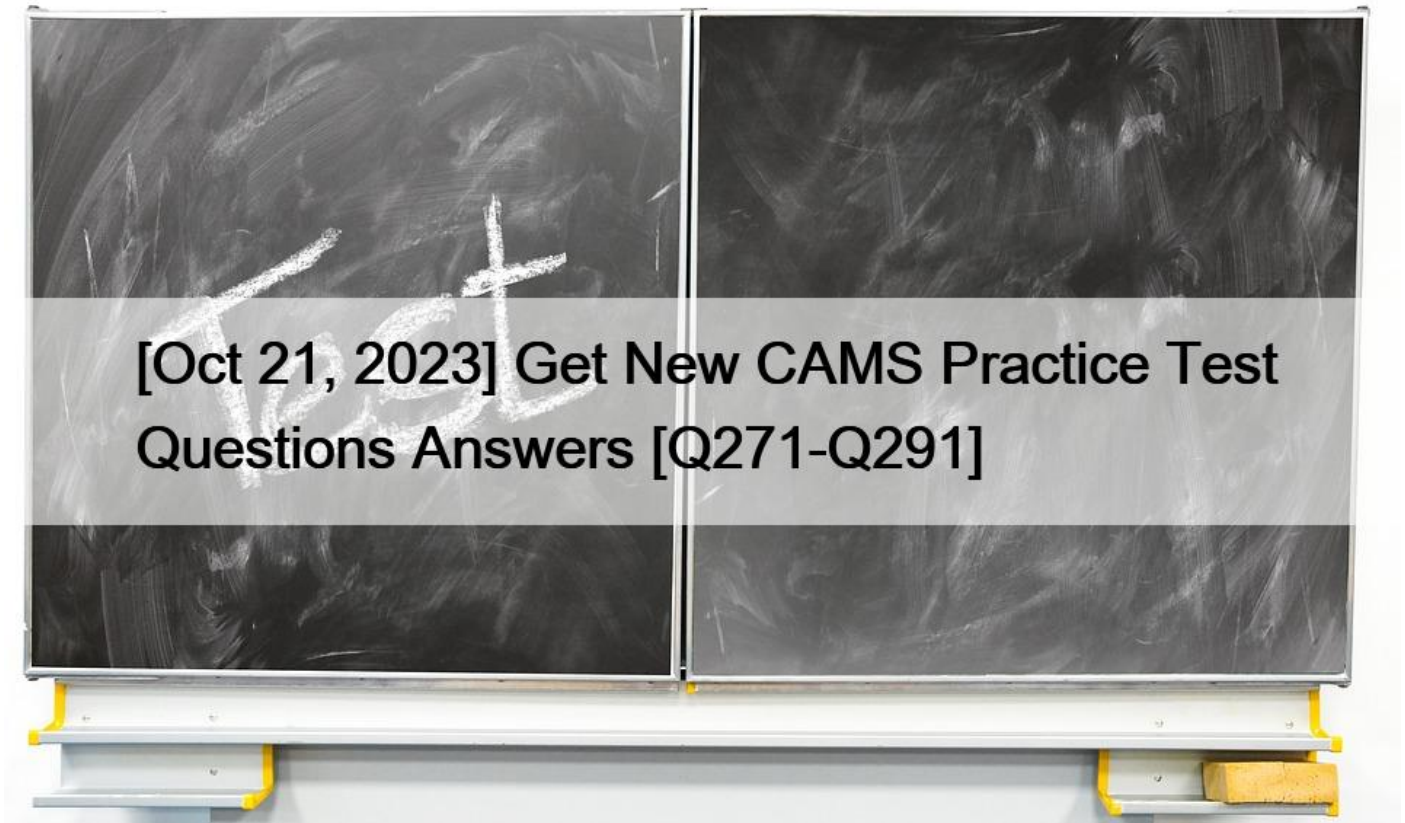


[Oct 21, 2023] Get New CAMS Practice Test Questions Answers [Q271-Q291]



[Oct 21, 2023] Get New CAMS Practice Test Questions Answers
CAMS Dumps and Exam Test Engine

The CAMS certification is highly valued by employers in the financial services industry, as it demonstrates a commitment to compliance and risk management. In addition, many regulatory agencies and law enforcement organizations recognize the CAMS certification as a mark of expertise in the AML field. Professionals who hold the CAMS certification may have access to more job opportunities, higher salaries, and greater career advancement prospects.

