benefit FIUs by:
* A: "PPPs help address challenges around data protection and facilitate information sharing between public and private sectors, overcoming common legal barriers."
* B: "PPPs result in higher-quality reports from the private sector and provide valuable additional informational input for FIUs."
* E: "These partnerships give FIUs increased flexibility and agility, allowing them to respond dynamically to evolving ML/TF threats."(CAMS 6th Edition, Egmont Group Guidance on PPPs; Egmont Group, Public-Private Partnerships for FIUs) References:
CAMS 6th Edition, Public-Private Partnerships
Egmont Group, "Public-Private Partnerships: FIU Benefits and Considerations"

NEW QUESTION: 44
Which money laundering risks are posed by the misuse of trust and asset management services? (Select Three.)
A. Concealing sources of funds
B. Allowing for third-party custody safekeeping of funds
C. Adding a layer of anonymity to transactions
D. Concealing true legal and beneficial owners
E. Establishing escrow accounts for real estate transactions
Answer: (SHOW ANSWER)
* A, C, D:

* "Trust and asset management services can facilitate the concealment of the source of funds (A), provide a layer of anonymity to transactions (C), and obscure the true legal and beneficial owners (D). These are well-established ML/TF risks in the private wealth sector."(CAMS 6th Edition, ML/TF Risks in Trust and Asset Management)
* B and E are normal aspects of asset management and are not in themselves ML/TF risks unless combined with other suspicious behaviors.

References:
CAMS 6th Edition, Risks in Trust and Asset Management
FATF Recommendations 24, 25

NEW QUESTION: 45
How do nominees benefit criminals misusing thorn for money laundering purposes? (Select Two.)
A. Allow domicile in the nominee's jurisdiction
B. Allow beneficial owners to provide proxies lot voting on corporate decisions
C. Derail investigations
D. Obscure beneficial ownership
Answer: C,D (LEAVE A REPLY)

NEW QUESTION: 46
When applying new technologies to AML, application programming interfaces (APIs) allow for:
A. Digital identification on mobile devices
B. Different applications to connect and communicate
C. Authentication via artificial intelligence (AI) and biometrics
D. Quick CDD and client traits analysis during onboarding
Answer: B (LEAVE A REPLY)
Application Programming Interfaces (APIs)are tools that enableinterconnectivity and data exchangebetween different software applications. In AML contexts, APIs are commonly used tointegrate third-party systems, such as screening tools, customer databases, and transaction monitoring platforms, ensuring real-time and accurate flow of information.
This technological capability supports enhancedautomation, agility, and efficiencyin AML processes.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:Technology and AML-Section:Emerging Technologies and APIs in Compliance

NEW QUESTION: 47
A key factor in the independence of an AML audit is that the auditor should.
A. have no involvement with the organization's AML/CP T compliance staff.
B. have been screened by the board of directors before the audit starts
C. be sufficiently trained in AML to be able to provide an independent review.
D. have never worked in previous assignments within the AMUCFT departments.
Answer: C (LEAVE A REPLY)

NEW QUESTION: 48
Having a risk-based approach is central to a financial institution understanding the money laundering and terrorist financing risk to which they are exposed. The development of a money laundering and terrorist financing risk assessment is a key starting point.
Commonly used risk factors include. (Select Three.)
A. product risk.
B. credit risk.
C. geographic risk.
D. customer risk.
E. liquidity risk.
Answer: A,C,D (LEAVE A REPLY)
The CAMS 6th Edition clearly identifies a risk-based approach as the cornerstone of effective AML/CFT programs. Risk assessments should consider various risk factors that directly influence exposure to ML/TF.
* Product risk (A): Certain products or services may present higher ML/TF risks, such as private banking, correspondent banking, or cash-intensive products."Products and services offered, and their inherent risk levels, must be assessed as part of the risk-based approach."(CAMS 6th Edition, AML Compliance Program, Risk Assessment)
* Geographic risk (C): Jurisdictions where the customer operates or where transactions are conducted may present higher or lower risks due to factors such as weak AML regulations or high corruption.
"Geographic risk considers where a customer is located and/or where transactions occur, referencing countries with increased risk, such as those identified by the FATF."(CAMS 6th Edition, Risk Assessment Factors)
* Customer risk (D): The type of customer, such as PEPs, non-residents, or companies with complex structures, may present higher ML/TF risks."Customer risk assessment is based on the customer's profile, activity, and ownership structure, and is a critical component in risk-based monitoring."(CAMS
6th Edition, CDD/EDD)
Incorrect Options:

* B (Credit risk): Related to creditworthiness, not ML/TF.
* E (Liquidity risk): Refers to a firm's ability to meet financial obligations; not an AML risk factor.
References:
CAMS Study Guide 6th Edition, AML Compliance Program, "Risk-Based Approach" FATF Guidance: National Money Laundering and Terrorist Financing Risk Assessment (2013)

NEW QUESTION: 49

The chief compliance officer (CCO) at a bank approved offering trade finance services to a company which is established within a country with a weak democratic system routinely reviews news on upcoming targeted economic sanction regulations in the EU, a major import partner for the country's production of crude oil.
Which of the following pieces of news would be of greatest concern?
A. The European Commission and the High Representative issue a joint proposal for an import ban on refined oil products.
B. The European Commission and the High Representative issue a joint proposal for an import ban on oil extraction equipment
C. The Council of the European Union adopts a new export control regime for electronic equipment
D. The Council of the European Union adopts a new import restriction regime for goods coming from countries that do not respect human rights
Answer: A (LEAVE A REPLY)
A proposed EU import ban on refined oil products would be of greatest concern to the bank's trade finance services, as it directly targets a core revenue-generating sector (oil production) of the company's country. This could lead to significant disruptions in trade flows, regulatory risk exposure, and potential sanctions violations.

