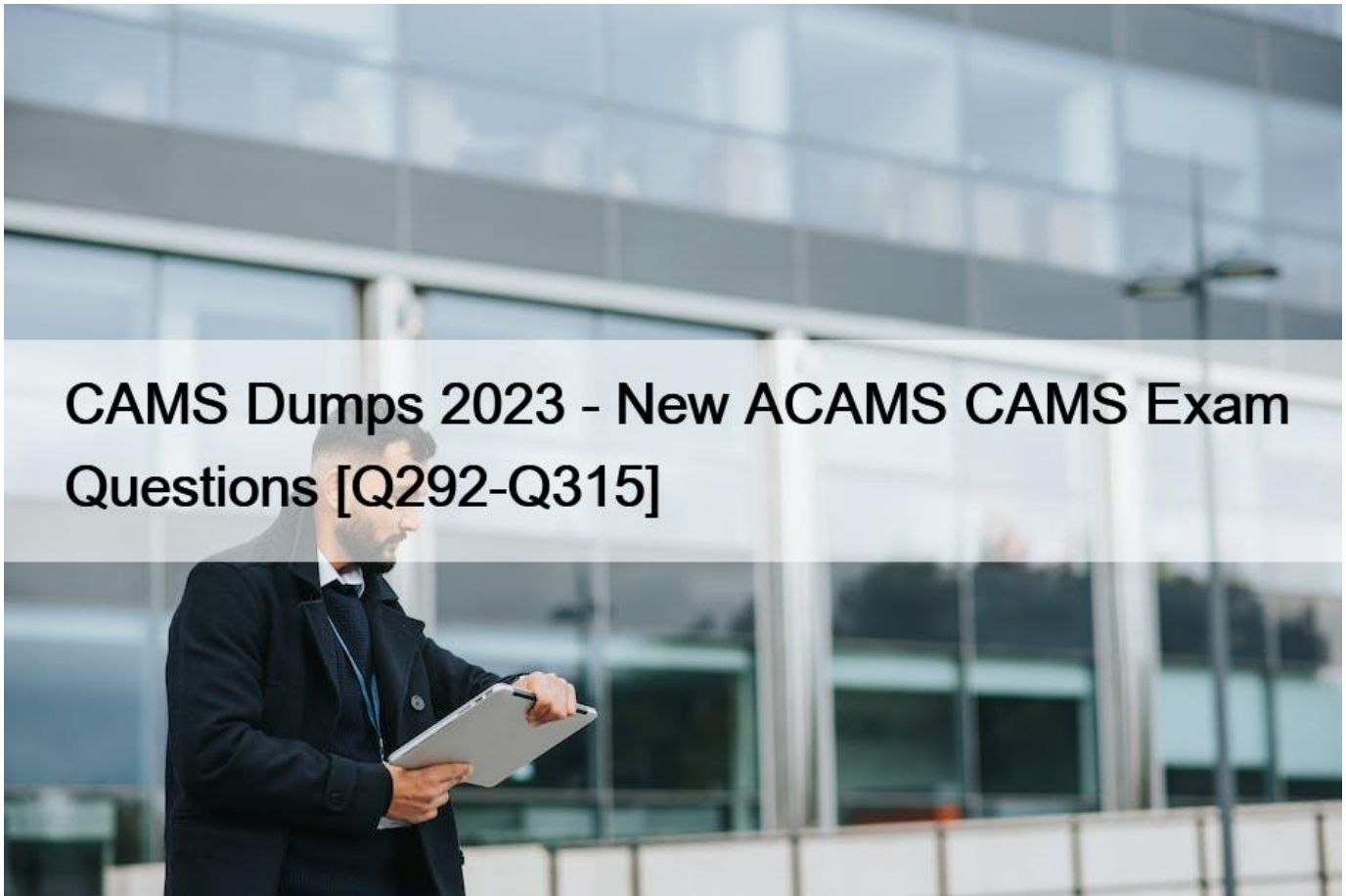


CAMS Dumps 2023 - New ACAMS CAMS Exam Questions [Q292-Q315]



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The ACAMS CAMS (Certified Anti-Money Laundering Specialists) exam is a certification exam that is designed to test the knowledge and skills of individuals involved in anti-money laundering (AML) compliance. The exam covers a broad range of topics related to AML, including the legal and regulatory framework, risk assessment, customer due diligence, transaction monitoring, and reporting. It is a rigorous and challenging exam, and passing it demonstrates a high level of expertise in the field of AML.

NEW QUESTION 292

How can a financial institution verify the nature and purpose of a business and its legitimacy?

- * By reviewing a copy of the corporation's latest audited reports and accounts
- * By undertaking a company search or other commercial inquiries to see that the institution has not been, or is not in the process of being dissolved or terminated
- * By reviewing the company's website
- * By using an independent information verification process, such as by accessing public and private databases

NEW QUESTION 293

An anti-money laundering officer is conducting employee reviews.

