ASSOCIATION OF CERTIFIED ANTI-MONEY LAUNDERING SPECIALISTS (ACAMS) PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. **What is one characteristic of funds transfers that indicate potential money laundering?**

   A. Transfers happening only once every few months

   B. Funds transfers with apparent legitimate business reasons

   C. Repeated transfers to or from unidentified accounts

   D. Deposits that are confirmed by account-holding documentation

2. **In drafting an AML policy, whose approval is essential for implementation?**

   A. Compliance officers

   B. IT security team

   C. Senior management

   D. All staff members

3. **Which mandatory documents are needed for Customer Identification relating to business entities?**

   A. Tax ID number and business address

   B. Certificate of Incorporation and business purpose

   C. The resolution of the Board of Directors

   D. All of the above

4. **What laundering method is described when dirty money is used to invest in a real estate company?**

   A. Offsetting real estate transactions.

   B. Loan back.

   C. Cuckoo smurfing.

   D. Loan manipulation.

5. **What is a fundamental principle for FIUs regarding information sharing?**

   A. Information must be shared confidentially

   B. Reciprocity is encouraged in sharing

   C. Only certain types of information are shareable

   D. Central banks must oversee all sharing

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6. What is the primary goal of an AML program?

A. To identify new business opportunities.

B. To mitigate the risks of money laundering.

C. To enhance customer satisfaction.

D. To comply with labor laws.

7. Which of the following actions should NOT be taken by an AML compliance officer when assisting authorities?

A. Informing the customer about the report.

B. Fulfilling the request for information fully.

C. Cooperating within legal bounds.

D. Maintaining confidentiality as required.

8. What is a characteristic of bust-out schemes?

A. They create bankruptcy frauds through excessive loans.

B. They are identified by structuring with secret accounts.

C. They detail designated categories of offense for prosecution by FATF.

D. They lack attractiveness for money launderers due to anonymity issues.

9. Which step should be followed first in the Mutual Legal Assistance Treaty process?

A. The investigator asks the central authority for removal of the evidence.

B. The central authority that received the request sends it to a local investigator.

C. The central authority of the requesting country sends a letter of request.

D. Local witnesses may need to attend court hearings in the requesting country.

10. When referring to money laundering, which process involves integrating illicit funds into the legitimate economy?

A. Placement.

B. Layering.

C. Integration.

D. Distillation.

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Answers

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1. C
2. C
3. D
4. B
5. B
6. B
7. A
8. A
9. C
10. C

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Explanations

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1. What is one characteristic of funds transfers that indicate potential money laundering?

A. Transfers happening only once every few months

B. Funds transfers with apparent legitimate business reasons

C. Repeated transfers to or from unidentified accounts

D. Deposits that are confirmed by account-holding documentation

Repeated transfers to or from unidentified accounts is a significant characteristic that indicates potential money laundering. This pattern raises red flags because it can suggest that the parties involved are trying to conceal the true origin or destination of the funds. Unidentified accounts may indicate a lack of transparency and could imply that the individuals or entities are attempting to obscure their identities or financial activities, which is a common tactic used in money laundering schemes. In the context of anti-money laundering efforts, suspicious activity often includes transactions that involve unidentified or unverified accounts, particularly when there is no clear, legitimate explanation for the transfers. Such activities can facilitate the layering stage of money laundering, where illicit funds are moved through various accounts to mask their origin. Meanwhile, transfers happening infrequently or deposits backed by legitimate documentation do not inherently indicate suspicious activity. Legitimate business transactions generally involve clear documentation and identifiable parties, making them less likely to be associated with money laundering.

2. In drafting an AML policy, whose approval is essential for implementation?

A. Compliance officers

B. IT security team

C. Senior management

D. All staff members

The essential approval for implementing an Anti-Money Laundering (AML) policy must come from senior management. This is because senior management has the ultimate responsibility for the organization's compliance efforts and ensuring that appropriate resources are allocated for effective AML practices. Their support sets the tone at the top, demonstrating a commitment to AML compliance throughout the organization. Senior management is typically involved in the strategic direction and risk management of the institution, thus they are crucial in endorsing the AML policy. Their approval is not just a matter of leadership; it ensures that AML initiatives are aligned with business objectives and that there are adequate resources and authority to enforce them effectively. While compliance officers play an integral role in developing and overseeing the AML policies, and the IT security team is vital for implementing technological measures to support these policies, their input and approval are not sufficient without the backing of senior management. Similarly, while input from all staff members is valuable for practical implementation and awareness, policy approval must originate from the top to ensure organization-wide buy-in and adherence.