Q271. How does the Financial Action Task Force (FATF) communicate its findings regarding jurisdictions with strategic anti-money laundering / Counter Financing of Terrorism deficiencies?

- * By issuing documentation to the private sector
- * By issuing two formal documents three times per year
- * By issuing informal communication to FATF members
- * By issuing four formal documents to the deficient jurisdictions

Q272. Which are primary purposes of Financial Action Task Force (FATF)-Style Regional Bodies? (Select Two.)

- * Acting as a prudential regulatory body for financial institutions
- * Providing due diligence for foreign correspondent banks

- * Providing expertise and input in FATF policy-making
- * Imposing special measures for non-cooperative jurisdictions
- * Promoting effective implementation of FATF recommendations

Explanation

The primary purposes of Financial Action Task Force (FATF)-Style Regional Bodies are to promote effective implementation of FATF recommendations and to provide expertise and input in FATF policy-making.

(CAMS Manual, 6th Edition, Page 180)

Q273. What national agency is responsible for analyzing and assessing the information it receives to substantiate possible existence of money laundering or terrorist financing activities?

- * The Financial Intelligence Unit (FIU)
- * FATF
- * The Basel Committee
- * The Wolfsberg Group

Q274. Which assessments are involved in the processes of mutual evaluation and follow-up by the FATF?

- * Risk assessments and technical standards assessments
- * Technical compliance assessments and effectiveness assessment
- * Sanction risk assessments and the country's National Risk Assessment
- * Country audit assessments and transaction monitoring assessments

Reference:

<https://www.fatf-gafi.org/publications/mutualevaluations/more/more-about-mutual-evaluations.html?hf=10&b=0>

Q275. A company service provider in Country A sets up a corporate structure for a client from Country B, which is known for corruption. The corporate structure includes a holding company in Country A with a bank account in one of the international banks located there.

During on-boarding, the client's wealth was estimated at \$7 million. Shortly thereafter, the client's father became president of Country

B. During a routine client review two years later, it was identified that client's wealth had grown to \$510 million.

What are two red flags that indicate money laundering or financial terrorism? (Choose two.)

- * The client is from a country known for corruption.
- * The substantial growth in wealth during a short period of time.
- * The client is a family member of a PEP from a country known for corruption.
- * The holding company is in Country A with a bank account in one of the international banks.

Q276. A close relative of a privately-owned bank's senior manager requests to open an account. Because of this relationship, the staff expedites the opening of the account without following established account-opening procedures. Applying the Basel Committee on Banking Supervision principles, which of the following poses the highest operational risk?

- * Failure to conduct proper due diligence.
- * The possibility of lawsuits that adversely affect the operations of a bank.
- * The bank's exposure to politically exposed persons.
- * Not having appropriate information to share with Financial Intelligence Units.

Q277. A bank operates in multiple countries and offers a variety of products and services. The compliance officer recently joined the

bank and wants to better understand the inherent level of anti-money laundering risk across the entire organization.

Which two factors should be considered? (Choose two.)

- * The Transaction Monitoring program
- * The Customer Due Diligence program
- * Countries that the bank operates in
- * Products and services offered by the bank

Q278. Which statement identifies one of the duties of a government Financial Intelligence Unit?

- * It serves as the central agency for the receipt of disclosures filed by reporting entities.
- * It administers and enforces economic and trade sanctions based on a government's foreign policy and national security goals.
- * It supervises and regulates banking institutions to ensure the safety and soundness of the nation's banking and financial system.
- * It prosecutes suspected money launderers and terrorist financiers based on financial institution suspicious transaction report filings.