Which employee action warrants enhanced due diligence?

- * The teller reviews customer profiles and makes notations of personal information to reportedly become familiar with bank customers.
- * The private banker has recently taken long vacations which caused staff members to fall behind in their work to help cover bank duties.
- * The branch manager reviews the daily hold report and releases holds on non-cash items once the bank receives credit from the paying bank.
- * The bank chief executive officer lives in a lavish home and has requested the board to approve a membership payment at an exclusive country club.

NEW QUESTION 294

What is the primary action a financial institution should take before formulating its anti-money laundering program?

- * It should perform a comprehensive risk analysis
- * It should determine how extensive and well-trained the compliance staff is
- * It should consult with its correspondent banks to determine the nature and extent of their AML programs
- * It should ensure that its training modules for all employees cover all relevant AML issues

NEW QUESTION 295

An anti-money laundering specialist working at a bank just received a legal request from a law enforcement agency mandating the release of all financial transaction records relating to an account at the bank. The specialist immediately recognizes the account as one owned by the bank Chief Executive Officer's brother.

During research to gather the requested documents, the specialist finds several internal memos he had sent to the bank president with concerns regarding possible suspicious activity relating to this account. The specialist recalls the bank president verbally responded to each memo with an explanation of the activity and indicated there was no cause for concern. What should the specialist do with respect to these internal memos?

- * Place these memos in his personal files in case they are subsequently requested
- * Ask the bank president to document his instructions to the specialist
- * Call the law enforcement agent and suggest he modify the legal request to include these memos
- * Advise the bank's senior legal advisor of the situation

NEW QUESTION 296

A new customer has just been onboarded in a securities firm. After a few weeks, there are unusual trading patterns that are being flagged. Which pattern is most concerning to the compliance officer?

- * The customer engages in large trading in securities that are liquid or highly priced from the trading account.
- * The customer's repeated trading in securities that are low priced and low volume counters.
- * The customer receives many incoming wire transfers from related parties to the trading account.
- * The customer accumulates securities of a low volume counter in small increments on a weekly basis.

Explanation

The most concerning trading pattern for a compliance officer when a new customer has been onboarded in a securities firm is the customer accumulating securities of a low volume counter in small increments on a weekly basis. This type of behavior could

indicate that the customer is attempting to obscure their identity or the true purpose of their trading activity, which can be indicative of money laundering or other suspicious activity. (CAMS Manual, 6th Edition, Page 170).

NEW QUESTION 297

Why would a credit card account likely not be used in the placement stage of money laundering?

- * Customer identification is required
- * Cash payments are generally restricted
- * Credit refunds have a waiting period
- * Credit cards can access ATMs globally

NEW QUESTION 298

At a small community bank, the compliance officer identifies unusual activity on a customer, who with his personal and company accounts, is the bank's largest depositor. The customer's companies have significant balances on their outstanding loans. The compliance officer notices that there is a lot of unusual movements of money between the customer's individual and business accounts. After filing a suspicious transaction report (STR), the compliance officer gets a call from law enforcement indicating that they want the bank to keep the account open while they conduct an investigation into the customer.

How should the compliance officer escalate this information to the board of directors?

- * By providing a copy of the STR to the board
- * By informing the regulator to bring it up with their next meeting with the board
- * By providing a high level summary of the activity and the interactions with law enforcement
- * By providing a copy of the letter from law enforcement asking the bank to keep the account open.

NEW QUESTION 299

Which constitute red flags in connection with a company involved in illegal logging? (Select Three.)

- * Business registry activities state promotion of environmental protection
- * High number of transactions through company's connected bank accounts
- * Paper packaging demand production
- * Expeditious shipment of wood to far away jurisdictions
- * Use of heavy machinery in non-protected areas
- * Executive's association with politically exposed persons

Explanation

Red flags in connection with a company involved in illegal logging include: D. Expeditious shipment of wood to far away jurisdictions, E. Use of heavy machinery in non-protected areas, and F. Executive's association with politically exposed persons. These red flags could be indicative of attempts to conceal the origin of illegally harvested wood and to avoid detection by government authorities.

NEW QUESTION 300

Since its last regulatory examination, a financial institution has aggressively grown by adding profitable new products and services. The institution has not historically received regulatory criticism regarding its anti-money laundering compliance program. However, a recent regulatory examination cited significant deficiencies in the anti-money laundering program that were attributed primarily to the lack of oversight by the institution's leadership in implementing adequate controls over the new products and services.

Which area of international control should leadership first address to correct the weaknesses in the program?

