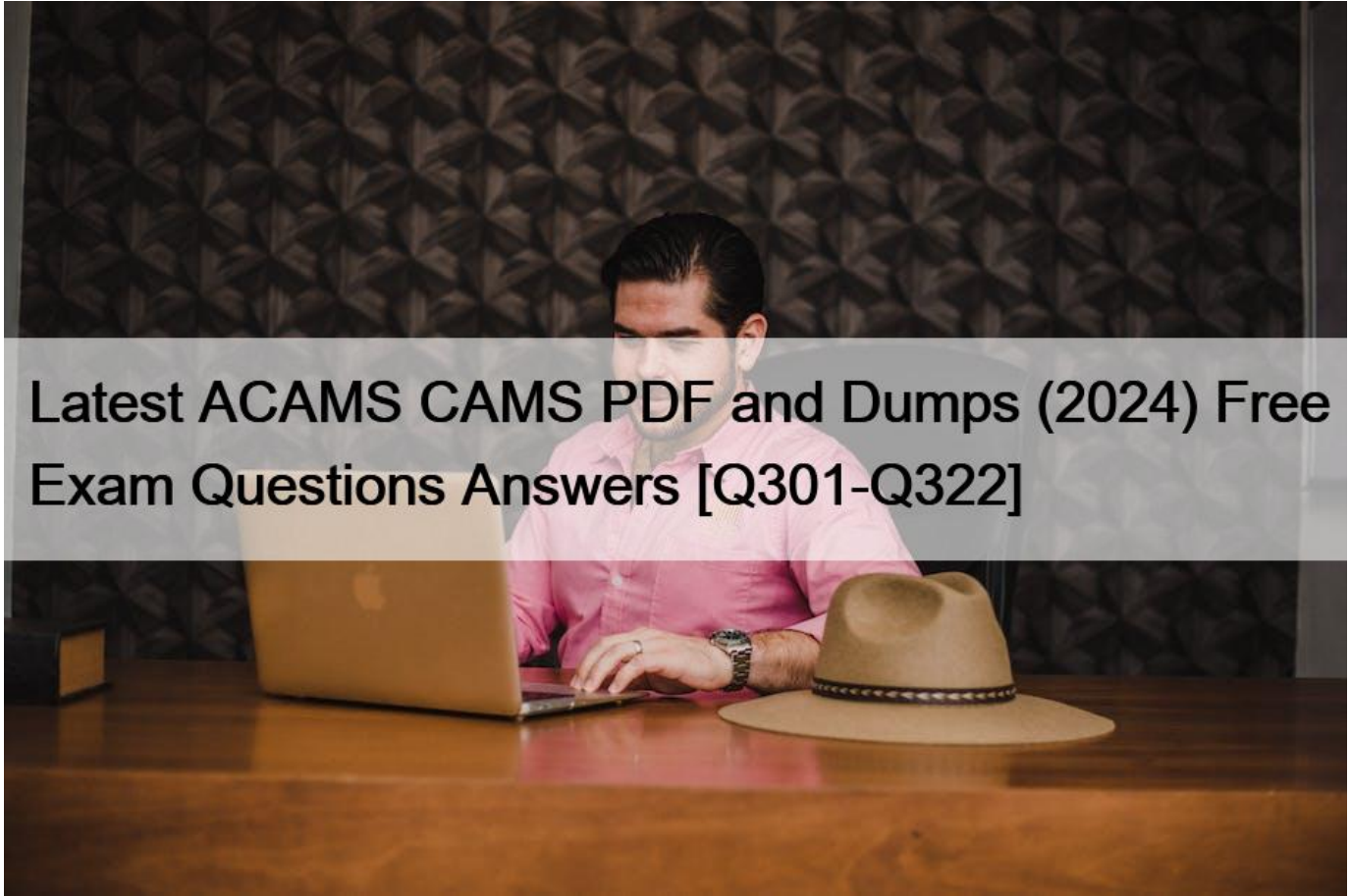


## Latest ACAMS CAMS PDF and Dumps (2024) Free Exam Questions Answers [Q301-Q322]



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**NO.301** To deter money laundering through new accounts, a financial institution should:

- \* document the identity of the party opening the account.
- \* determine the beneficial owner(s) of the account.
- \* query owners' names against Financial Action Task Force databases.
- \* seek to determine the source of deposited funds.

