Free Questions for CAMS

Shared by Murphy on 24-03-2026

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

An international bank is headquartered in Madrid, Spain with an office in New York City (NYC), US. The Madrid office is investigating a transaction originating from a customer of the NYC office and inquires whether the NYC office can share any relevant further information on the individual. Upon further research, the NYC office finds that they have filed a suspicious activity report (SAR) on the individual in the previous year.

Which factors need to be considered before sharing the requested information? (Select Two.)

Options:

A- The foreign bank must always request approval by its national anti-financial crime authority to share any information cross-border.

B- The bank should report this to the Financial Crimes Enforcement Network (FinCEN) and receive formal guidance before sharing the information.

C- The bank should consider jurisdictional privacy requirements and its own policies and procedures to determine what information to share.

D- The information should only be shared on a need-to-know basis.

Answer:

C, D

Question 2

Question Type: MultipleChoice

Which ML/TF risks are associated with cryptoassets? (Choose Three.)

Options:

A- Devaluation

B- Smart contract vulnerabilities

C- Potential for anonymity

D- Global reach

E- High transaction fees

F- Use to layer illicit funds

Answer:

C, D, F

Explanation:

Cryptoassets, such as cryptocurrencies, pose specific ML/TF risks due to their technological characteristics and usage patterns:

Potential for anonymity (C): Cryptoassets allow users to make transactions without revealing their true identities, which hinders law enforcement from tracking illicit activity. The CAMS 6th Edition states:''Cryptoassets can be transferred or exchanged between users without the need for identification, presenting a significant risk due to the potential for anonymity.''(CAMS 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing, Virtual Assets section)

Global reach (D): Cryptoassets operate on a global scale, enabling rapid cross-border transfers without the limitations of traditional financial systems. This increases the complexity of monitoring and controlling illicit transactions.''The global nature of virtual assets makes it easy for criminals to move value across borders quickly, evading jurisdictional controls.''(CAMS 6th Edition; FATF Guidance on Virtual Assets 2019)

Use to layer illicit funds (F): The ability to move cryptoassets between numerous wallets and exchanges allows criminals to obscure the source of funds through layering, a key stage of money laundering.''Layering can be achieved by rapidly moving cryptoassets between wallets, exchanges, and across different jurisdictions, making tracing more difficult.''(CAMS 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing)

ACAMS Study Guide 6th Edition, Chapter: Risks and Methods of Money Laundering and Terrorist Financing, Virtual Assets/Virtual Currencies

FATF Guidance for a Risk-Based Approach to Virtual Assets (2019)

EU 5th AML Directive (2018/843)

Question 3

Question Type: MultipleChoice

Based on the AML principles outlined by the Wolfsberg Group, what do private and correspondent banks have in common when monitoring for terrorist financing?

Options:

A- Cash access from a pre-paid card increases the potential that the card will be used for money laundering purposes.
B- Transaction monitoring examines the relationship between due diligence information and account closings.
C- Account and transactional activity are monitored after the proper identification and verification of customers.
D- Numbered or alternate name accounts will only be accepted if the bank has established the identity of the client and beneficial owner.

Answer:

B

Question 4

Question Type: MultipleChoice

Which risks are specifically associated with the misuse of gaming accounts in financial crime? (Choose three.)

Options:

A- Using gaming accounts to transfer illicit funds between players undetected
B- Structuring transactions to avoid reporting thresholds by keeping them under certain limits
C- Providing false personal information to evade regulatory oversight
D- Ensuring identity verification is completed prior to the onboarding of new customers
E- Investing all gaming winnings into high-risk stocks to conceal funds

Answer:

A, B, C

Explanation:

Risks tied to the misuse of gaming accounts include transferring illicit funds between players undetected, structuring transactions to avoid reporting thresholds, and providing false personal information to evade KYC and regulatory oversight, all of which can facilitate money laundering and other financial crimes.

Question 5

Question Type: MultipleChoice

Arecruitment manager in the human resources departmentof a bank hasshortlisted a candidate for the position of relationship manager in its private banking division.

Thebank's compliance policyrequiresproper background checksto protect againstfraud and money laundering risks.