- * Anti-money laundering training

- * Anti-money laundering policy
- * Money laundering risk assessment
- * Anti-money laundering compliance staff

NEW QUESTION 301

An anti-money laundering audit identifies a significant weakness in how transaction monitoring alerts are cleared. Audit sampling identified potentially suspicious activity that was cleared as not suspicious.

Management accepts the audit finding and develops a remediation plan.

What is the role of the auditor during the correction phase?

- * Directing the remediation of the deficiency in a timely manner
- * Developing procedures to provide sufficient risk-based documentation for clearing alerts
- * Providing training to the alert clearing department on the importance of effective alert clearing
- * Validating the successful remediation of the issue once management indicates the issue is resolved

Explanation

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

NEW QUESTION 302

What does the Egmont Group's support for its members include?

- * Issuing due diligence models for financial institutions
- * Expanding and systematizing international cooperation in the reciprocal exchange of information
- * Issuing strategic products for law enforcement agencies and FIUs on topics of international interest
- * Expanding the ability of FIUs to enforce laws and exchange information globally to combat money laundering and terrorist financing

Reference: <https://egmontgroup.org/en/content/membership>

NEW QUESTION 303

Which action should financial institutions with cross border correspondent banking activity be required to perform according to the Financial Action Task Force 40 Recommendations?

- * Gather a list of their politically exposed customers
- * Identify natural persons who own or control more than 5%
- * Obtain senior management approval before establishing the relationship
- * Obtain a third party independent review of the respondent's anti-money laundering program

NEW QUESTION 304

What is the currency threshold under the European Union Fourth Anti-Money Laundering Directive?

- * 3,000 Euros
- * 5,000 Euros
- * 10,000 Euros
- * 15,000 Euros

Reference: <https://www.acams.org/aml-resources/eu-fourth-aml-directive/>

NEW QUESTION 305

Which is an objective of the Financial Action Task Force (FATF)-Style Regional Bodies (FSRBs)?

- * To issue their own recommendations, considering local typologies, ignoring the FATF 40 recommendations
- * To work in parallel with FATF by operating on the basis of (mutual, joint, or common) recognition of their work
- * To enforce implementation of the FATF recommendations amongst its member countries
- * To work independently from FATF and to be closely involved in improving law enforcement outcomes in their regions

Explanation

To work in parallel with FATF by operating on the basis of (mutual, joint, or common) recognition of their work is an objective of the Financial Action Task Force (FATF)-Style Regional Bodies (FSRBs). FSRBs are regional organizations that have been established by their member jurisdictions to foster implementation of anti-money laundering and counter-terrorist financing standards at a regional level. They are recognized by FATF as associate members and operate on a principle of mutual recognition of their work²

NEW QUESTION 306

What are the regulatory risks to a bank employee who willfully violates anti-money laundering laws?

- * Investigation and reputational damage
- * Fines and suspension from the industry
- * Criminal investigation and imprisonment
- * Enforcement actions including fines against the financial institution

Explanation/Reference: <https://books.google.com.pk/books?id=qKLR7IdWCqsC&pg=PA9&lpg=PA9&dq=What+are+the>

+regulatory+risks+to+a+bank+employee+who+willfully+violates+anti-money+lauding

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20regulatory%20risks%20to%20a%20bank%20employee%20who%20willfully%20violates%20anti-money%

20lauding%20laws&f=false

NEW QUESTION 307

Which statements relate to the mandate, roles, and responsibilities of the Financial Action Task Force (FATF) and the FATF-Style Regional Bodies (FSRBs)? (Select Two).

- * In the process of setting standards. FATF will only consider inputs from its member countries as part of the consultation process.
- * FSRBs have the right to develop standards with which their member countries are bound to comply.
- * FSRBs play an essential role in identifying and addressing AML technical assistance needs for their individual member countries.
- * FATF and FSRBs are free-standing organizations that share the common goals of combating money laundering and the financing of terrorism and proliferation.
- * FATF member countries cannot be members of an FSRB at the same time.

Explanation

FSRBs play an essential role in identifying and addressing AML technical assistance needs for their individual member countries. The FSRBs are responsible for promoting the effective implementation of the FATF Recommendations at the regional level, including by assisting member countries in identifying technical assistance needs and facilitating the provision of such assistance.

FATF and FSRBs are free-standing organizations that share the common goals of combating money laundering and the financing of terrorism and proliferation. The FATF is an intergovernmental body that sets global standards for AML/CFT and promotes their effective implementation, while the FSRBs are regional organizations that work to promote the effective implementation of the FATF Recommendations at the regional level.

