

Exercise 1 - Questions

Exercise “Financial Action Task Force”

Instructions: Fill in the blank, or choose the right answer.

- 1) The Financial Action Task Force (FATF) is _____ body established in 1989 by the Ministers of its Member jurisdictions.
 - A. A financial
 - B. An inter-governmental
 - C. A central bank
- 2) The mandate of the FATF is to:
 - A. Impose penalties
 - B. Issue regulations
 - D. Set standards
- 3) The FATF Recommendations set out the essential measures that countries should have in place to identify the risks, and develop policies and domestic coordination, pursue money laundering, terrorist financing and the financing of proliferation, and apply _____ measures for the financial sector and other designated sectors:
 - A. Integrity
 - B. Preventive
 - C. Financing
- 4) The Recommendations enhance the transparency and _____ of legal persons and arrangements:
 - A. Availability of beneficial ownership information
 - B. Financial safety and soundness
 - C. Correspondent relationships
- 5) Designated non-financial businesses and professions under the FATF recommendations include:
 - A. Real estate agents, MSBs, dealers in precious metals/stones, lawyers, notaries and similar professionals and trust and company service providers
 - B. Casinos, real estate agents, dealers in precious metals/stones, lawyers, notaries and similar professionals and trust and company service providers
 - C. Securities broker-dealers, MSBs, casinos, real estate agents, lawyers, notaries and similar professionals, and trust and company service providers
- 6) The FATF objectives are:
 - A. Spreading the AML message among FATF members, monitoring the implementation of the Recommendations worldwide and reviewing ML trends and countermeasures
 - B. Spreading the safety and soundness message among FATF members, monitoring the implementation of the Recommendations worldwide and making typologies exercises.
 - C. Spreading the AML message worldwide, monitoring the implementation of the

Recommendations among FATF members and reviewing ML trends and countermeasures

- 7) The FATF Recommendations:
 - A. Set an international standard, which countries should implement through measures adapted to their particular circumstances
 - B. Set national standards, which financial institutions should implement through measures adapted to group-wide policies
 - C. Set a standard for central bank governors, when conducting AML examinations at the international level
- 8) Under the FATF Recommendations, which are considered “financial institutions”? Any natural or legal person who conducts as a business one or more activities such as:
 - A. Participation in securities issues, trust and company services providers, currency changing
 - B. Placement of life insurance, trading in commodity futures, casino services
 - C. Acceptance of deposits from the public, financial guarantees and commitments, portfolio management
- 9) A person arrives at the teller window of a Bank A. He does not have an account at the bank, but wants to make a deposit into his brother’s account at Bank A. There is no suspicion of money laundering. Under the FATF Recommendations, when should the bank conduct CDD?
 - A. Not necessary to conduct CDD because there is no suspicion of money laundering
 - B. Only if the deposit amount is above USD/EUR 10,000
 - C. Only if the deposit amount is above USD/EUR 15,000
- 10) A person arrives at the teller window of a money transfer company. He wants to pick up a wire transfer that was sent to him. Under the FATF Recommendations, when should the MSB conduct CDD?
 - A. Only if the wire transfer amount is over USD/EUR 1,000
 - B. Only if the wire transfer amount is over USD/EUR 10,000
 - C. Only if the wire transfer amount is over USD/EUR 15,000
- 11) Under the FATF Recommendations, countries should apply the crime of ML to all serious offenses, with a view to including the widest range of predicate offenses.
 - A. True
 - B. False
 - C. This is not defined
- 12) Under the FATF Recommendations, knowledge or intent to prove the offense of money laundering may be inferred from
 - A. Objective factual circumstances
 - B. Subjective factual circumstances
 - C. Objective high-risk circumstances
- 13) What are the CDD measures under the FATF Recommendations? ID the customer, and:
 - A. Verify ID using reliable information, ID the beneficial owner, and verify ID, Understanding nature/purpose of business relationship, conducting ongoing due

diligence

- B. Verify the ID using non-public information, ID and verify the PEP, understanding the nature/purpose of the business relationship and filing STRs
- C. Verify the ID of occasional customers, ID the beneficial owner, understanding the nature/purpose of the business relationship and EDD for PEPs and correspondent banking

Exercise 2 - Questions

Exercise “EU AML Directives”

:: Choose the right answer.

- 1) Which statement(s) is/are true about the EU Directives?
 1. They are instructions to law enforcement agencies to enact a law
 2. Seeks to resolve conflict of both national and EU law
 3. Are binding as to the result to be achieved upon each member state to which it is addressed but shall leave to the national authorities the choice of form or method
 - A. Statement 1, and 2 only
 - B. Statement 2 and 3 only
 - C. Statement 1 and 3 only
- 2) The 4th EU ML Directive applies to all dealers in goods (such as dealers in precious metals and stones), when payments are made in cash in excess of:
 - A. €10 000
 - B. €15 000
 - C. €20 000
- 3) Which statement is true? The EU Directive:
 - A. Applies to financial institutions in the European Union
 - B. Applies to financial institutions in the European Union plus USA Patriot covered non-financial businesses and professions
 - C. Requires statistics regarding beneficial ownership
- 4) Under the EU Directive, knowledge, intent or purpose required as an element of money laundering or terrorist financing offense may be inferred from:
 - A. Objective factual circumstances
 - B. Subjective factual circumstances
 - C. Relative factual circumstances
- 5) EU Directive defines PEP as:
 - A. Natural persons who are entrusted with prominent public functions and immediate family members, or persons known to be close associates of those persons
 - B. Natural persons who are or have been entrusted with public functions and immediate family members, or persons known to be close associates of those persons
 - C. Natural persons who are or have been entrusted with prominent public functions and immediate family members, or persons known to be close associates of those persons