NEW QUESTION: 50

Which of the following is a common strategy employed by non-governmental organizations (NGOs) to combat money laundering?
A. Helping Financial Intelligence Units (FIUs) to analyze the suspicious activity reports (SARs)
B. Directly prosecuting money launderers in court
C. Providing financial assistance to governments to strengthen their anti-money laundering efforts
D. Raising awareness about the issue of money laundering and its consequences
Answer: D (LEAVE A REPLY)
* D: NGOs play an important role in raising awareness about money laundering, lobbying for strong AML
/CFT laws, and educating the public and stakeholders about the risks and consequences.
* "NGOs help combat money laundering primarily through advocacy, education, and raising public and industry awareness."(CAMS 6th Edition, Role of NGOs in AML/CFT) References:
CAMS 6th Edition, Awareness and Advocacy in AML/CFT
FATF, Outreach to NGOs

NEW QUESTION: 51

Why is the prevention of financial crime so important?

A. Financial crime does enormous damage to society, undermining market integrity and consumers' and market participants' confidence

B. Financial crime risk incidents always result in fines and losses for the financial firm

C. Financial crime prevention processes make the onboarding process for clients unnecessarily burdensome and complex but create work

D. Financial crime prevention is important as it reduces costs and improves customer services.

Answer: (SHOW ANSWER)

Preventing financial crime is essential because it protects society by maintaining market integrity and public confidence, reducing the harm caused by illicit activities such as money laundering, fraud, and corruption.

NEW QUESTION: 52

A financial institution plans to implement adverse media screening with Artificial Intelligence (AI)/Machine Learning (ML) capabilities During testing, the system produces high volumes of irrelevant news articles for review.

What is the best way to address this issue?

A. Narrow the media sources to avoid unrelated articles

B. Rely on manual filtering by investigators

C. Increase the frequency of updates to media sources

D. Adjust AI/ML models to focus on high-risk keywords/phrases from reputable media sources

Answer: D (LEAVE A REPLY)

The most effective way to reduce irrelevant results in AI/ML-driven adverse media screening is to fine-tune the models to prioritize high-risk keywords and reliable sources. This improves precision by filtering out noise and directing focus toward content that is more likely to indicate financial crime risk.

NEW QUESTION: 53

Which external data source is most reliable for verifying beneficial ownership during onboarding?

A. Adverse media databases

B. Publicly available information on non-government data repositories

C. Credit reference agencies

D. Beneficial ownership registers available in country of incorporation of entity

Answer: (SHOW ANSWER)

Beneficial ownership registers maintained by the country of incorporation are the most reliable external source for verifying beneficial ownership during onboarding, as they are official records mandated by law and typically subject to regulatory oversight.

NEW QUESTION: 54

The primary objectives of the Financial Action Task Force (FATF) are to: (Choose two.)
A. evaluate and monitor compliance with the FATF standards and provide recommendations for improvement.
B. assist countries in implementing EU, UN, and regional sanctions regimes.
C. develop and promote international standards to prevent money laundering and terrorist financing.
D. conduct investigations on countries legislations and laws to prevent them from being used for money laundering and terrorist financing.
E. ensure that countries follow its laws to maintain financial stability.
Answer: A,C (LEAVE A REPLY)
The Financial Action Task Force (FATF) develops and promotes international standards to combat money laundering and terrorist financing, and it evaluates and monitors countries' compliance with these standards while providing recommendations for improvement.

NEW QUESTION: 55
Which of the following conditions contribute to a politically exposed person (PEP) posing greater risk than a typical high-risk bank customer? (Select Two.)
A. The family members and close associates of PEPs may be involved in illicit activities.
B. PEPs are granted unlimited credit and financial immunity under international banking regulations.
C. PEPs may exploit embassy activities to conceal bribery and corruption transactions.
D. PEPs can have illegitimate fund sources but are legally protected from having their accounts closed for activities outside a bank's risk appetite.
Answer: A,C (LEAVE A REPLY)
PEPs are recognized by CAMS 6th Edition and FATF as posing elevated risk due to:
* A. The family members and close associates of PEPs may be involved in illicit activities:"The risks extend beyond the PEP to family members and close associates, who may be used to conceal the movement of illicit funds."(CAMS 6th Edition, PEP Risk Factors; FATF Guidance)
* C. PEPs may exploit embassy activities to conceal bribery and corruption transactions:"PEPs may use their position or diplomatic privileges, such as embassy operations, to disguise or facilitate the movement of illicit funds."(CAMS 6th Edition, Corruption and PEP Risks) Incorrect Options:
* B: There is no such legal provision granting PEPs financial immunity or unlimited credit.
* D: Banks may (and often must) exit PEP relationships not in line with their risk appetite.
References:
CAMS 6th Edition, PEPs and Enhanced Due Diligence
FATF Guidance: PEPs (2013)

NEW QUESTION: 56
Which of the following is a key consideration for a global organization when managing AFC and sanctions compliance across multiple jurisdictions?

