ANTI-MONEY LAUNDERING CERTIFICATE 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.

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

1. **Private Limited Companies are described as:**
    - A. They are not publicly traded and are restrictive on the number of shares. Ownership is subject to minimal regulatory oversight. (e.g. LLC)
    - B. They are publicly traded on major exchanges
    - C. They are owned by the state
    - D. They must disclose every shareholder publicly

2. **Which of the following is an indicator of funnel account activity?**
    - A. An account opened in one US state receives numerous cash deposits of less than $10,000 by unidentified persons at branches outside of the geographic region where the account is domiciled.
    - B. Business account deposits take place in a different geographic region from where the business operates.
    - C. Individuals opening or making deposits to funnel accounts lack information about the stated activity of the account, the account owner, or the source of the cash.
    - D. A business account receives out-of-state deposits with debits that do not appear to be related to its business purpose.

3. **What is e-money?**
    - A. A prepaid means of payment that can be used to make payments to multiple persons, where the persons are distinct legal or natural entities.
    - B. A government-issued digital currency.
    - C. A type of virtual asset used for investment.
    - D. E-money is a prepaid means of payment that can be used to make payments to multiple persons, where the persons are distinct legal or natural entities; it can be online or card-based.

4. **Which statement best describes the role of Trust and Company Service Providers in AML contexts?**
    - A. They regulate financial markets.
    - B. They primarily provide accounting and audit services.
    - C. They participate in the creation, administration or management of corporate vehicles.
    - D. They are unrelated to AML efforts.

5. **Which statement accurately contrasts money laundering with terrorist financing?**

   A. Funds destined for money laundering come from criminal activity, while terrorist financing funds may include legitimate sources; concealment of funds used for terrorism is designed to hide the purpose rather than the source

   B. Both ML and TF always require concealment of illicit origin

   C. ML and TF are the same in purpose

   D. TF never involves legitimate funds

6. **Trusts often serve as an essential link between different money laundering vehicles, such as real estate, shell and active companies, nominees, and the transfer of proceeds.**

   A. They have no connection

   B. They are solely independent of other ML methods

   C. They can be an essential link between ML vehicles and techniques

   D. They only function within financial institutions

7. **In correspondent banking, what makes it difficult to identify suspect transactions?**

   A. The bank has complete information on the parties.

   B. The bank maintains no records.

   C. The bank does not generally have information on the actual parties conducting the transaction.

   D. The bank only processes domestic transactions.

8. **Credit Unions and Building Societies are best described as:**

   A. Not-for-profit member-owned and operated democratic financial co-operatives

   B. For-profit multinational banks

   C. Government-owned financial institutions

   D. Private equity funds

9. **What is the purpose of an independent audit in AML programs?**

   A. To ensure internal controls are effective and compliant

   B. To audit staff salaries

   C. To audit marketing campaigns

   D. To review tax filings

10. Gatekeepers who can block or facilitate entry of illegitimate money include which group?

A. Police, Bankers, Insurance agents, and Real estate brokers

B. Journalists, Teachers, Nurses, and Plumbers

C. Car dealers, Shipping firms, Advertisers, and Tax inspectors

D. Notaries, Accountants, Auditors, and Lawyers

Answers

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

Explanations

1. Private Limited Companies are described as:

A. They are not publicly traded and are restrictive on the number of shares. Ownership is subject to minimal regulatory oversight. (e.g. LLC)

B. They are publicly traded on major exchanges

C. They are owned by the state

D. They must disclose every shareholder publicly

Private limited companies are defined by not having their shares traded on public markets and by keeping ownership within a relatively small group, with restrictions on how shares can be transferred. This structure protects control and reduces the need for the wide range of public disclosures that public companies must provide. That combination—no public trading and share transfer restrictions—is the hallmark described. The other scenarios describe different entity types: publicly traded companies list on exchanges and disclose broad ownership; state-owned enterprises are owned by the government; and some regimes require public disclosure of every shareholder, which aligns with public companies rather than private ones. So the description that highlights non-public trading and restricted shareholding best fits a private limited company.

2. Which of the following is an indicator of funnel account activity?

A. An account opened in one US state receives numerous cash deposits of less than $10,000 by unidentified persons at branches outside of the geographic region where the account is domiciled.