**NO.302** According to the Basel Committee on Banking Supervision, banks should deal with high-risk customers by:

- \* maintaining segregated records to enable easy inspection by law enforcement in case of a subpoena.
- \* assigning those customers to specified private bankers for better monitoring of their offshore transactions.
- \* performing enhanced due diligence including enhanced ongoing monitoring of the account activity.
- \* seeking approval from the board of directors before establishing the relationship.

Reference: <https://www.bis.org/bcbs/basel3.htm>

**NO.303** In which two ways does a government Financial Intelligence Unit interact with public and private sectors?

(Choose two.)

- \* It governs the methods of investigation used by competent authorities
- \* It mediates disputes between financial institutions and investigative authorities
- \* It receives and analyzes disclosures filed by financial and non-bank institutions
- \* It disseminates information and the results of its analysis to competent authorities

Reference: <http://pubdocs.worldbank.org/en/834721427730119379/AML-Module-2.pdf>

**NO.304** What should countries do to help prevent non-profit organizations from being abused for the financing of terrorism according to the Financial Action Task Force 40 Recommendations?

- \* Allow for freezing assets of non-profit organizations
- \* Require all non-profit organizations to register with the country's financial intelligence unit
- \* Ensure non-profit organizations cannot be used to conceal or obscure the diversion of funds intended for legitimate purposes to terrorists' organizations
- \* Create laws that forbid non-profit organizations from completing cross-border transactions without first running them through known terrorist data bases

According to the Financial Action Task Force (FATF) 40 Recommendations, countries should implement measures to prevent the abuse of non-profit organizations (NPOs) for the financing of terrorism. One of these measures is to ensure that NPOs cannot be used to conceal or obscure the diversion of funds intended for legitimate purposes to terrorists' organizations. This means that countries should have effective mechanisms to monitor and supervise NPOs, especially those that are at risk of terrorist financing abuse, and to take appropriate actions against NPOs that are involved in such activities. Countries should also ensure that NPOs maintain adequate records of their activities and transactions, and that these records are accessible to competent authorities. Furthermore, countries should promote transparency and accountability in the NPO sector, and encourage NPOs to conduct due diligence on their donors, beneficiaries, and associates.

References: =

- \* FATF 40 Recommendations, Recommendation 8 and Interpretive Note to Recommendation 8
- \* Best Practices on Combating the Abuse of Non-Profit Organisations, FATF, June 2015
- \* COMBATING THE ABUSE OF NON-PROFIT ORGANISATIONS (RECOMMENDATION 8),

FATF, June 2015

Reference: <http://www.fatf-gafi.org/media/fatf/documents/reports/BPP-combating-abuse-non-profitorganisations.pdf> (p.9)

**NO.305** Which two mechanisms should be implemented to assist with cross-border money laundering investigations?

(Choose two.)

- \* Countries should request Interpol to provide the required information.
- \* Countries should ensure that information received is protected from unauthorized disclosure.
- \* Countries should establish mechanisms allowing financial investigators to obtain and share information in respect of specific investigations.
- \* Countries should conduct separate investigations to ensure information is not unintentionally disclosed without the appropriate legal approval.

**NO.306** You need to create a prototype of a bot to demonstrate a user performing a task. The demonstration will use the Bot Framework Emulator.

Which botbuilder CLI tool should you use to create the prototype?