A. Ensuring sanctions compliance by relying solely on international bodies like the UN because there is no requirement to adhere to local laws
B. Ensuring group policies and procedures prioritize adherence to US regulations because they are the most influential worldwide
C. Applying global AFC and sanctions policies to ensure consistency without the need to adapt to local regulations
D. Ensuring group policies cater to compliance with each country's specific AML and sanctions regulations
Answer: D (LEAVE A REPLY)
Global organizations must ensure their policies and procedures comply with local laws and regulations in each country where they operate, even when maintaining group-wide consistency. Relying solely on international or U.S. standards does not ensure compliance with all local requirements, which may be more stringent or specific.
"A global group-wide program should ensure adherence to local AML and sanctions laws and regulations in every jurisdiction in which it operates. Local adaptation of policies is essential to address jurisdiction- specific risks and legal requirements." (CAMS 6th Edition, International AML/CFT Standards; FATF Recommendations 18, 35; EU & US Sanctions Regulations)
References:
CAMS 6th Edition, Compliance Across Jurisdictions
FATF Recommendation 18: Internal Controls and Foreign Branches
Basel Committee on Banking Supervision (BCBS) Guidance

NEW QUESTION: 57
A multinational corporation is considering expanding into a new market with a history of political instability and corruption.
Which strategy would be most effective in mitigating reputational risk from a financial crime perspective associated with such an expansion?
A. Ensure the jurisdiction risks and other relevant factors have been taken into consideration in the EWRA and the residual risks are within the corporation's risk appetite
B. Partnering with established local businesses to leverage their knowledge and connections while sharing risks
C. Ensuring the company has strong ties with local government officials to influence policy and avoid negative scrutiny
D. Committing to open communication, ethical practices, and community engagement to build trust with stakeholders
E. Minimizing the company's direct presence in the country to reduce exposure to potential risks
Answer: A (LEAVE A REPLY)
The most effective strategy is to ensure that jurisdictional and other relevant risks are assessed through the Enterprise-Wide Risk Assessment (EWRA), and that any residual risks fall within the corporation's defined risk appetite. This structured, risk-based approach supports informed decision-making and protects against reputational damage related to financial crime.

NEW QUESTION: 58

Which of the following statements is true regarding the 2012 Financial Action Task Force (FATF) 40 Recommendations and'or 11 Immediate Outcomes?

A. Each jurisdiction can reach out to the FATF for private access to the interpretive notes to the 40 Recommendations

B. The 11 Immediate Outcomes are recommendations specific to high-risk jurisdictions requiring enhanced monitoring.

C. The 40 Recommendations have not been updated to reflect the impact of new technology

D. The cornerstone of the 40 Recommendations is the adoption of a risk-based approach by each jurisdiction

Answer: D (LEAVE A REPLY)

NEW QUESTION: 59

Which of the following is an important factor to consider when setting up an anti-financial crimes (AFC) compliance program governance structure?

A. Ensuring the structure is reviewed by an outside auditor or consultant

B. Establishing a system of internal controls commensurate with the institution's size and complexity

C. Designating a qualified board of directors to monitor day-to-day compliance

D. Establishing clear roles and responsibilities for AFC risk escalations and issues

Answer: (SHOW ANSWER)

One of the core components of a strong AFC (Anti-Financial Crimes) compliance program is establishingclear roles, responsibilities, and lines of accountability, especially forescalating and addressing AFC risks and compliance issues. This governance clarity ensures effective implementation, transparency in decision-making, and timely resolution of compliance concerns. While external audits (option A) and internal controls (option B) are important,defining governance structure and escalation responsibilities (option D)is a foundational element. Additionally, the board of directors (option C) provides oversight-not day-to-day compliance monitoring.

Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter: Compliance Program Structures - Section:

Governance and Oversight Functions

NEW QUESTION: 60

A law enforcement action alleged that on several trading days over the course of two months, defendants engaged in a series of copper gold, crude oil. and natural gas futures transactions on an electronic trading platform One defendant repeatedly bought future contracts at low prices from the other, and then immediately sold them back at higher prices. As a result, one defendant effectively pocketed the same amount as the other lost even though there were no changes in the open positions held by either defendant.

What is a name for this typology?

A. Reverse flip
B. Wash trading
C. Short position
D. Bid-ask spread
Answer: B (LEAVE A REPLY)

NEW QUESTION: 61
Professions such as lawyers, accountants, and trust and company service providers (TCSPs) are sometimes referred to as "gatekeepers" because they:
A. often do not understand and are not covered by money laundering laws and regulations, unwittingly allowing criminals to enter the legitimate economy.
B. are an entry point to the financial system and a first line of defense against the infiltration of illicit funds into the legitimate economy.
C. are required under money laundering laws and regulations in all jurisdictions to stop any criminals from being able to integrate illicit funds into the legitimate economy.
D. are high-risk actors who can deliberately allow criminals to enter the legitimate economy.
Answer: (SHOW ANSWER)
Lawyers, accountants, and TCSPs are considered gatekeepers because they serve as an entry point to the financial system and act as a first line of defense in preventing illicit funds from being integrated into the legitimate economy through their services and professional expertise.

NEW QUESTION: 62
Beyond the physical and mental harm caused to individuals, which of the following problems can be linked to significant costs from unregulated online gambling and gaming?
A. Economic and societal
B. Political and regulatory
C. Governance and compliance
D. Sectoral and jurisdictional
Answer: A (LEAVE A REPLY)
Unregulated online gambling and gaming can lead to significant economic and societal costs, including increased crime, financial distress, addiction, and strain on public health and social

services. These impacts extend beyond individual harm and affect communities and national economies.