B. Business account deposits take place in a different geographic region from where the business operates.

C. Individuals opening or making deposits to funnel accounts lack information about the stated activity of the account, the account owner, or the source of the cash.

D. A business account receives out-of-state deposits with debits that do not appear to be related to its business purpose.

Funnel account activity is most clearly indicated when deposits into a business account occur in a geographic region where the business does not operate. This geographic mismatch suggests funds are being funneled from one area into another to obscure their origin and purpose, a common tactic in money laundering to layer and distance illicit sources from legitimate activity. By depositing in a region outside the business's normal operations, the pattern stands out as characteristic of funneling, signaling that cash is being moved through the account in a way that doesn't align with the business's actual operations. Other patterns might raise suspicion, but they're less specific to funneling. Heavy cash deposits by unidentified individuals or deposits in a different region could reflect various suspicious activities, not necessarily the deliberate cross-regional structuring that funneling typically implies. Lack of information about the account or source, or deposits that don't align with business purpose, are also red flags, but the clear hallmark of funneling is the geographic discrepancy between where the business operates and where deposits are made.

3. What is e-money?

A. A prepaid means of payment that can be used to make payments to multiple persons, where the persons are distinct legal or natural entities.

B. A government-issued digital currency.

C. A type of virtual asset used for investment.

D. E-money is a prepaid means of payment that can be used to make payments to multiple persons, where the persons are distinct legal or natural entities; it can be online or card-based.

E-money is money stored electronically that has been prepaid and can be used to make payments to multiple payees. The key idea is stored value that you fund in advance, then access either online or through a card to pay others. This captures both the prepaid nature and the ability to pay many different recipients, whether you're using a digital wallet online or a physical card. It's different from a government-issued digital currency (CBDC), which is issued by the central bank, and from virtual assets used for investment (like some cryptocurrencies), which aren't prepaid stored-value payment instruments. The added detail that it can be accessed online or via a card helps distinguish e-money from other forms of digital value.

4. Which statement best describes the role of Trust and Company Service Providers in AML contexts?

A. They regulate financial markets.

B. They primarily provide accounting and audit services.

C. They participate in the creation, administration or management of corporate vehicles.

D. They are unrelated to AML efforts.

Trust and Company Service Providers act as facilitators who establish and manage corporate structures. In AML contexts, their role is central because these services can be used to create and operate vehicles—such as companies, trusts, or foundations—that may conceal ownership or obscure the flow of funds. By handling formation, registration, administration, and ongoing management of these corporate vehicles, TCSPs can become entry points for money laundering if not properly regulated and monitored. This is why they are directly involved in AML controls, including customer due diligence, identifying beneficial owners, and reporting suspicious activity. The other options miss the core function: they do not regulate markets, their work extends beyond accounting and audits, and they are not unrelated to AML efforts.

5. Which statement accurately contrasts money laundering with terrorist financing?

A. Funds destined for money laundering come from criminal activity, while terrorist financing funds may include legitimate sources; concealment of funds used for terrorism is designed to hide the purpose rather than the source

B. Both ML and TF always require concealment of illicit origin

C. ML and TF are the same in purpose

D. TF never involves legitimate funds

Money laundering and terrorist financing differ in what the concealment seeks to achieve. Money laundering aims to disguise the illicit origin of criminal proceeds so they can be used in the legitimate economy without suspicion. Terrorist financing, on the other hand, can involve funds from legitimate activities or from illicit sources, and the challenge is often to hide the end use or purpose of the funds—what they will be used for—rather than solely masking where they came from. This makes the statement correct: funds for money laundering come from crime and are meant to conceal their source, while terrorist-financing funds may include legitimate sources and the concealment focuses on the purpose. The other options misstate the relationship: both do not always require concealing origin, they are not the same in purpose, and terrorist financing can involve legitimate funds.

6. Trusts often serve as an essential link between different money laundering vehicles, such as real estate, shell and active companies, nominees, and the transfer of proceeds.