- \* Chatdown
- \* QnAMaker
- \* Dispatch
- \* LuDown

Use Chatdown to produce prototype mock conversations in markdown and convert the markdown to transcripts you can load and view in the new V4 Bot Framework Emulator.

Incorrect Answers:

B: QnA Maker is a cloud-based API service that lets you create a conversational question-and-answer layer over your existing data. Use it to build a knowledge base by extracting questions and answers from your semi- structured content, including FAQs, manuals, and documents. Answer users' questions with the best answers from the QnAs in your knowledge base-automatically. Your knowledge base gets smarter, too, as it continually learns from user behavior.

C: Dispatch lets you build language models that allow you to dispatch between disparate components (such as QnA, LUIS and custom code).

D: LuDown build LUIS language understanding models using markdown files References:

<https://github.com/microsoft/botframework/blob/master/README.md>

**NO.307** Which type of transactions present the highest risk?

- \* Wire transfers from a publicly listed company
- \* Payroll payments
- \* Social insurance payments
- \* Foreign exchanges

**NO.308** What is an indicator of suspicious activity?

- \* A customer who pay back a late loan all at once after collecting on a bad debt
- \* A convenience store that brings in \$20s and \$10s and requests small bills and change
- \* Large and frequent credit balances on a credit card resulting in request for refunds
- \* An online retailer that uses a third-party payment processor to facilitate its transactions

**NO.309** A financial institution files a suspicious transaction report on a customer as the result of a high volume of large currency deposits to pay off a loan. A law enforcement officer calls the anti-money laundering officer to discuss the suspicious transaction report. Which of the following is the anti-money laundering officer legally permitted to do?

1. Discuss any aspects of the reported activity.
  2. Provide copies of the customer's loan documents.
  3. Explain the customer's loan payment history.
  4. Send the deposit documents referenced in the suspicious transaction report.
- \* 1 and 2 only
  - \* 1 and 4 only
  - \* 2 and 3 only
  - \* 2 and 4 only

According to the guidance issued by the Financial Crimes Enforcement Network (FinCEN) and the federal banking agencies, a

financial institution is legally permitted to discuss any aspects of the reported activity with the law enforcement officer who contacts them about the suspicious transaction report (SAR), as long as the officer provides appropriate credentials and a written request for the information. The financial institution is also legally permitted to send the deposit documents referenced in the SAR, as they are part of the supporting documentation that may be requested by law enforcement<sup>1</sup> However, the financial institution is not legally permitted to provide copies of the customer's loan documents or explain the customer's loan payment history, as they are not directly related to the reported activity and may contain confidential information that is protected by privacy laws or contractual agreements. The financial institution should only disclose the minimum amount of information necessary to respond to the law enforcement request and should not volunteer any information that is not relevant or requested<sup>2</sup> References:

1: Answers to Frequently Asked Questions Regarding Suspicious Activity Reporting and Other Anti-Money Laundering Considerations, FinCEN and Federal Banking Agencies, 2021, Question 1

2: The best practices for effective Suspicious Activity Reporting, The Payments Association, 2020

**NO.310** 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

**NO.311** 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.

**NO.312** An anti-money laundering specialist at a financial institution has received a legal request to provide all transaction records for a specific individual since 2004. Which three items should be delivered?

- \* Monthly statements and transaction activities for that individual since 2004
- \* All wire transfer for that individual since 2004
- \* All security trading activities for that individual since 2004
- \* Signature cards from accounts opened by that individual since 2004

**NO.313** To ensure that an institution's anti-money laundering program is current, which step should be taken?

- \* The program should be evaluated and updated at least every six months by the Board of Directors
- \* The program should be reviewed by a federal law enforcement officer for gaps in controls
- \* The program should be sent to the institution's government regulator on a periodic basis
- \* The program should be reassessed at least annually

According to the Anti-Money Laundering Specialist (the 6th edition) by ACAMS, an institution's anti-money laundering program should be reassessed at least annually to ensure that it is current, effective, and compliant with the applicable laws and regulations. The reassessment should include a review of the institution's risk assessment, policies and procedures, internal controls, training, and independent testing. The reassessment should also consider any changes in the institution's products, services, customers, geographic locations, or business environment that may affect its exposure to money laundering and terrorist

financing risks<sup>1</sup>.