NEW QUESTION: 63

Which characteristic of accountants is most attractive to those looking to launder funds using an accountant or accountancy firm?

A. Accountants can prepare ledgers and spreadsheets, draft annual returns and make payments to government offices

B. Accountants can advise on the structuring of companies as well as ensure compliance with local tax regulations

C. Accountants are knowledgeable about financial management, including what to record over the course of the accounting year

D. Accountants are able to create and structure companies, falsify accounts and manipulate financial statements

Answer: (SHOW ANSWER)

Criminals may target accountants because they have the capability to create and structure companies, falsify accounts, and manipulate financial statements, which can be exploited to disguise illicit funds and facilitate money laundering.

NEW QUESTION: 64

Which of the following processes or tools contribute to AML compliance despite being seemingly unrelated?

(Choose two.)

A. Customer loyalty program tracking

B. Product usage analysis

C. Customer satisfaction surveys

D. Customer support ticket tracking

E. Credit risk assessment

Answer: (SHOW ANSWER)

Customer loyalty program tracking and product usage analysis can uncover unusual patterns or behaviors that deviate from expected norms. These insights may help detect suspicious activity or hidden risks, making them valuable tools for supporting AML compliance even if not directly linked to traditional monitoring systems.

NEW QUESTION: 65

An organization is developing a comprehensive anti-money laundering (AML) framework.

Which of the following statements best describes the relationship between AML policies and procedures?

A. Policies define the principles of an organization and influence the drafting of procedures. Procedures are detailed instructions for specific processes.

B. Policies are broad guidelines. Procedures are detailed Instructions for specific processes. Only procedures are mandatory for knowledge and adherence.
C. Policies are detailed instructions for specific processes Procedures are an overarching framework Both policies and procedures are mandatory for knowledge and adherence.
D. Policies are detailed instructions for specific processes. Procedures are an overarching framework.
Neither policies nor procedures are mandatory for knowledge and adherence
Answer: A ([LEAVE A REPLY])

NEW QUESTION: 66
Ateam overseeing the governance and effectiveness of a bank's transaction monitoring approachshould implement which strategies? (Select Two.)
A. Periodic review of suspicious activity reports (SARs) filed with FinCEN to determine whether any should be withdrawn.
B. Periodic and ad hoc cooperation with the legal team to appropriately investigate and monitor the transactions of subjects of subpoenas or government inquiries.
C. Periodic review of client profiles to ensure that the most up-to-date information is on file for high-risk clients in line with the bank's internal policies and procedures.
D. Periodic review of the transaction monitoring scenarios and their productivity to ensure that appropriate AML typologies are reflected.
Answer: ([SHOW ANSWER])
Transaction monitoring governanceinvolves ensuring thatAML detection systems are effective, aligned with regulatory standards, and capable of identifying evolving threats.
Option B (Correct):Legal cooperation is essential for responding to subpoenas and law enforcement inquiries.
Option D (Correct):Regularly updating transaction monitoring scenarios ensures that the system adapts to emerging financial crime trends.
Why Other Options Are Incorrect:
Option A (Incorrect):SARs cannot be withdrawn unless an error was made-once filed, SARs remain confidential and must be retained.
Option C (Incorrect):Client profile updates are a CDD/KYC function, not directly related to transaction monitoring governance.
Best Practices for Transaction Monitoring Governance:
Regularly review system effectiveness through validation tests.
Collaborate with legal and compliance teams for risk mitigation.
Use AI and data analytics to refine detection accuracy.
Reference:
FATF Recommendation 10 (Customer Due Diligence & Ongoing Monitoring)
Wolfsberg Group Guidance on Transaction Monitoring Effectiveness
Basel Committee's Guidelines on AML Technology and Data Analytics

NEW QUESTION: 67
Which of the following is a critical consideration for private sector firms when sharing data and intelligence to combat financial crime?
A. The potential return on investment (ROI) from the data shared versus the financial crime prevention effort
B. The preference of upper management regarding which teams should participate in the data-sharing initiative
C. The cost of the data-sharing system and whether it its within the existing IT budget
D. Ensuring that the shared data complies with applicable data protection regulations while maintaining the integrity and accuracy of the information
Answer: D (LEAVE A REPLY)

NEW QUESTION: 68
A client advisor at a bank contacts a member of the compliance team for guidance on how to proceed with a client who wants to transfer US$250,000 from the sale of cryptoassets into their savings account at the bank.
What guidance should the compliance team provide?
A. Advise further clarification is necessary, including which coins or tokens were sold and whether the crypto exchange conducts due diligence on its clients
B. Advise that the transaction should be stopped because cryptoassets in general are not regulated and by definition pose an unacceptable AML risk for the bank
C. Confirm to the advisor that the customer can proceed with the transaction if the client's KYC is up to date and a search on a public blockchain explorer does not provide any adverse media hits
D. Confirm to the advisor that the customer can proceed with the transaction because clients are already correctly onboarded KYC is complete and the source of funds is transparent
Answer: A (LEAVE A REPLY)
The compliance team should request further clarification to assess the AML risk appropriately.
This includes understanding which cryptoassets were sold and whether the exchange used applies adequate due diligence.
These details help determine the legitimacy of the source of funds and ensure compliance with AML requirements.