Whichresourceswould bemost usefulfor identifying potential negative information regarding the shortlisted candidate? (Select Three.)

Options:

A- Past employment records.
B- Personal references from close associates.
C- Personal resume.
D- Internet and public media searches.
E- Criminal history searches.

Answer:

A, D, E

Explanation:

Financial institutions must conduct thorough background checks on employees in sensitive roles (e.g., private banking) to mitigate fraud, insider trading, and money laundering risks.

Option A (Correct):Past employment records help verify work history and identify any red flags related to prior financial misconduct.

Option D (Correct):Internet and media searches reveal any negative press, regulatory issues, or connections to illicit activity.

Option E (Correct):Criminal history searches help screen for prior convictions related to financial crimes.

Why Other Options Are Incorrect:

Option B (Incorrect):Personal references are less reliable and may not uncover objective risk factors.

Option C (Incorrect):A resume is self-reported and should be verified using independent sources.

Best Practices for Employee Background Screening:

Conduct enhanced due diligence for high-risk roles (e.g., private bankers, compliance officers).

Use reliable background screening tools and legal databases.

Verify employment history and check against regulatory blacklists.

FATF Recommendation 18 (Internal Controls & Employee Screening)

Wolfsberg Group Guidance on AML Employee Background Checks

6th EU AML Directive (6AMLD) on Employee Due Diligence

Question 6

Question Type: MultipleChoice

Which scenario best justifies why a customer's account might be closed by a financial institution?

Options:

A- The customer is the object of a civil subpoena.
B- The customer uses a shipping company dealing with specially designated nationals.
C- The account shows periodic fixed amount remittances for tuition fees.
D- The account has transactions that triggered multiple suspicious activity reports.

Answer:

D

Question 7

Question Type: MultipleChoice

What is the first step in designing an effective controls framework using a risk-based approach?

Options:

A- Establishing risk controls
B- Assessing risk controls

C- Ongoing risk monitoring
D- Conducting a risk assessment

Answer:

D

Explanation:

The first step in designing an effective controls framework using a risk-based approach is conducting a risk assessment. This identifies and evaluates inherent risks, providing the basis for determining which controls are necessary and how they should be prioritized.

Question 8

Question Type: MultipleChoice

The United Nations Security Council (UNSC) is empowered to impose sanctions regimes against countries and terrorist organizations.

Which statements are true regarding sanctions imposed by the UNSC? (Choose Two.)

Options:

A- Attempts to circumvent or evade sanctions imposed by the UNSC can constitute a criminal offense if designated under local laws and regulations
B- The UN can impose arms embargoes but cannot prohibit direct or indirect exports of other goods to specific countries
C- Member countries of the United Nations are expected to implement and enforce sanctions imposed by the UNSC
D- Direct breaches of sanctions imposed by the UNSC constitute a criminal offense in all member countries

Answer:

A, C

Explanation:

The United Nations Security Council (UNSC) is authorized under the UN Charter to imposebinding sanctions measureson member states. These sanctions may target countries, entities, or individuals and can include arms embargoes, travel bans, asset freezes, and restrictions on trade or financial services.

Statement Ais correct:

Circumventing or evading UNSC sanctionsmay constitute a criminal offenseif the jurisdiction has incorporated UN obligations into domestic law. While the UNSC does not directly impose criminal penalties,member states must implement these measures locally, andmany jurisdictions have lawsthat make such violations criminal acts.

Statement Bis incorrect:

The UNSC is empowered toimpose broad restrictions, includingtrade bans beyond arms, such as on luxury goods, fuel, or specific commodities. Therefore, the idea that it cannot prohibit exports beyond arms is inaccurate.

Statement Cis correct:

Member countries of the United Nations are expected to implement and enforce UNSC sanctions, in accordance with their obligations under the UN Charter (specifically Chapter VII). Countries are responsible for transposing these sanctions into their national legal frameworks.

Statement Dis incorrect:

Although member countries are required to enforce sanctions,not all countries automatically consider breaches a criminal offense. Whether a violation is criminal depends on how each country enacts UN sanctions domestically.