The other options are not consistent with the best practices of maintaining an up-to-date anti-money laundering program. For example:

\* The program should be evaluated and updated at least every six months by the Board of Directors.

While the Board of Directors has the ultimate responsibility for overseeing the institution's anti-money laundering program, it is not required to evaluate and update the program every six months. This may be

\* too frequent and impractical, especially for large and complex institutions. The Board of Directors should, however, approve the program and any significant changes, and ensure that senior management implements and enforces the program effectively<sup>1</sup>.

\* The program should be reviewed by a federal law enforcement officer for gaps in controls. While federal law enforcement agencies may conduct investigations or examinations of the institution's anti-money laundering program, they are not responsible for reviewing the program for gaps in controls. This is the role of the institution's internal audit function or an external independent party, who should conduct periodic testing of the program's adequacy and effectiveness<sup>1</sup>.

\* The program should be sent to the institution's government regulator on a periodic basis. While the institution's government regulator may request or review the institution's anti-money laundering program as part of its supervisory or enforcement activities, the institution is not obligated to send the program to the regulator on a periodic basis. The institution should, however, report any suspicious or unusual transactions or activities to the relevant authorities, such as the Financial Crimes Enforcement Network (FinCEN) or the Office of Foreign Assets Control (OFAC)<sup>1</sup>.

References:

\* Anti-Money Laundering Specialist (the 6th edition) by ACAMS

**NO.314** In establishing procedures for the review of suspicious transactions and filing of STRs, what thing should an institution focus on?

- \* The need to have on-going training as to potential red flags that the institution might encounter
- \* The appropriateness of having a centralized review of suspicious transactions and recommendations to file an STR to ensure consistency
- \* A system for tracking STRs and ensuring that appropriate supporting documentation is segregated and maintained
- \* The need not to ensure that the institution has a strong case of impropriety before filling an STR

**NO.315** According to the Financial Action Task Force, financial institutions should exit the relationship with a client in which case?

- \* The client refuses to update information.
- \* There is a change in ownership structure.
- \* The client is a politically exposed person.
- \* The country of incorporation has been elevated to high-risk.

According to the Financial Action Task Force (FATF), financial institutions should apply a risk-based approach to customer due diligence (CDD), which includes obtaining and updating information on the identity, beneficial ownership, and business activities of their clients. If a client refuses to provide or update such information, or provides false or misleading information, the financial institution should consider this as a red flag for potential money laundering or terrorist financing, and should exit the relationship with the client, unless the circumstances warrant otherwise. Exiting the relationship with a client who refuses to update information is also consistent with the FATF's Recommendation 10, which requires financial institutions to terminate the business relationship if they are unable to perform CDD measures.

References:

1: This document contains the FATF's 40 Recommendations, which are the international standards for combating money laundering and terrorist financing. Recommendation 10 covers the CDD requirements for financial institutions, and paragraph 22 states that "If the financial institution is unable to comply with paragraphs 10 to 12, 15 and 17, it should not open the account, commence business relations or perform the transaction; or should terminate the business relationship; and should consider making a suspicious transactions report in relation to the customer."

2: This document provides guidance on the implementation of the FATF's Recommendations on transparency and beneficial ownership, which are relevant for CDD purposes. It explains the definition of beneficial owner, the risks associated with legal persons and arrangements, and the effective mechanisms to combat the misuse of such entities. It also provides examples of situations where financial institutions should exit the relationship with a client, such as when the client refuses to provide or update information on beneficial ownership or control, or when the client is a shell company or a trust with no legitimate economic purpose.