A. They have no connection

B. They are solely independent of other ML methods

C. They can be an essential link between ML vehicles and techniques

D. They only function within financial institutions

Trusts serve as a bridge in money laundering by letting illicit proceeds move through and hide within a web of different vehicles and techniques. A trust can hold assets like real estate, shares in companies, or bank accounts, with a trustee controlling how those assets are used and who benefits. This separation between legal ownership and who actually benefits creates layering opportunities: funds can enter the trust, be used to acquire assets or fund distributions, and then flow to beneficiaries or other entities in ways that obscure the origin of the money. The presence of nominees, offshore arrangements, and professional intermediaries further complicates tracing, making the trust an effective mechanism to move, disguise, and reintegrate proceeds across multiple channels. The idea that trusts have no connection to money laundering or operate independently of other methods isn't accurate, because they are often interwoven with vehicles like shells, real estate, and nominee arrangements to facilitate concealment and transfer of funds. They also aren't confined to financial institutions alone; trusts involve lawyers, accountants, real estate brokers, and other professionals who can help route assets through various jurisdictions and structures.

7. In correspondent banking, what makes it difficult to identify suspect transactions?

A. The bank has complete information on the parties.

B. The bank maintains no records.

C. The bank does not generally have information on the actual parties conducting the transaction.

D. The bank only processes domestic transactions.

In correspondent banking, banks provide services on behalf of other banks and the payment trail passes through several institutions. The due diligence at the correspondent bank is typically focused on the partner banks and the intermediary data, not on the actual end customers or the ultimate beneficial owners behind a transfer. As a result, the real parties conducting the transaction are often not visible to the correspondent bank, making it hard to identify potentially illicit activity. This opacity is compounded by cross-border data-sharing limits and privacy constraints, increasing the challenge. The other options don't fit because one assumes complete visibility which isn't the case, another implies there are no records at all which isn't true, and the last focuses on domestic processing, which isn't the defining issue in correspondent banking.

8. Credit Unions and Building Societies are best described as:

A. Not-for-profit member-owned and operated democratic financial co-operatives

B. For-profit multinational banks

C. Government-owned financial institutions

D. Private equity funds

Ownership and governance shape what credit unions and building societies are. They are not-for-profit, member-owned organizations that operate as democratic financial co-operatives. Members elect representatives to run the institution, and each member typically has one vote, regardless of how much money they have deposited. Profits aren't paid to external shareholders; instead they're reinvested in the organization or returned to members through better rates, lower fees, or improved services. This cooperative model sets them apart from profit-driven banks, government-owned institutions, or private equity funds.

9. What is the purpose of an independent audit in AML programs?

A. To ensure internal controls are effective and compliant

B. To audit staff salaries

C. To audit marketing campaigns

D. To review tax filings

Independent audits in AML programs provide objective assurance that the AML controls and processes are working as intended and meet regulatory expectations. The audit examines whether policies and procedures are properly designed and implemented across key areas such as customer due diligence, ongoing transaction monitoring, suspicious activity reporting, record-keeping, training, and governance. It looks for weaknesses, gaps, or failures to remediate findings, and it verifies that corrective actions are completed. This independent assessment helps management and regulators trust that the organization can effectively detect, prevent, and report potential illicit activity, strengthening overall risk management and compliance. The other options don't fit because auditing staff salaries, marketing campaigns, or tax filings doesn't evaluate the effectiveness or compliance of the AML program itself.

10. Gatekeepers who can block or facilitate entry of illegitimate money include which group?

A. Police, Bankers, Insurance agents, and Real estate brokers

B. Journalists, Teachers, Nurses, and Plumbers

C. Car dealers, Shipping firms, Advertisers, and Tax inspectors

D. Notaries, Accountants, Auditors, and Lawyers

Gatekeepers are professionals who have the power to influence the flow of money through legal and financial processes, so they can either block or facilitate the entry of illicit funds. Notaries, accountants, auditors, and lawyers fit this role because they routinely handle identity verification, the creation and transfer of legal entities, financial reporting, and complex transactions that move or disguise wealth. Notaries witness and authenticate documents, which means they verify who is involved in deals and ensure documents are legitimate; this makes them pivotal in preventing or enabling the transfer of illicit funds. Accountants manage and report on financial records and cash flows, so they can help keep funds clean or, if lax, conceal their origins. Auditors review internal controls and financial statements, serving as sentinels who can detect red flags or overlook them depending on compliance. Lawyers provide the legal structure for transactions, including corporate formations, trusts, and asset transfers, which can be used to obscure ownership or the source of funds if not properly scrutinized. Because of these capabilities, this group is specifically recognized as gatekeepers in anti-money laundering efforts, with strong emphasis on applying due diligence, Know Your Customer requirements, and reporting suspicious activity.

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://antimoneylaundering.examzify.com

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