NEW QUESTION 308

The anti-money laundering specialist of a small bank has identified suspicious activity at a branch located in an area of town where drug dealers are known to operate. An investigation of this activity discloses that the suspicious transactions occurred within the last 3 months and were processed by the same teller (cashier). The teller (cashier) did not file an internal report of unusual activity on these transactions. When checking personnel files, the specialist finds that the teller (cashier) has been a trusted employee for over 15 years, has an impeccable work record, and has participated in several anti-money laundering training sessions. The specialist recently became aware that the employee's daughter has contracted a rare disease and is undergoing a very expensive treatment program. Regarding the teller's (cashier's) failure to report the unusual activity to the institution, the specialist should recommend

- * Continuing to monitor the accounts.
- * Refreshing anti-money laundering training for the teller (cashier).
- * Directing the teller (cashier) to file a suspicious transaction report.
- * Suspending the teller's (cashier's) employment.

NEW QUESTION 309

What is the term for trading through multiple accounts, where an individual generates offsetting profits and losses and transfers of positions through accounts that do not appear to be commonly controlled?

- * Ponzi scheme
- * Market Manipulation
- * Net Trading
- * Wash Trading

Explanation

Wash trading through multiple accounts generates offsetting profits and losses and transfers of positions between accounts that do not appear to be commonly controlled;

NEW QUESTION 310

The line of business is responsible for creating, implementing and maintaining policies and procedures, as well as communicating these to all personnel. It must also establish processes for screening employees to ensure high ethical and professional standards and deliver appropriate training on AML policies and procedures based on roles and functions performed so employees aware of their responsibilities. To facilitate this, employees should be trained as soon as possible after being hired, with refresher training as appropriate.

To guard against acquisition or control of a financial institution by money launderers or their associates, what should supervisory agencies require?

- * Adequate surety bonds, cash deposits, or equivalencies
- * Comprehensive compliance programs
- * Prospective owners have prior experience in the area of finance
- * Thorough due diligence on prospective owners

NEW QUESTION 311

What are three elements of a sound Customer Due Diligence Program?

- * Determination of what type of customer the financial institution will accept
- * Training as to how and to what extent to identify prospective customers
- * Obtaining date of birth and address of a prospective customer
- * Determination of who in the institution should be assigned to the prospective customer as a liaison

NEW QUESTION 312

A client who owns a swimming pool company requests to open 19 accounts at a bank, each with a debit card for its swimming pool technicians. When asked about the purpose of each account, the client explains that each technician needs a separate checking account to purchase pool chemicals.

Which available source could be used in the bank's internal investigation on this client's activities?

- * Client's credit bureau report
- * Local law enforcement investigation report
- * Interview swimming pool technicians and chemical suppliers
- * Internet search showing how such business are typically operated

NEW QUESTION 313

What do Financial Action Task Force (FATF)-style regional bodies do for their members to help combat money laundering and terrorist financing?

- * They provide technical assistance to members in implementing FATF recommendations
- * They assist member countries in penalizing entities that violate FATF standards and recommendations
- * They work with members on areas of concern outside of anti-money laundering and terrorist financing
- * They supervise member country financial institutions relating to anti-money laundering and terrorist financing

Explanation/Reference: [https://www.fatf-gafi.org/media/fatf/documents/brochuresannualreports/FATF30-\(1989-2019\).pdf](https://www.fatf-gafi.org/media/fatf/documents/brochuresannualreports/FATF30-(1989-2019).pdf)

NEW QUESTION 314

The compliance officer for a bank is reviewing on-boarding documents for a new business account for a domestic corporation. The officer is unable to verify the identity of the beneficial owners of the company. Only information on the nominee owners was provided, and none of the listed addresses are local. The purpose of the business and future expected activity was disclosed to include cash letters, money orders and international remittance transfers.

Which red flag identifies a heightened money laundering risk?

- * Expected activity was advised to include cash letter and money orders
- * The nature and purpose of the business include international remittance transfers
- * The names provided at account opening are identified as the corporation's representative nominees
- * Account signer's government issued identification lists addresses outside of where the branch account was opened

NEW QUESTION 315

According to the Financial Crimes Enforcement Network, after an initial suspicious activity report has been filed for a customer, a financial institution must perform a continuing review of the account for a period of how many days?

- * 30 days
- * 60 days
- * 90 days
- * 120 days

Explanation

a financial institution must perform a continuing review of the account for a period of 90 days. The continuing review must include an analysis of any transactions that occur in the account, as well as any changes in the customer's risk profile. The review should be updated as needed to ensure that the customer is not engaging in any suspicious activities.

The ACAMS CAMS (Certified Anti-Money Laundering Specialists) Certification Exam is a globally recognized certification program for professionals seeking to enhance their knowledge and skills in the field of anti-money laundering (AML) and financial crime prevention. The certification is offered by the Association of Certified Anti-Money Laundering Specialists (ACAMS), a leading international organization dedicated to the advancement of AML and financial crime prevention. The CAMS certification is highly respected in the industry and is a mark of excellence for professionals working in AML compliance.

ACAMS CAMS Exam Practice Test Questions: <https://www.topexamcollection.com/CAMS-vce-collection.html>]