**NO.316** Which is the first valid step in the Mutual Legal Assistance Treaties (MLAT) international cooperation process?

- \* The central authority that receives the request sends it to a local judicial officer to find out if the information is available.
- \* The central authority of the requesting country sends a commission letter of request to the central authority of the other country.
- \* The investigator may remove the evidence collected without asking permission to do so.
- \* An investigator from the requesting country visits the country where the information is sought and takes statements from the identified witnesses or suspects.

Mutual Legal Assistance (MLA) is a form of cooperation between different countries for the purpose of collecting and exchanging information and evidence in criminal matters. MLA is usually governed by bilateral or multilateral treaties that establish the procedures and requirements for requesting and providing assistance.

The first valid step in the MLA process is to send a formal request from the central authority of the requesting country to the central authority of the requested country. The central authority is the designated entity that is responsible for making, receiving, and facilitating the execution of MLA requests. The request should contain the necessary information and documents to enable the requested country to assess and execute the request, such as the nature and purpose of the request, the legal basis, the description of the assistance sought, the identity of the persons involved, the applicable legal provisions, and the deadline for the response. The request may also be accompanied by a commission letter of request, which is a judicial document that authorizes a foreign authority to perform certain acts on behalf of the requesting authority, such as taking evidence or statements from witnesses or suspects.

References:

Guidelines on Mutual Legal Assistance in Criminal Matters, Section 1.1, 1.2, 1.3, 2.1, 2.2, 2.3, 2.4, 2.5,

2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17, 2.18, 2.19, 2.20, 2.21, 2.22, 2.23, 2.24,

2.25, 2.26, 2.27, 2.28, 2.29, 2.30, 2.31, 2.32, 2.33, 2.34, 2.35, 2.36, 2.37, 2.38, 2.39, 2.40, 2.41, 2.42,

2.43, 2.44, 2.45, 2.46, 2.47, 2.48, 2.49, 2.50, 2.51, 2.52, 2.53, 2.54, 2.55, 2.56, 2.57, 2.58, 2.59, 2.60,

2.61, 2.62, 2.63, 2.64, 2.65, 2.66, 2.67, 2.68, 2.69, 2.70, 2.71, 2.72, 2.73, 2.74, 2.75, 2.76, 2.77, 2.78,

2.79, 2.80, 2.81, 2.82, 2.83, 2.84, 2.85, 2.86, 2.87, 2.88, 2.89, 2.90, 2.91, 2.92, 2.

Reference:

[https://www.unodc.org/documents/organized-crime/Publications/Mutual\\_Legal\\_Assistance\\_Ebook\\_E.pdf](https://www.unodc.org/documents/organized-crime/Publications/Mutual_Legal_Assistance_Ebook_E.pdf)

**NO.317** When a regulatory body requires international assistance in a money laundering inquiry, such assistance is typically

obtained by

- \* Filing a request under Egmont guidelines.
- \* Submitting a request for overseas assistance to the corresponding supervisory body.
- \* Contacting the Financial Action Task Force, Organization for Economic Co-operation and Development, or other international organizations and seeking their intervention.
- \* Communicating with the Head of Compliance for the financial institution.

The Egmont Group of Financial Intelligence Units (FIUs) is a global network of FIUs that facilitates and promotes the exchange of information, knowledge, and cooperation among its members to combat money laundering, terrorist financing, and other financial crimes<sup>1</sup>. The Egmont Group has developed operational guidance for international cooperation and information exchange among FIUs, which includes channels, procedures, and forms for making and receiving requests<sup>2</sup>. Filing a request under Egmont guidelines is therefore a common and effective way for a regulatory body to obtain international assistance in a money laundering inquiry, as it ensures that the request is made through the appropriate and secure channel, and that it meets the standards and expectations of the requested FIU.

