

ANTI MONEY LAUNDERING IN INDIA

1. At which stage of the money laundering process it is relatively easy to detect the crime:

- ☐ Integration stage
- ☒ **Ans-Placement stage**
- ☐ Layering stage

2. Name screening of all the proposed customers to ensure that names are not given in the list given by UN or in regulatory lists helps in:

- ☒ **Ans-Combating Financing for Terrorism**
- ☐ Monitoring the suspicious transactions
- ☐ Processing criminal proceeds

3. Smurfing is a method adopted to avoid ____

- ☒ **Ans-regulatory reporting requirements**
- ☐ suspicious activities
- ☐ excessive deposits in bank account

4. Use of multiple cash deposits each smaller than the minimum cash reporting requirements is called:

- ☒ **Ans-Smuggling**
- ☐ Smurfing
- ☐ None of the above

5. Illegal activity where stacks of gold, cash, jewellery or even rare stamps are moved from place to place is called:

- ☐ Smurfing
- ☒ **Ans.-Smuggling**
- ☐ None of the above

6. The stage where clean money is mixed with illegal money to disguise it further is called:

- ☒ **Ans-Layering**
- ☐ Integration
- ☐ Trafficking

7.What does reselling and repurchasing assets for laundering money do:

- ☐ **Ans-Further integration of illegal funds**
- ☐ Exposes the crime
- ☐ Boosts the economy

8.Common means of integrating money into the financial system is:

- ☐ Business recycling
- ☐ Opening multiple accounts
- ☐ **Ans.-Export import transactions**

9.Which of the following is not a source of illegal money:

- ☐ Drug trafficking
- ☐ Smuggling
- ☐ **Ans-Charity**

10.At what point it is difficult for the bank to distinguish between legal and illegal funds

- ☐ Layering
- ☐ **Ans-Integration**
- ☐ Placement

11.Customer identification procedures fall under which aspect of money laundering regulations:

- ☐ **Ans-Know your customer (KYC)**
- ☐ Compliance with law
- ☐ Internal policies and procedures

12.Transactions that are inconsistent with the customer's known legitimate activities or nature of business are called:

- ☐ Null transactions
- ☐ Erratic transactions
- ☐ **Ans-Suspicious transactions**

13. Central National Agency set up by the government which is responsible for receiving, processing, analyzing and disseminating information relating to suspicious transactions.

- ☐ AML Cell
- ☒ **Ans-FIU-IND**
- ☐ RBI

14. As per the regulations of the RBI, tipping off is an offence and the employees should be cautious not to violate this during their interaction with the customer in process of conducting EDD.

- ☐ True
- ☒ **Ans-False**

15. Informing/communicating to the customers (directly or indirectly) that his account has been or would be reported to the regulators for suspicious activity or name match amounts to:

- ☐ Smurfing
- ☐ Wilful blindness
- ☒ **Ans-Tipping Off**
- ☐ Structuring

16. According to PMLA obligations the records of the transactions should be maintained for:

- ☐ 6 years
- ☐ 15 years
- ☒ **Ans-5 years**

17. Which section of the PMLA talks about procedure and manner of furnishing information:

- ☐ Section 14
- ☒ **Ans-Section 15**
- ☐ Section 13

18. Section 12 A of PMLA states the obligations of reporting entities to furnish information to:

- ☒ **Ans-FIU-Director**
- ☐ Compliance officer
- ☐ MRLO

19.PMLA was enacted in:

- ☐ **Ans-2002**
- ☐ 2005
- ☐ 2009

20.Information of the violation of the provisions of section 12 is provided to the director by:

- ☐ Compliance officers
- ☐ MLRO
- ☐ **Ans-Bankers**

21.Which provision under PMLA gives immunity to banking companies, financial institutions, intermediaries and their officers not to be liable to any civil proceedings against them for furnishing information are laid down in:

- ☐ Section 12
- ☐ Section 13
- ☐ **Ans-Section 14**

22.Regulations empowering the director to levy a fine or order on banking companies or financial institutions or intermediaries for failure to comply with provisions of section 12 are laid down in:

- ☐ Section 15
- ☐ **Ans-Section 13**
- ☐ Section 14

23.As per the Group AML Policy, the period of maintenance to records of transaction and customer identification data is:

- ☐ 8 years
- ☐ **Ans-5 years**
- ☐ 10 years

24.Branches may open accounts for those customers who are not able to provide KYC documents, provided, the total credit summation in all the accounts taken together is not expected to exceed ₹ _____ in a year.