NEW QUESTION: 69
An AML compliance officer for a large bank has recently received an internal audit report on the private banking unit. The report revealed that the unit staff were not following risk-based due diligence procedures, so that the unit was not operating effectively.
Which immediate actions should the AML compliance officer consider to address these findings? (Select Two.) Management Should implement a quality assurance program in the private banking unit
A. Private bankers should receive training on AML procedures.
B. All employees should receive refresher AML training.

C. The legal department should conduct a review to assess potential legal consequences.
D. The board should review and approve a revised AML policy to change customer due diligence requirements in private banking.
Answer: B,D (LEAVE A REPLY)

NEW QUESTION: 70
When making an independent determination on whether to close an account based on an internal Investigation, a financial institution (F1) should consider. (Select Five.)
A. the seriousness of the underlying conduct.
B. reputational risk.
C. the frequency of account activity
D. the Fl's policies and procedures.
E. the legal basis for closing the account.
F. the customers personal relationships.
G. correspondence with law enforcement
Answer: (SHOW ANSWER)

NEW QUESTION: 71
In which of the following cases can a financial institution disclose a suspicious activity report (SAR)?
A. A court order requests the bank to disclose the SAR subject to obtaining agreement from the legal team
B. A customer asks about potential reporting to the local Financial Intelligence Unit (Fill)
C. An external consultant inquires about the details of the SAR
D. A third-country police directly inquires about the customer.
Answer: (SHOW ANSWER)
A financial institution may disclose a SAR only under a valid court order and after ensuring legal review and compliance with jurisdictional requirements. In most jurisdictions, SARs are highly confidential, and unauthorized disclosure - known as "tipping off" - is prohibited.

NEW QUESTION: 72
Which of the following measures can help maintain the independence of BSA/AML compliance staff to ensure effective compliance controls?
A. Establishing BSA/AML compliance staff reporting to the management of the business line in the first line of defense
B. Ensuring BSA/AML compliance staff is primarily outsourced
C. Providing BSA/AML compliance staff a reporting line to compliance or other second line of defense internal control function
D. Providing BSA/AML compliance staff with a reporting line to the chief financial officer
Answer: (SHOW ANSWER)

BSA/AML compliance staff should report to the compliance function or another second line of defense internal control function to maintain independence from business line management, ensuring objective oversight and effective compliance controls.

NEW QUESTION: 73

Which of the following best describes the degree of cooperation between regulatory authorities, law enforcement agencies, and Financial Intelligence Units (FIUs) during money laundering investigations, including cross-border cases?

A. Regulatory authorities primarily work independently but share information when requested by international law enforcement agencies.

B. FIUs primarily handle reporting from financial institutions, while regulatory authorities and law enforcement agencies are limited to enforcing domestic AML laws without international cooperation.

C. Law enforcement agencies and FIUs only cooperate during domestic investigations, leaving cross- border investigations to international organizations like INTERPOL.

D. Regulatory authorities, law enforcement agencies, and FIUs share intelligence and coordinate efforts to streamline cross-border money laundering investigations, often through formal agreements.

Answer: (SHOW ANSWER)

* D: "Cooperation and coordination between regulatory authorities, law enforcement agencies, and FIUs are essential for effective AML investigations, especially in cross-border cases. This is often accomplished through formal agreements, MOUs, and information-sharing mechanisms."(CAMS 6th Edition, International Cooperation in AML/CFT; FATF Recommendations 36-40) References:

CAMS 6th Edition, International Cooperation

FATF Recommendations 36-40

NEW QUESTION: 74

Which ancillary departments or operational areas can play an essential role in supporting a larger organization's Anti-Money Laundering and Economic Sanctions compliance program? (Choose three.)

A. Accounting

B. Model risk management

C. Technology solutions and IT security

D. Marketing

E. Fraud risk management

Answer: (SHOW ANSWER)

Accounting can help detect irregular financial patterns, technology solutions and IT security provide systems for monitoring and data protection, and fraud risk management identifies and mitigates suspicious activities - all of which are essential to supporting AML and sanctions compliance programs.

NEW QUESTION: 75

Upon learning of a potential weakness through an organization's enterprise-wide sanctions risk assessment relating to a low number of sanctions screening alerts generated compared to the business size and operations identified, which action would best ensure the risk area is properly managed and remediated to the best possible extent?

A. Reviewing the enterprise-wide risk assessment methodology

B. Enhancing staff training on the documentation of justification on closed alerts

C. Revisiting the post-transaction monitoring system parameters and thresholds

D. Reviewing the fuzzy logic currently adopted in the screening system

Answer: C (LEAVE A REPLY)

A low number of sanctions screening alerts relative to the size and scope of operations may indicate overly restrictive or inappropriate monitoring parameters. Revisiting and adjusting the post-transaction monitoring system parameters and thresholds ensures that the system is calibrated to detect potential sanctions breaches effectively.

NEW QUESTION: 76

It Is important for financial institutions (FIs) to be aware of anti-financial crime (AFC) and sanctions regulatory regimes in other jurisdictions in order to.

A. ensure the F1 can manage business relationships in jurisdictions with stricter or more lenient regulations than their home country, allowing for operational flexibility

B. compensate for the limited applicability of AFC and sanctions regulations on cross-border transactions and their reduced relevance for domestic operations in other jurisdictions.

C. ensure that sanctions regimes are applied selectively based on the regulatory standards of the countries where business activities occur, focusing primarily on aligned jurisdictions

D. maintain compliance with the AFC and sanctions requirements of all countries where the F1 operates or has business relationships and to avoid penalties for violations in foreign jurisdictions.