Reference:

<http://fiu.gov.dm/about-us/functions-and-responsibilities>

Q279. A retail bank has just acquired a credit card business. The bank's anti-money laundering policy requires that new employees are trained within 30 days of their hire date and refresher training is delivered to all employees on an annual basis.

Is the bank's existing anti-money laundering training adequate to be delivered to employee of the newly acquired credit card business?

- * Yes, the existing training covers the bank's policies, procedures, and processes.
- * No, anti-money laundering training needs to be delivered face-to-face for credit card businesses.
- * No, anti-money laundering training needs to be tailored and focused on the risks specific to the business.
- * Yes, the existing training covers the anti-money laundering regulations that the bank is required to follow.

Q280. What action should a bank CEO's assistant take when the bank CEO expends large sums of money to a charitable organization run by the bank CEO's direct family member?

- * Report the actions to the Executive Board of the bank.
- * Meet with the bank CEO to learn why the donations are being made.
- * Investigate the charitable organization's relationship with the bank CEO.
- * Submit the concern anonymously to the bank's internal Compliance Hotline.

Q281. A prospective AML officer comes highly recommended by a bank's up-stream correspondent institution of similar size and make-up, located in a different city in the same country. The bank is interested in hiring the individual. What should be the next step taken by the Board of Directors?

- * Do a thorough background check
- * Confer with its regulatory agency to determine whether it is appropriate to hire the person
- * Hire the individual, relying on the recommendation of its correspondent
- * Hire the individual on a probationary basis so that the institution can determine if the individual is sufficiently experienced and capable

Q282. How does the Asian/Pacific Financial Action Task Force (FATF)-Style Regional Body help its members implement recommendations from the FATF? (Select Two.)

- * Promotes laws that allow judicial challenges to seizure orders by an administrative body
- * Endorses regulations that define money laundering based on the model laws issued by the respective member states

- * Facilitates the adoption and implementation of internationally accepted AML measures by member jurisdictions
- * Encourages cooperative AML efforts in the region
- * Requires members to maintain lists of regional money laundering and terrorists financing issues relevant to their region

Explanation

The Asian/Pacific Financial Action Task Force-Style Regional Body (APG) helps its members implement recommendations from the FATF by facilitating the adoption and implementation of internationally accepted AML measures by member jurisdictions (CAMS Manual, 6th Edition, Page 22). The APG also encourages cooperative AML efforts in the region, which can include information-sharing and mutual evaluations to assess member compliance with FATF recommendations (CAMS Manual, 6th Edition, Page 25). Therefore, options C and D are the correct answers.

Q283. The compliance officer for a private bank has been tasked with writing a policy on how the bank will deal with intermediaries.

Which two aspects should be included in the policy in respect of intermediaries to align it with the Wolfsberg Anti-Money Laundering Principles for Private Banking? (Choose two.)

- * When an intermediary introduces clients to the bank, it is not necessary for the bank to perform due diligence on the intermediary's clients.
- * Where an intermediary introduces clients to the bank, the bank must obtain the same type of information with respect to an introduced client that would otherwise be obtained by the bank, absent the involvement of the intermediary.
- * Where an intermediary manages assets on behalf of a number of clients and is the account holder with the bank, but that intermediary does not conduct the same level of due diligence as the bank, it is necessary for the bank to undertake due diligence on the intermediary's clients.
- * Where an intermediary manages assets on behalf of a number of clients and arranges for the opening of accounts for its clients with the bank, and that intermediary is a financial institution subject to similar regulations, it is necessary for the bank to perform due diligence on the intermediary's clients.

Explanation/Reference: <https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/faqs/20.%20Wolfsberg-FAQs-on-Intermediaries-May-2012.pdf> (2)

Q284. Which situation is the highest risk for money laundering and terrorist financing activity?