References:

1: Home &#8211; Egmont Group

2: EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS OPERATIONAL GUIDANCE FOR

&#8230;

**NO.318** In 2004, Consolidated KYC Risk Management was issued by the Basel Committee on Banking Supervision (BCBS). What is a key message in this document?

- \* KYC Risk Management required a yearly consolidation effort
- \* KYC Risk Management means as established decentralized process for promulgating policies and procedures
- \* Policies and procedures should be designed not merely to comply strictly with all relevant laws and regulations
- \* Consolidated KYC risk management for a group is critical and trumps jurisdictional rules that limit information sharing

**NO.319** A bank receives an anonymous tip from an employee about another employee through its confidential hotline.

Which activity warrants further review?

- \* A mortgage officer works with home loan applicants to resolve adverse credit issues
- \* An employee in bookkeeping accepts funds transfer requests from customers via telephone
- \* An employee in accounting works with customers to help understand how to reduce service charges
- \* A teller distributes bank brochures to customers who regularly conduct cash transactions below reporting limits

The activity of a teller distributing bank brochures to customers who regularly conduct cash transactions below reporting limits warrants further review. This is because the teller may be facilitating or encouraging structuring, which is a form of money laundering that involves breaking down large amounts of cash into smaller transactions to avoid detection or reporting requirements. Structuring is illegal and can expose the institution and the employee to civil or criminal penalties. The teller may also be acting as an agent or a recruiter for money launderers who use the bank's services to launder their illicit funds<sup>12</sup>.

References:

1: CAMS Certification Package &#8211; 6th Edition | ACAMS, Chapter 2: Money Laundering Risks and Methods, p. 28-29

2: FATF Report: Money Laundering through the Physical Transportation of Cash, October 2015, p. 23-24,

<http://www.fatf-gafi.org/media/fatf/documents/reports/money-laundering-through-transportation-cash.pdf>

**NO.320** A quarterly review is conducted on a retail customer's account at a bank located in a jurisdiction with currency

reporting thresholds. A number of large deposits of financial instruments drawn on other institutions in amounts under thresholds were noted. This activity did not fit the account's historical profile. A suspicious transaction report will most likely be filed if what also occurred?

- \* The customer has defaulted on a large loan with the bank
- \* The deposited financial instruments were sequentially numbered
- \* Four deposits were made during this period that exceeded the thresholds
- \* The customer purchased financial instruments exceeding the threshold on three occasions

**NO.321** Which action does the Financial Action Task Force call on member countries to take in the most serious cases when countries have significant strategic AML deficiencies?

- \* Contribute to mutual evaluations
- \* Apply countermeasures
- \* Eliminate all financial dealings
- \* Report high-risk transactions

According to the FATF Recommendations (2012), page 111, the FATF calls on its members and urges all jurisdictions to apply enhanced due diligence and, in the most serious cases, countermeasures to protect the international financial system from the money laundering, terrorist financing, and proliferation financing risks emanating from countries with significant strategic AML/CFT deficiencies. Countermeasures are proportionate and effective actions that can be applied by countries individually or collectively to protect their financial systems from these risks. Examples of countermeasures include restricting or prohibiting financial transactions with the high-risk country, requiring financial institutions to review and terminate correspondent relationships with the high-risk country, or applying enhanced reporting mechanisms or systematic reporting of financial transactions with the high-risk country.

References:

FATF Recommendations (2012), page 111

FATF Public Statement on High-Risk Jurisdictions subject to a Call for Action, February 2023  
FATF Guidance on Countermeasures, October 2010

**NO.322** Why do organized crime groups often use front companies? (Choose two).

- \* Because they are not registered, front companies are not subject to income and other sales taxes.
- \* Because using multiple front companies can make it easier to control an entire sector of the economy.
- \* Because they are generally subject to lighter due diligence requirements by banks and other financial services providers.
- \* Because front companies generally charge higher prices than legitimate companies, so profit margins are higher.
- \* Because they can use the company's bank accounts to commingle deposits with those of legal businesses.

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