- ☐ **Ans-₹1 Lakh**
- ☐ ₹2 Lakh
- ☐ ₹50,000/-

25.KYC updation for high risk customers should be done in

- ☒ **Ans-2 years**
- ☐ 8 years
- ☐ 10 years

26.This document is accepted as an identity proof at the time of opening the account:

- ☐ Photo debit card
- ☒ **Ans-Driving license**
- ☐ Ration Card

27.PAN card issued by income tax department is used as:

- ☐ Address proof
- ☒ **Ans-Identity proof**
- ☐ Both

28.All SBUs Heads are responsible to implement the AML framework, policies and procedures in their respective SBUs.

- ☒ **Ans-True**
- ☐ False

29.Which of the following shall be applicable for establishing relationship with Politically Exposed Persons:

- ☒ **Ans-Enhanced due diligence**
- ☐ Simplified Procedures
- ☐ Open Small Accounts

30.PEP stands for

- ☒ **Ans-Politically Exposed Persons**
- ☐ Politically Experienced Persons
- ☐ Politically Exiled Party
- ☐ Politically Exempted Party

31. Valid Driving license with photo ID and address of the customer is used for:

- ☐ **Ans-Identity proof**
- ☐ Address proof
- ☐ Both

32. Photo debit card of the customer is used for:

- ☐ Identity proof
- ☐ Address proof
- ☐ **Ans-Not an acceptable OVD**

33. ICICI bank will have proper record maintenance policies and procedures in place to:

- ☐ Establish MIS to identify critical areas
- ☐ **Ans-Ensure required documents are available within reasonable period of time**
- ☐ Ensure that SBUs function efficiently

34. According to RBI guidelines branches should intimate their controlling offices about cash transactions above:

- ☐ Rs 5 million
- ☐ **Ans-Rs 1 million**
- ☐ Rs 0.5 million

35. Which of these is a suspicious transaction:

- ☐ Customer is a salaried employee
- ☐ Rs 40,000 is debited to customers salary account every month
- ☐ **Ans-Customer makes or receives huge deposits or remittances along with pre-closure of loans payments of previous over dues**

36. Time limit for Periodic Updation of KYC for High, Medium and Low risk customers are:

- ☐ at least once in every 10, 8, and 2 years respectively
- ☐ **Ans-at least once in every 2, 8, and 10 years respectively**
- ☐ at least once in every 8, 5, and 1 years respectively
- ☐ at least once in every 1, 8, and 10 years respectively

37.MLRO will report the suspicious transaction to:

- ☐ SBU compliance officer
- ☒ **Ans-FIU- India**
- ☐ AMLO

38.Person responsible for monitoring day-to-day implementation of ICICI bank's groups AML policy and procedures is:

- ☐ SBU compliance officer
- ☒ **Ans-MLRO**
- ☐ CDO

39.From the cessation of the date of the transaction, ICICI bank maintains records of the transaction for a period of:

- ☒ **Ans-8 years**
- ☐ 20years
- ☐ 15 years

40.Designated Director is the person designated by the Bank to ensure overall compliance with the obligations imposed under PMLA and its Rules

- ☒ **Ans-True**
- ☐ False

41.The suspicious activity with respect to AML can be reported through which option in ICICI Universe page?

- ☒ **Ans-Report a Suspicion**
- ☐ Money Laundering Reporting
- ☐ Report A Fraud

42.Placement methods are broadly divided into:

- ☐ Banks and financial institutions
- ☐ Non banking methods
- ☒ **Ans-None of the above**

43. Which of the following is considered to be a suspicious money laundering indicator:

- ☐ **Ans-Deposits of large amounts, which are shortly followed by transfer operations**
- ☐ **Ans-Client present unclear information, such as an inoperative telephone number or one that does not exist in the first place.**
- ☐ **Ans-Opening of Multiple Accounts by the customer**
- ☐ Regular salary deposits in the account

44. At the integration stage of the money laundering process:

- ☐ **Ans-Illegal funds are moved back into the economy**
- ☐ **Ans-the illegal proceeds are used to acquire real estates**
- ☐ smurfing is done to avoid reporting requirements

45. Consequences of money laundering are:

- ☐ **Ans-Terrorism Financing**
- ☐ **Ans-Endangers society at large**
- ☐ Boosts the economy

46. Key elements of a Know your customer (KYC) includes:

- ☐ **Ans-Customer acceptance policy**
- ☐ **Ans-Customer identification procedures**
- ☐ Customer verification
- ☐ **Ans-Transaction Monitoring**
- ☐ **Ans-Risk Management**

47. What are the key Anti Money Laundering objectives of ICICI bank:

- ☐ **Ans-To protect the bank's reputation**
- ☐ **Ans-To ensure compliance with the laws and regulations in force from time to time**
- ☐ None of the above

