

AML Rightsource Training Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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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.

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!

Questions

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- 1. Which statement describes placement in money laundering?**
 - A. Movement of funds creating a complex audit trail.**
 - B. Repatriation of funds to investors.**
 - C. Converting funds to a new currency.**
 - D. Introduction of the illegal funds.**

- 2. Which statement about Peer-to-Peer (P2P) transfers is true?**
 - A. P2P transfers involve no banks at all**
 - B. P2P transfers always settle instantly**
 - C. P2P transfers are electronic money transfers between two individuals through a payment application**
 - D. P2P transfers cannot have limits**

- 3. Which characteristic is most associated with charities and non-profit organizations in the context of terrorist financing risk?**
 - A. Enjoying the public trust**
 - B. Being cash intensive**
 - C. Frequently having a global presence, often in or next to areas exposed to terrorist activity**
 - D. Often being subjected to little or no regulation and/or having few obstacles to their creation**

- 4. Which monetary instrument is purchased at financial institutions?**
 - A. Money Order**
 - B. Cashier's Check**
 - C. Traveler's Check**
 - D. Personal Check**

- 5. What does it mean if a Secretary of State registration is marked "foreign"?**
 - A. It was first registered in a different state**
 - B. It is an international business**
 - C. It is not registered anywhere**
 - D. It is a nonprofit**

- 6. Which of the following statements is true about financial crimes in fintech?**
- A. Terrorist financing, money laundering, and fraud are core concerns**
 - B. Only narcotics-related crimes are monitored**
 - C. Financial crimes are not a concern in fintech**
 - D. KYC and due diligence are optional in fintech**
- 7. In the context of labor trafficking red flags, which payroll condition is most concerning for a business?**
- A. Non-existent or extremely low payroll for the size of the business**
 - B. Regular, on-time payroll with benefits**
 - C. Normal payroll taxes and workers' compensation insurance**
 - D. Transfers between departments for budgeting**
- 8. Which pillar is conducted by the internal audit department, outside auditors, consultants, or other independent parties?**
- A. Internal Controls**
 - B. Independent Testing**
 - C. Training**
 - D. Customer Due Diligence**
- 9. Which role is responsible for overseeing BSA compliance within an organization?**
- A. BSA Compliance Officer**
 - B. IT Manager**
 - C. HR Director**
 - D. Chief Financial Officer**
- 10. Which statement about the Specially Designated Nationals (SDN) List is accurate?**
- A. It excludes non-country-specific entities**
 - B. List of individuals and companies owned, controlled by, or acting on behalf of targeted countries or programs (Correct)**
 - C. Only lists country-specific entities**
 - D. U.S. Persons may freely deal with SDN-listed entities**

Answers

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

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Explanations

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1. Which statement describes placement in money laundering?

- A. Movement of funds creating a complex audit trail.**
- B. Repatriation of funds to investors.**
- C. Converting funds to a new currency.**
- D. Introduction of the illegal funds.**

Placement is the stage where illicit proceeds are first introduced into the financial system, with the aim of distancing the money from its illegal origin. This is exactly what “Introduction of the illegal funds” describes. The other actions fit different parts of the process: moving funds to create a complex audit trail is layering, not the initial entry; repatriation of funds to investors isn’t a standard early step; and converting funds to a new currency can occur during layering or integration as the money is further obscured, not at the entry point.

2. Which statement about Peer-to-Peer (P2P) transfers is true?

- A. P2P transfers involve no banks at all**
- B. P2P transfers always settle instantly**
- C. P2P transfers are electronic money transfers between two individuals through a payment application**
- D. P2P transfers cannot have limits**

P2P transfers are electronic money movements between two individuals using a payment application. The app serves as the intermediary, linking the sender’s funding source (bank account, card, or stored balance) to the recipient’s account and moving the funds without needing a traditional bank transfer you initiate directly with a bank. Banks or payment networks may still be involved behind the scenes to settle the funds, but the user experience centers on the app. This is why the statement is the best: it correctly captures that P2P transfers happen between people through a payment app and are electronic. The other ideas aren’t accurate: these transfers often involve banks behind the scenes, they don’t always settle instantly, and they can indeed have limits depending on the platform and verification level.

3. Which characteristic is most associated with charities and non-profit organizations in the context of terrorist financing risk?

- A. Enjoying the public trust**
- B. Being cash intensive**
- C. Frequently having a global presence, often in or next to areas exposed to terrorist activity**
- D. Often being subjected to little or no regulation and/or having few obstacles to their creation**

The main risk factor here is the global footprint of charities and non-profits, especially when they operate in or near areas affected by conflict or terrorism. A charity with a widespread international presence can move funds across borders more easily, connect donors from many countries to programs in high-risk regions, and establish multiple layers of transactions that are harder to trace. This creates complex channels that can be misused to channel funds to terrorist activities, or to mask illicit donations as legitimate charitable giving. Because cross-border activity and proximity to volatile regions directly expand both the reach of fundraising and the opportunities for concealment, this characteristic is the most strongly associated with terrorist financing risk. While public trust, cash handling, and regulatory variances are relevant considerations, they do not capture the strongest link to the financing risk as effectively as a global, location-aware footprint.

4. Which monetary instrument is purchased at financial institutions?

- A. Money Order**
- B. Cashier's Check**
- C. Traveler's Check**
- D. Personal Check**

Cashier's checks are bank-issued and guaranteed by the bank, and you obtain them directly from a financial institution. When you purchase one, you give the bank the funds for the amount and the bank, in turn, issues a check drawn on its own funds payable to the recipient. That bank guarantee is what makes this instrument specifically tied to and purchased at banks. Money orders can be bought at a variety of places, including post offices and grocery stores, and are prepaid but not guaranteed by the issuing bank in the same way. Traveler's checks are sold to travelers and can be purchased from banks or other issuers, but the defining feature here is the bank-guaranteed cashier's check. Personal checks are drawn against your own account, not bought from the bank in the same transaction.

