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NEW QUESTION: 1
Usually, the risk associated with the customer can be higher if the customer is nonresident?
A. Depends
B. Yes
C. No
Answer: B (LEAVE A REPLY)

NEW QUESTION: 2
The ownership of a legal person is often described as having two prongs. The first one is the beneficial owner, this is the natural or legal person who owns the entity and who benefits from its activities. The second one is called?
A. Control Party Prong.
B. Controlling Prong.
C. KYC Prong.
D. Control Prong.
Answer: D (LEAVE A REPLY)

NEW QUESTION: 3
In the Customer Identification Program (CIP) What are the basic information required to identify a legal person is? (SELECT 3)
A. Source of Funds.
B. Legal Name.
C. Address, including legal and place of business.
D. Source of Wealth.
E. Identification number issued by government.
Answer: B,C,E (LEAVE A REPLY)

NEW QUESTION: 4
What is the overall purpose of KYC?
A. To manage the risk posed by Money Laundering.
B. To manage the risk posed by Terrorist Financing
C. To manage the risk posed by customers.
D. To manage the risk posed by financial services industry.
Answer: C (LEAVE A REPLY)

NEW QUESTION: 5
Data must be secure so that it cannot be hacked, stolen, or misused for other purposes?
A. False
B. True
C. Depends on the specifics.
Answer: B (LEAVE A REPLY)

NEW QUESTION: 6
If the legal structure is overly complex.
What step should the analyst do when conducting Customer Due Diligence in identifying the beneficial owners?
A. Escalate, A complex legal structure is a sign of hiding the beneficial owner.
B. Tread carefully, particularly if they operate in jurisdictions with secrecy la
C. Continue, Most legal structures can be overly complex in a normal business setting.
Answer: B (LEAVE A REPLY)

NEW QUESTION: 7
A shell company or corporation is a company that, at the time of incorporation, has no significant? (SELECT 2)
A. Assets.
B. Funds.
C. Employees.
D. Operations.
Answer: A,D (LEAVE A REPLY)

NEW QUESTION: 8
What is an example of secondary identification in a customers CIP program? (SELECT 3)
A. Identification from a college.
B. Identification from securities and exchange commission. (SEC)
C. Identification from a registry of secretary of state.
D. Identification from a utility company.
E. Identification from another financial institution.

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

NEW QUESTION: 9

A person disclosing to any other person, information or any other matter, which is likely to prejudice a money laundering investigation is known to be?

A. Tipping off

B. Dripping off

C. Dipping off

D. Ripping off

Answer: A (LEAVE A REPLY)

NEW QUESTION: 10

The five components of the internal control framework are the overall control environment are risk assessment, control activities, communication, regulations, quality assurance?

A. No.

B. Yes.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 11

What is the Primary European Union Money Laundering regulation?

A. 3rd Anti-Money Laundering Directive

B. 5th Anti-Money Laundering Act.

C. 4th Anti-Money Laundering Act.

D. 2nd Anti-Money Laundering Directive.

E. 5th Anti-Money Laundering Directive.

Answer: (SHOW ANSWER)

NEW QUESTION: 12

The first step in the CDD of a legal person is to?

A. Find out what the account will be used for, and the level of activity your organization should expect to see.

B. Understand the ownership structure and to track back to the ultimate beneficial owners and controllers.

C. Discover the type of business your customer undertakes.

Answer: (SHOW ANSWER)

NEW QUESTION: 13

If an organization suspects that a customer is laundering money, or committing other types of financial crime, it has a duty to report it to the authorities? (TRUE OR FALSE)

A. True.

B. False

Answer: A (LEAVE A REPLY)

NEW QUESTION: 14

Delivery Channel Risk is associated with? (SELECT 3)

A. Deposit accounts

B. Savings accounts

C. Concentration accounts

D. Payable through accounts.

E. Correspondent banks.

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

NEW QUESTION: 15

Shell and Shelf Companies are usually what level of customer risk?

A. Medium.

B. High.

C. Low.

D. Immediately Rejected due to their business profile.

Answer: (SHOW ANSWER)

NEW QUESTION: 16

The Source of Funds and the Source of Wealth must be? (SELECT 2)

A. Provided

B. Consistant.

C. Verified.

D. Explained.

Answer: C,D (LEAVE A REPLY)

NEW QUESTION: 17

CDD encompasses the entire lifecycle of due diligence?

A. CIP, SDD, EDD.

B. CIP, CDD, EDD.

C. CIP, EDD, SDD.

D. CDD, EDD, SDD.
Answer: A (LEAVE A REPLY)

NEW QUESTION: 18
What corporate vehicles can a money launderer hide behind, where it is difficult to identify the beneficial owner? (SELECT 4)
A. Shell companies.
B. Private investment companies.
C. Trusts.
D. Regulated investment advisors
E. Sole Proprietors.
Answer: (SHOW ANSWER)

NEW QUESTION: 19
For AML purposes, most jurisdictions require that beneficial ownership be collected at a threshold of (SELECT 2)
A. 20%
B. 25%
C. 15%
D. 10% sometimes for high risk customers
Answer: (SHOW ANSWER)

NEW QUESTION: 20
What risk increases with non-face-to-face business relationships or transactions, or when payments are sent to or received from unknown or unassociated third parties.
A. Remittance Risk
B. Operational Risk.
C. Channel Risk
D. Financial Crime Risk.
Answer: (SHOW ANSWER)

NEW QUESTION: 21
Trade finance, which is the provision or credit for domestic and international trade transactions is likely?
A. Usually a Low Risk Product.
B. Usually a High Risk Product
C. It depends on the Anti-Money Laundering program.
D. Usually a Medium Risk Produce.
Answer: (SHOW ANSWER)

NEW QUESTION: 22

What is the First Line of Defense? (FLOD)

A. The ________ line of defense is internal audit. They perform an independent review of the controls applied by the lines of defense.

B. The _______ line of defense is the compliance and internal control functions. That includes the chief money laundering reporting officer, or MLRO, in charge of managing and monitoring AML and CFT activities.

C. The _______ line of defense is also known as the front line, these customer-facing employees are best-equipped to get the information you need for your customer due diligence. Can include Operations, risk, and control teams.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 23

What is the purpose of having controls to Know Your Customer, also known as KYC?

A. Manage the financial crime risk to your customer.

B. Manage the compliance risk of your organization.

C. Manage the financial crime risk to your organization.

D. Manage the compliance risk of your customer.

Answer: (SHOW ANSWER)