Answer: D (LEAVE A REPLY)

NEW QUESTION: 77

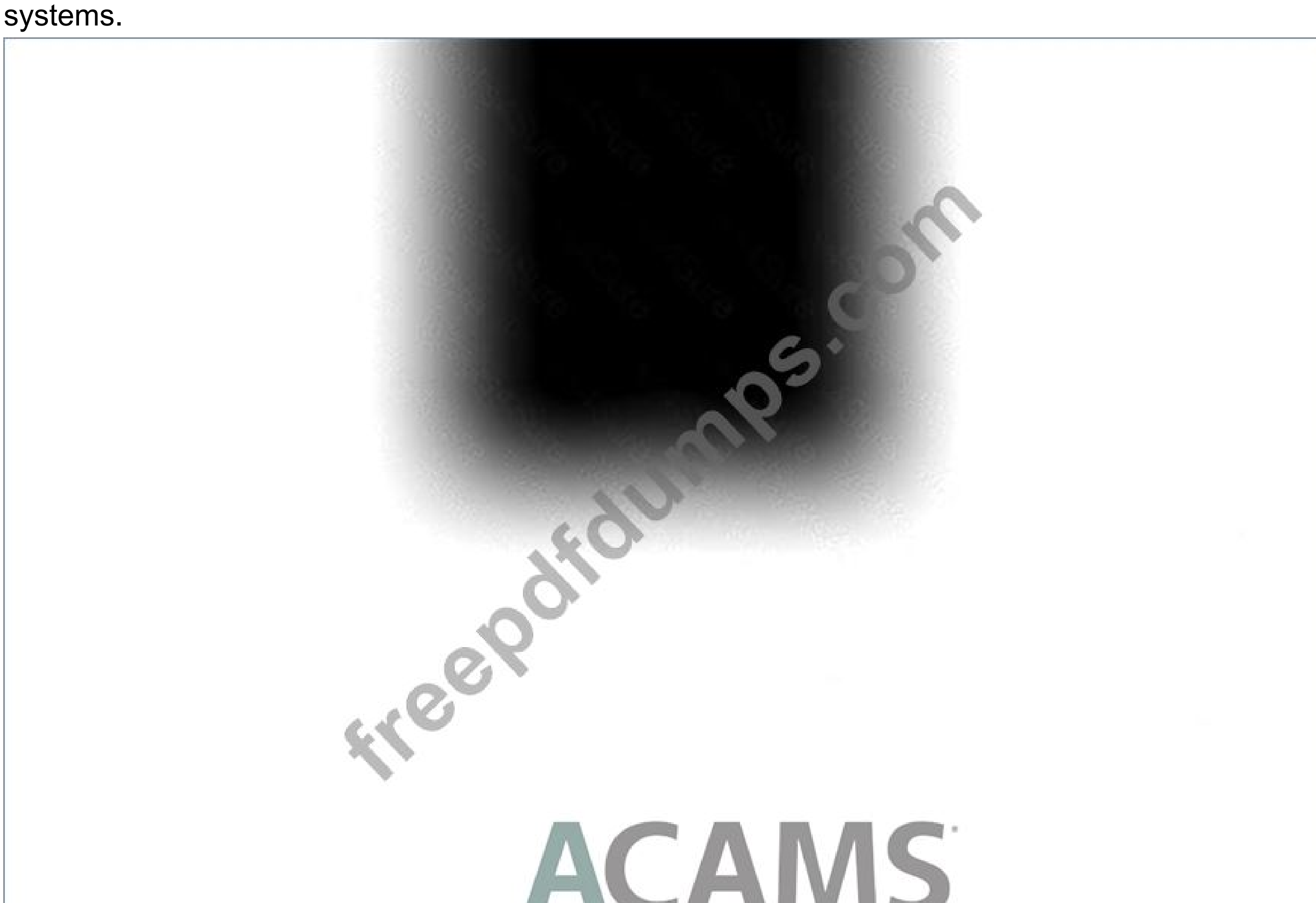
When a government imposes economic sanctions on a target the purpose is to:

A. alter the behavior of the state or non-state target that threatens the interests of that government or violates international norms
B. protect the rights of the citizens of the state target against their own government and improve financial stability in the region.
C. interests encourage non-governmental organizations to increase the provision of humanitarian and charitable aid to the target
D. indicate that the use of military force is likely unless the state or non-state target complies with the government's
Answer: (SHOW ANSWER)

NEW QUESTION: 78
According to PinCEN. when a financial institution (PI) identities a suspicious activity that necessitates suspicious activity report (SAR) filing, the SAR supporting documentation should (Select Two.)
A. include all documents or records that assisted the FI in making the determination that the activity required a filing.
B. always be limited to account name, account details, and transaction records.
C. have written policies and procedures to maintain supporting documentation.
D. be saved in a single separate file with hard copies stored in a fireproof cabinet.
Answer: A,C (LEAVE A REPLY)

NEW QUESTION: 79
Which statement best describes an organizational challenge for law enforcement agencies and Financial Intelligence Units (FIUs) when conducting cross-border money laundering (ML) investigations?
A. Defining a common communication approach and language between all involved parties.
B. Delays in the investigation due to a foreign FIU awaiting the results of queries performed by third parties.
C. Conducting an investigation in all countries through which ML funds were transferred when one or more of the countries do not have an FIU.
D. Investigations which involve high-ranking politicians, who often have influence over the local FIU.
Answer: C (LEAVE A REPLY)
One of the biggest organizational challenges for law enforcement agencies and Financial Intelligence Units (FIUs) in cross-border money laundering (ML) investigations is dealing with jurisdictions that do not have an FIU or lack proper AML enforcement structures. When funds are transferred through countries without effective AML frameworks, it becomes difficult to trace, freeze, or recover illicit assets.
Key challenges include:
Lack of mutual legal assistance agreements (MLAs), which slows down or prevents information-sharing.