48. Valid Passport with photo ID and address of the customer is used for:

- ☐ **Ans-Identity proof**
- ☐ **Ans-Address proof**
- ☐ Not an acceptable document

49.SBU's designated official to perform AML Compliance function shall:

- ☐ **Ans-operate independently**
- ☐ **Ans-report identified suspicious transactions to MLRO**
- ☐ None of the above

50.The MLRO report to the Audit Committee would contain:

- ☐ Observations on deficiencies in compliance and procedures
- ☐ Resource requirements
- ☐ **Ans-None of the above**

(51).Which of the following is not a regulatory report furnished to FIU:

Cash Transaction Report

Corporate Transaction Report

Ans-Cross Border Wire Transfer Report

Counterfeit Currency Report

(52).Exempted categories in Beneficial Owners for which identification and verification of Beneficial Owner is not necessary as per RBI includes:

Ans-Listed Companies and its Subsidiaries

all Private Companies

Unlisted private companies

(53).This is not a step in the money laundering process:

Placement stage

Integration stage

Ans-Recovery stage

(54).Placement stage is when cash is channeled into:

Ans-Banks

Safe houses

Securities

(55.)Money laundering Risk does not include which of the following:

Ans-Reputational Risk to the Bank

Ans-Legal and Regulatory Risk to the Bank

Ans-Action against erring employees & violation of code of conduct

None of the above

(56.) Separating the funds from their illegal source is called:

Ans-Smurfing

Integration

Layering

(57). _____ for the customer is based on various parameters like identity, social / financial status, nature of business activity, and information about the clients' business and their location etc.

Ans-Risk categorisation

Customer Acceptance

Customer Identification

(58.) In case of small accounts under KYC norms

the aggregate of all credits in a financial year does not exceed ₹1 Lakh

the balance is not exceeding ₹50000/- at any point of time

Both the above statements are False

Ans-Both the above statements are True

(59.) Adequate diligence is the fundamental requirement for any business transaction:

Ans-True

False

(60.) Fresh proof of address shall not be sought at the time of Periodic Updation (Re-KYC) for _____ customers in case there is no change in their identity and address. Self Certification will suffice.

Low risk customers

Small account holders

Ans-High risk customers

(61.) Customer due diligence is an approach taken by the bank to:

Ans-Identify and verify customers and beneficial owner

Formulate group AML standards

Foster new SBUs

(62.) Each SBU will develop appropriate measures for transaction processing in consultation with:

CDO

Ans-MLRO

BoD

(63.)Physical presence of Low risk customer at the time of Periodic Updation (Re-KYC) shall be insisted upon.

True

Ans-False

(64.)Which of the following are the Transaction based indictors to identify suspicious activities

Ans-Frequent cash transactions in large amount

Ans-Huge amount of RTGS transactions not in line with the profile of the customer

Ans-Unverifiable and counterfeit documents

(65.)PMLA states the following obligations for the banks:

Ans-Maintain records of all transactions

Ensure confidentiality of information

Ans-Furnish all the regulatory reports to the FIU

(66.)Product and Process Approval Committee performs the following:

Ans-Approves new products and processes after evaluation of ML risk

Furnishes report to the Audit Committee

Ans-Approves appropriate AML/KYC procedures for various SBUs.

(67.)Money Laundering is usually carried out in

Four stage

Ans-Three stage

Two Stage

(68.)The stage where legitimate explation is given to illegitimate funds is called

Final stage

Ans-Integration stage

clean up stage

(69.)Which section of the about maintenance of records and identity of the customers by the banking companies, financial institutions and intermediaries.

☒ Section 12

☐ Section 13

☐ Section 14

(70.)MLRO will submit quarterly report on status of implementation of AML framework to:

- ☒ Audit Committee of the Board
- ☐ AMLG
- ☐ COD

(71.)For reporting fictitious offer and lottery fraud, the employees can use which tool?

- ☐ mails@icicibank.com
- ☐ strmails@icicibank.com
- ☒ Chainmails@icicibank.com
- ☐ ftrmails@icicibank.com

(72.)ICICI bank will monitor all cash transactions beyond the threshold limit set by the Central National Agency:

- ☒ AML framework
- ☐ FIU- India
- ☐ MLRO

(73.)Govt of India in consultation with RBI has notified the rules under PMLA, for banking companies, financial institutions and intermediaries for:

- ☒ Maintenance of records of the nature and value of transactions
- ☐ Maintenance of records of customers
- ☐ None of the above

(74.) Money Laundering is:-

Ans.-converting legal money into illegal money

(75.) kyc updation for low risk customers should be done in

Ans.-10 years

(76.) Letter issued by a Gazetted officer with duly attested photograph of the person is collected under a simplified measure as deemed OVD for-----

Ans.-identity proof