5. What does it mean if a Secretary of State registration is marked "foreign"?

- A. It was first registered in a different state**
- B. It is an international business**
- C. It is not registered anywhere**
- D. It is a nonprofit**

Being marked "foreign" means the entity was created in a different state and is authorized to do business in this state as a foreign entity. In practice, a company is domestic in the state where it was formed and foreign in other states where it operates. So this filing indicates jurisdictional origin—the entity's first registration occurred in another state, not here. It doesn't imply international activity, nonprofit status, or that it isn't registered somewhere else. For example, a corporation formed in Delaware that wants to do business in California would file as a foreign corporation in California.

6. Which of the following statements is true about financial crimes in fintech?

- A. Terrorist financing, money laundering, and fraud are core concerns**
- B. Only narcotics-related crimes are monitored**
- C. Financial crimes are not a concern in fintech**
- D. KYC and due diligence are optional in fintech**

Fintech risk management focuses on multiple financial crime risks, not just one issue. Terrorist financing, money laundering, and fraud are all central concerns because digital platforms can be exploited to move illicit funds, hide their origins, or steal value through deception. To counter these threats, firms implement strong customer verification and ongoing due diligence (KYC), monitor transactions for unusual or suspicious activity, screen against sanctions lists, and file required reports. This protective framework reflects how regulators expect fintechs to operate in a risk-based way, continuously assessing and mitigating AML and fraud risks as the business and user patterns evolve. The other statements don't fit because restricting monitoring to narcotics-related crimes misses the broad spectrum of risks fintechs face; claiming financial crimes aren't a concern contradicts the regulatory focus on AML/CFT and fraud prevention; and labeling KYC and due diligence as optional undermines the essential controls used to know customers and assess risk.

7. In the context of labor trafficking red flags, which payroll condition is most concerning for a business?

A. Non-existent or extremely low payroll for the size of the business

B. Regular, on-time payroll with benefits

C. Normal payroll taxes and workers' compensation insurance

D. Transfers between departments for budgeting

The main idea here is that payroll patterns reveal whether workers are being compensated and documented properly, which is a fundamental sign of labor trafficking red flags. If payroll is non-existent or extremely low for the size of the business, it strongly suggests that workers may not be paid at all, are underpaid, or are hidden from normal wage reporting. This kind of discrepancy points to exploitation and lack of legitimate employment records, which are classic indicators of trafficking and forced labor. In contrast, regular on-time payroll with benefits signals legitimate employment practices and ongoing compensation, reducing concern. Normal payroll taxes and workers' compensation insurance indicate compliance with legal requirements, which further lowers red-flag potential. Transfers between departments for budgeting can be a routine internal process; by itself, it does not indicate trafficking, though when combined with other warning signs it could contribute to a pattern worth investigating. So, the absence or severe underpayment in payroll stands out as the most alarming indicator of trafficking-related labor abuse.

8. Which pillar is conducted by the internal audit department, outside auditors, consultants, or other independent parties?

A. Internal Controls

B. Independent Testing

C. Training

D. Customer Due Diligence

Independent testing is the practice of evaluating the effectiveness of AML controls through objective assessment by people who are not involved in creating or operating them. This unique perspective comes from internal audit, external auditors, consultants, or other independent parties, which helps ensure the evaluation is unbiased and evidence-based. By testing areas such as the customer due diligence process, transaction monitoring, suspicious activity reporting, and governance oversight, independent testers verify that policies are not only well designed but actually functioning in practice. This objective verification is what makes independent testing the pillar that reflects outside or third-party oversight. In contrast, internal controls refer to the policies and processes the organization itself puts in place to prevent or detect AML risk. Training focuses on educating staff about AML requirements and how to apply them in their daily work. Customer due diligence is the ongoing process of collecting and validating information about customers to assess risk. While all of these are essential, the specific role of independent testing is to provide an outside, impartial assessment of whether the controls are effective, which is why it's conducted by the internal audit function or other independent parties.

9. Which role is responsible for overseeing BSA compliance within an organization?

- A. BSA Compliance Officer**
- B. IT Manager**
- C. HR Director**
- D. Chief Financial Officer**

The main idea here is that BSA compliance requires a dedicated role with authority to design, implement, and monitor the AML program. The BSA Compliance Officer is the position charged with overseeing all BSA/AML activities, including customer due diligence, ongoing monitoring, suspicious activity reporting, and regulatory communications. This role ensures staff training, internal audits, and liaison with regulators, and it typically has direct access to senior management and the board to maintain independent oversight of the program. The other roles focus on different areas: IT Manager handles technology and systems, HR Director handles personnel and onboarding processes, and the Chief Financial Officer oversees finances. While these disciplines intersect with AML controls, they do not own and oversee the BSA program itself.

10. Which statement about the Specially Designated Nationals (SDN) List is accurate?

- A. It excludes non-country-specific entities**
- B. List of individuals and companies owned, controlled by, or acting on behalf of targeted countries or programs (Correct)**
- C. Only lists country-specific entities**
- D. U.S. Persons may freely deal with SDN-listed entities**

The SDN List is a roster used to block assets and restrict transactions with individuals and entities connected to sanctioned regimes or programs. The statement that best describes it is that it includes individuals and companies owned, controlled by, or acting on behalf of targeted countries or programs. This captures both direct control (owned or controlled by) and representation or actions taken on behalf of those targets, which is precisely what triggers sanctions. The list is not limited to country-specific entities, and U.S. Persons may not freely deal with SDN-listed entities unless a specific OFAC license or exemption applies.

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://amlrightsourcetraining.examzify.com>

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

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