Weak AML regulations in some countries, making it easier for criminals to exploit financial systems.



Jurisdictional conflicts, as different countries have different legal definitions and enforcement mechanisms for money laundering.

NEW QUESTION: 80

The United Nations Security Council (UNSC) is empowered to impose sanctions regimes against countries and terrorist organizations.

Which statements are true regarding sanctions imposed by the UNSC? (Select Two.)

A. Attempts to circumvent or evade sanctions imposed by the UNSC can constitute a criminal offense if designated under local laws and regulations

B. The UN can impose arms embargoes but cannot prohibit direct or indirect exports of other goods to specific countries

C. Member countries of the United Nations are expected to implement and enforce sanctions imposed by the UNSC

D. Direct breaches of sanctions imposed by the UNSC constitute a criminal offense in all member countries

Answer: A,C (LEAVE A REPLY)

The United Nations Security Council (UNSC) is authorized under the UN Charter to imposebinding sanctions measureson member states. These sanctions may target countries, entities, or individuals and can include arms embargoes, travel bans, asset freezes, and restrictions on trade or financial services.

Statement Ais correct:

Circumventing or evading UNSC sanctionsmay constitute a criminal offenseif the jurisdiction has incorporated UN obligations into domestic law. While the UNSC does not directly impose criminal penalties, member states must implement these measures locally, andmany jurisdictions have lawsthat make such violations criminal acts.
Statement Bis incorrect:
The UNSC is empowered toimpose broad restrictions, includingtrade bans beyond arms, such as on luxury goods, fuel, or specific commodities. Therefore, the idea that it cannot prohibit exports beyond arms is inaccurate.
Statement Cis correct:
Member countries of the United Nations are expected to implement and enforce UNSC sanctions, in accordance with their obligations under the UN Charter (specifically Chapter VII). Countries are responsible for transposing these sanctions into their national legal frameworks.
Statement Dis incorrect:
Although member countries are required to enforce sanctions,not all countries automatically consider breaches a criminal offense. Whether a violation is criminal depends on how each country enacts UN sanctions domestically.
Reference: ACAMS CAMS Study Guide - 6th Edition, Chapter:International AML Standards- Section:
United Nations Initiatives and Global Sanctions Framework

NEW QUESTION: 81
Which ML/TF risks are associated with cryptoassets? (Select Three.)
A. Devaluation
B. Smart contract vulnerabilities
C. Potential for anonymity
D. Global reach
E. High transaction fees
F. Use to layer illicit funds
Answer: C,D,F (LEAVE A REPLY)
Cryptoassets, such as cryptocurrencies, pose specific ML/TF risks due to their technological characteristics and usage patterns:
* Potential for anonymity (C): Cryptoassets allow users to make transactions without revealing their true identities, which hinders law enforcement from tracking illicit activity. The CAMS 6th Edition states:
"Cryptoassets can be transferred or exchanged between users without the need for identification, presenting a significant risk due to the potential for anonymity."(CAMS 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing, Virtual Assets section)
* Global reach (D): Cryptoassets operate on a global scale, enabling rapid cross-border transfers without the limitations of traditional financial systems. This increases the complexity of monitoring and controlling illicit transactions."The global nature of virtual assets makes it easy for criminals to

move value across borders quickly, evading jurisdictional controls."(CAMS 6th Edition; FATF Guidance on Virtual Assets 2019)
* Use to layer illicit funds (F): The ability to move cryptoassets between numerous wallets and exchanges allows criminals to obscure the source of funds through layering, a key stage of money laundering.
"Layering can be achieved by rapidly moving cryptoassets between wallets, exchanges, and across different jurisdictions, making tracing more difficult."(CAMS 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing) References:
ACAMS Study Guide 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing, Virtual Assets/Virtual Currencies FATF Guidance for a Risk-Based Approach to Virtual Assets (2019) EU 5th AML Directive (2018/843)

NEW QUESTION: 82
According to the Financial Action Task Force (FATF) Recommendation 22. when involved in customer transactions that include the buying and selling of real estate, real estate professionals are required to apply which customer due diligence (CDD) measures? (Select Two.)
A. Performing adverse media searches on the customer
B. Identifying and verifying the customer's identity
C. Obtaining prior senior manager approval for all related transactions
D. Understanding the purpose of the business relationship
Answer: B,D (LEAVE A REPLY)

NEW QUESTION: 83
Which of the following are key financial crime risks associated with real estate companies? (Choose four.)
A. Buying property allows for the movement of large amounts of funds in a single transaction
B. Criminal networks could purchase real estate for use as supply houses or locations to grow, manufacture, or distribute illicit narcotics
C. Markets can be volatile, and buyers may not achieve a strong return on their investment
D. Beneficial ownership information might be opaque, and criminals may abuse arrangements like shell companies and trusts
E. Real estate transactions often involve financial institutions and other professional gatekeepers
F. The high value of properties may require multiple types of financing, which can make it more difficult to identify the source of funds
Answer: (SHOW ANSWER)
Real estate companies face key financial crime risks due to the ability to move large sums in a single transaction, the use of property by criminal networks for illicit operations, the opacity of beneficial ownership structures, and the involvement of professional gatekeepers - such as lawyers and financial institutions - who may unknowingly facilitate money laundering.