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3. Which mandatory documents are needed for Customer Identification relating to business entities?

A. Tax ID number and business address

B. Certificate of Incorporation and business purpose

C. The resolution of the Board of Directors

D. All of the above

For Customer Identification relating to business entities, it is essential to gather comprehensive information that establishes the legitimacy and purpose of the business. Each of the documents mentioned plays a critical role in this identification process. The Tax ID number serves as a unique identifier for the business and is necessary for tax purposes, ensuring that the entity is recognized and compliant with regulatory requirements. The business address helps to verify where the business operates, which is essential for monitoring and enhancing transparency in Business Anti-Money Laundering (AML) measures. The Certificate of Incorporation is crucial as it officially establishes the business entity's legal existence. This document provides insight into the structure and ownership of the business. Understanding the business purpose is equally important because it helps financial institutions and other entities to assess the nature of the business's activities, thus improving risk management and compliance frameworks. Additionally, the resolution of the Board of Directors is significant as it indicates that there is corporate governance in place. This document also often provides clarity on who is authorized to act on behalf of the business entity, thereby supporting due diligence efforts. Taken together, these documents provide a comprehensive view necessary for effective Customer Identification and support anti-money laundering initiatives by ensuring that financial institutions are aware of who they are doing business with and the nature

4. What laundering method is described when dirty money is used to invest in a real estate company?

A. Offsetting real estate transactions.

B. Loan back.

C. Cuckoo smurfing.

D. Loan manipulation.

The method described involves using illicit money to invest in a real estate company, which is commonly referred to as loan back. This technique allows individuals to disguise the origin of the money by funneling it through legitimate channels such as investment in real estate. By investing dirty money in a seemingly legitimate business, the original source of the funds is obscured, making it harder for authorities to trace. This approach is particularly effective in the real estate sector, where large sums of money are involved, and valuation can be manipulated. By using structured transactions, criminals can revolve around the financial operations to make illicit gains appear legitimate. In essence, the investment serves as a cover for the money's origins and helps integrate it into the legitimate economy. Understanding this method is crucial for anti-money laundering professionals, as it highlights the need for vigilance in real estate transactions to prevent the laundering of funds.

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5. What is a fundamental principle for FIUs regarding information sharing?

A. Information must be shared confidentially

B. Reciprocity is encouraged in sharing

C. Only certain types of information are shareable

D. Central banks must oversee all sharing

The principle of encouraging reciprocity in information sharing among Financial Intelligence Units (FIUs) is crucial to enhancing cooperation and effectiveness in combating money laundering and terrorist financing. This principle underlines the importance of mutual benefit in information exchange—when one FIU shares information with another, it is expected that the receiving FIU will also provide valuable information in return. This creates a collaborative environment that strengthens the efforts of various jurisdictions to monitor and prevent financial crime. Establishing reciprocal relationships fosters trust between FIUs and enhances their capabilities to analyze and act upon shared data. It also promotes the establishment of networks that can cooperate more efficiently in addressing cross-border financial crimes. This approach ensures that all parties are engaged and motivated to contribute to the collective fight against money laundering and other illicit activities. On the other hand, while sharing information confidentially is important for protecting sensitive data, and while there may be discussions around what types of information can be shared, the emphasis on reciprocity highlights the collaborative nature of intelligence sharing. Oversight by central banks can be an aspect of regulatory frameworks, but it is not a fundamental principle for FIUs in the context of their primary function. Thus, encouraging reciprocity is the most comprehensive principle that supports effective information sharing in the framework of FI

6. What is the primary goal of an AML program?

A. To identify new business opportunities.

B. To mitigate the risks of money laundering.

C. To enhance customer satisfaction.

D. To comply with labor laws.

The primary goal of an Anti-Money Laundering (AML) program is to mitigate the risks of money laundering. Money laundering poses significant threats to financial systems, leading to potential economic and reputational damage for businesses and institutions. An effective AML program is designed to identify, assess, and minimize these risks by implementing processes and controls that detect and prevent the use of the financial system for laundering illicit funds. This includes various components such as customer due diligence (CDD), transaction monitoring, and reporting suspicious activities to relevant authorities. By focusing on risk mitigation, an AML program helps to ensure compliance with legal and regulatory obligations, thus protecting the organization and the integrity of the financial sector as a whole. The other options relate to important aspects of business operations but do not directly align with the core function of an AML program. Identifying new business opportunities and enhancing customer satisfaction are strategic goals that support overall business growth, while compliance with labor laws pertains to human resources and workplace regulations, rather than financial crime prevention.