- * A customer purchases casino chips, using small denomination bank notes, but does not engage in game play before redeeming the chips for a casino check
- * A customer purchases casino chips and engages in significant game play before requesting a casino check for the remainder
- * A customer purchases casino chips using a credit card and engages in minimal game play before redeeming the chips for a casino check
- * A customer purchases casino chips using credit from an account at an affiliated casino and engages in significant game play before redeeming the chips for a casino check

Q285. Which of the following is the main reason Internet gambling is an ideal web-based money laundering method?

- * Ease of connection and low subscription rate with major Internet service providers.
- * High credibility of gambling websites.
- * Ability to transfer value across jurisdictions.
- * Large number of offshore websites located in known high-crime areas.

Q286. A compliance officer is developing an anti-money laundering program for a financial institution located in a Financial Action Task Force member country. The institution conducts business with customers located in countries/jurisdictions that are not members of Financial Action Task Force. Which of the following issues should be addressed in the program?

- * The requirement to identify the beneficial owners of accounts.
- * The requirement for customer identification for the opening of new accounts.
- * The financial institution's obligation to report suspicious transactions.

- * The obligation to freeze funds involved in suspicious transactions.

Q287. How should a financial institution deter money laundering through new accounts? Choose 3 answers

- * Document the identity of the party opening the account
- * Query owner's names against FATF database
- * Determine the beneficial owner(s) of the account
- * Seek to determine the source of deposited funds

Q288. Which elements can trigger a review of the existing relationship during the opening of a new account? (Select Two.)

- * Regular checks on the flow of funds
- * Recent adverse media on the client
- * A false positive result for name screening
- * Incoming transfers from high-risk jurisdictions
- * Estimated total income decrease

Explanation

According to the Certified Anti-Money Laundering Specialist (CAMS) Sixth Edition manual, elements that can trigger a review of the existing relationship during the opening of a new account include recent adverse media on the client (page 60) and incoming transfers from high-risk jurisdictions (page 61). The other elements listed, such as regular checks on the flow of funds, a false positive result for name screening, and an estimated total income decrease, are not triggers for a review.

Q289. Which factor should a bank consider before sharing information about a customer with its broker-dealer affiliate in the case of an investigation?

- * Whether the broker-dealer affiliate can rely on the due diligence done by the bank
- * Whether there is a mutual legal assistance treaty in place between the two institutions
- * Whether privacy and data protection rules permit the bank to share the information with the affiliate
- * Whether both institutions have an account or are in the process of opening an account for the customer

Q290. An auction house dealing in fine art and antiques sells a well-known painting at a price of \$12 million to an agent bidding for a group of local investors. The same painting sold ten years prior at auction for \$5 million. The auction house receives payment for the painting via wire transfer from an account maintained in an offshore jurisdiction by the investor group. No beneficial ownership information is available for the account.

What are the two money laundering red flags? (Choose two.)

- * The payment is received via wire transfer.
- * An agent bids on the painting for a group of investors.
- * The painting has more than doubled its value in ten years.
- * Payment is received from an account in an offshore jurisdiction.
- * Lack of beneficial ownership details for the originating account.

Q291. Law enforcement submitted a request to a bank for information regarding one of its customers.

How should the bank respond according to Financial Action Task Force Guidance?

- * Provide all information requested to support the investigation
- * Ensure that the request will not violate any local privacy regulations or legislation
- * Ensure the information is necessary to the investigation before responding to the request
- * Contact the customer informing the person of the investigation to ensure the bank provides correct information

Explanation/Reference:

ACAMS CAMS (Certified Anti-Money Laundering Specialists) exam is a globally recognized certification for professionals in the anti-money laundering (AML) field. Certified Anti-Money Laundering Specialists certification demonstrates a deep understanding of the AML framework, laws, regulations, and best practices to detect and prevent money laundering and terrorist financing activities.

2023 New ExamcollectionPass CAMS PDF Recently Updated Questions:

<https://www.examcollectionpass.com/ACAMS/CAMS-practice-exam-dumps.html>