NEW QUESTION: 84

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

NEW QUESTION: 85
Which of the following risk factors are commonly associated with money laundering in insurance products?
(Choose two.)
A. Surrendering a policy early to liquidate funds
B. Focusing excessively on the investment performance of an insurance product
C. Using a credit card to purchase an insurance policy
D. Using cryptocurrencies or other non-fiat currencies to fund an insurance policy
Answer: A,D (LEAVE A REPLY)
Early surrender of a policy can be used to quickly access and integrate illicit funds, while funding an insurance policy with cryptocurrencies or other non-fiat currencies can obscure the source of funds, both of which are recognized money laundering risk factors in insurance products.

NEW QUESTION: 86
Which of the following accurately describes the economic, reputational and social consequences of money laundering (ML) and the risks and consequences of violating AFC regulations? (Choose two.)
A. ML undermines the integrity and stability of financial systems and makes them vulnerable to illegal activity. This can erode investor confidence and hinder economic growth.

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

NEW QUESTION: 87
Which techniques are most commonly used in a rules-based approach to transaction monitoring for detecting suspicious activities? (Choose two.)
A. Using predefined rules to flag specific transaction patterns
B. Randomly flagging transactions for further investigation
C. Statistical tuning of monitoring scenarios to improve accuracy
D. Using advanced machine learning models to detect outliers
E. Setting transaction thresholds for automated alerts
Answer: A,E (LEAVE A REPLY)
A rules-based approach to transaction monitoring relies on predefined rules that flag specific patterns and on setting thresholds that trigger automated alerts when exceeded. These techniques are fundamental to identifying potentially suspicious activities in a structured, deterministic way.

NEW QUESTION: 88
The Wolfsberg Group's 2012 "Principles (or Private Banking" established that.
A. private banks need to better coordinate and align their global AML control environment strategies.
B. private banks agree that transparency of client beneficial ownership Is necessary and appropriate.
C. risk based approaches are insufficient to address the heightened risk presented through private banking
D. due diligence requirements tor private banking customers are necessary to prevent predicate offenses.
Answer: B (LEAVE A REPLY)

NEW QUESTION: 89

Which of the following businesses require enhanced or additional scenarios for identifying anomalous transactions? (Select Two.)

A. Companies operating in cash intense businesses not subject to licensing requirement

B. Companies operating in cash intense businesses subject to licensing requirement

C. Companies producing pharmaceutical products and medical devices, companies active in the mining industry

D. Companies operating hospitals and health-care services

E. Companies operating retail shops countrywide

Answer: A,B (LEAVE A REPLY)

NEW QUESTION: 90

Which financial crime risks are inherent to e-commerce platforms? (Select Four.)

A. E-commerce platforms exploited to move criminal proceeds

B. Use of stolen bank cards for online purchases

C. E-commerce platforms susceptible to fraud schemes

D. E-commerce platforms used as a front for illicit transactions

E. E-commerce platforms encouraging unregulated peer-to-peer lending

F. Use of foreign currency to mask criminal proceeds

Answer: A,B,C,D (LEAVE A REPLY)

* A, B, C, D are all identified by CAMS 6th Edition and FATF as primary financial crime risks for e-commerce platforms:

* A: Platforms can be exploited to launder money by processing the movement of criminal proceeds under the guise of legitimate sales.

* B: Use of stolen credit/debit cards for online purchases is a common fraud and ML technique.

* C: Fraud schemes (such as chargebacks or fake listings) are widespread on e-commerce platforms.

* D: E-commerce platforms can serve as fronts for illicit goods or services, masking the true nature of transactions.

* E and F are not commonly cited as principal inherent risks in AML/CTF guidance.

References:

CAMS 6th Edition, E-commerce ML/TF Risks

FATF, "Money Laundering Risks Arising from E-commerce Activities"

NEW QUESTION: 91

In the context of terrorist financing, which of the following are potential indicators of the abuse of non-profit organizations (NPOs)? (Choose two.)

A. Involvement in community development and humanitarian aid projects

B. Large and unaccounted cash donations from anonymous sources

C. Operating in high-risk jurisdictions with limited oversight

D. Frequent changes in leadership and mission statements

E. Extensive transparency in financial reporting and governance practices

Answer: (SHOW ANSWER)

Potential indicators of terrorist financing abuse in non-profit organizations include large, unaccounted cash donations from anonymous sources, which can disguise illicit funding, and operations in high-risk jurisdictions with limited oversight, where regulatory and monitoring frameworks may be weak.

NEW QUESTION: 92

Which strategies are most effective for prioritizing resources within an anti-financial crime (AFC) program using a risk-based approach (RBA)? (Choose two.)

A. Prioritizing resources towards lower-risk areas to reduce workload

B. Regularly reassessing risks to adjust resource allocation

C. Allocating more resources to areas with higher financial crime risk

D. Providing equal resources to all departments to maintain consistency

E. Using a fixed resource allocation plan without adjustments

Answer: B,C (LEAVE A REPLY)

A risk-based approach prioritizes allocating more resources to higher-risk areas and regularly reassessing risks to ensure resource allocation remains aligned with evolving threats and vulnerabilities. This maximizes the effectiveness of the AFC program.

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