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7. Which of the following actions should NOT be taken by an AML compliance officer when assisting authorities?

A. Informing the customer about the report.

B. Fulfilling the request for information fully.

C. Cooperating within legal bounds.

D. Maintaining confidentiality as required.

An AML compliance officer must prioritize compliance with legal and regulatory standards, especially when cooperating with authorities. Informing the customer about a report—such as a Suspicious Activity Report (SAR)—is generally prohibited under anti-money laundering regulations. This is because such disclosure could compromise an ongoing investigation or alert the individual, allowing them to engage in potentially obstructive behaviors. Instead, actions like fulfilling requests for information, cooperating within legal limits, and maintaining confidentiality are essential duties of the AML compliance officer. These practices ensure that the compliance process respects legal requirements while also facilitating effective investigation and law enforcement activities. Maintaining confidentiality not only aligns with legal standards but also helps in preserving the integrity of the institutions and ongoing investigations.

8. What is a characteristic of bust-out schemes?

A. They create bankruptcy frauds through excessive loans.

B. They are identified by structuring with secret accounts.

C. They detail designated categories of offense for prosecution by FATF.

D. They lack attractiveness for money launderers due to anonymity issues.

Bust-out schemes are characterized by individuals or groups exploiting credit systems to obtain goods or services with the intent to leave creditors at a loss. These schemes often begin with the perpetrator accumulating a series of credit accounts, and then they maximize their borrowing capacity to take on excessive loans or credit lines, ultimately defaulting on them. This pattern typically involves a premeditated plan of engaging in transactions aimed at creating a financial illusion of solvency before systematically maxing out credit and then disappearing with the acquired assets, which is why the characteristic related to bankruptcy fraud through excessive loans is accurate. This method of operation aligns with the definition of a bust-out scheme, where the fraudster makes an initial "good faith" appearance to creditors while secretly intending to commit fraud. The other options, while related to financial crimes, do not accurately define the core aspects of bust-out schemes. For example, the reference to structuring with secret accounts does not capture the essence of how bust-out schemes operate, and the notion of them being identified for prosecution by FATF (Financial Action Task Force) does not specifically pertain to the characteristics defining such schemes. Additionally, the point about them lacking attractiveness for money launderers due to anonymity issues contradicts the overall appeal of complex fraud

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9. Which step should be followed first in the Mutual Legal Assistance Treaty process?

A. The investigator asks the central authority for removal of the evidence.

B. The central authority that received the request sends it to a local investigator.

C. The central authority of the requesting country sends a letter of request.

D. Local witnesses may need to attend court hearings in the requesting country.

The Mutual Legal Assistance Treaty (MLAT) process is initiated by the central authority of the requesting country sending a formal letter of request. This step is crucial as it lays the groundwork for international cooperation in criminal matters, allowing one country to ask another for assistance in gathering evidence, conducting investigations, or obtaining other forms of support in legal matters. The letter of request details the specific information or evidence sought and outlines the purpose of the request, ensuring that the process is clear and formalized. This structured approach is essential because it conforms to the legal frameworks established between countries and ensures that the request is properly handled by the receiving central authority. Once this letter is issued, the subsequent steps can follow, which may involve sending the request to local investigators or coordinating with witnesses as necessary. Therefore, initiating the process with the letter of request is a fundamental and necessary first step for effective legal cooperation under MLAT agreements.

10. When referring to money laundering, which process involves integrating illicit funds into the legitimate economy?

A. Placement.

B. Layering.

C. Integration.

D. Distillation.

The process of integrating illicit funds into the legitimate economy is known as integration. This final stage of money laundering involves taking the illicitly obtained money and making it appear legitimate, enabling the perpetrators to enjoy the proceeds of crime without raising suspicion. During integration, the fraudulent funds are fully blended into the financial system, making it challenging for authorities to trace their illegal origins. This practice contrasts with the other stages of money laundering: placement, which involves introducing illegal money into the financial system; and layering, which refers to the process of obscuring the origins of the funds through a series of complex transactions. Distillation is not a recognized term in the context of money laundering and does not pertain to any of the three typical stages of money laundering. Understanding these stages is essential for recognizing how criminals exploit financial systems and for developing effective strategies to combat such activities.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://acams.examzify.com

We wish you the very best on your exam journey. You've got this!

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