

BANK SECRECY ACT COMPLIANCE SPECIALIST (BSACS) PRACTICE EXAM (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

**VISIT US ONLINE FOR
THE FULL VERSION STUDY GUIDE**

<https://banksecrecyact.examzify.com>



Copyright © 2026 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain accurate, complete, and timely information about this product from reliable sources.

SAMPLE

Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	15

SAMPLE

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

SAMPLE

- 1. What does the term “smurfing” refer to in the context of money laundering?**
 - A. Investing in stocks
 - B. Breaking down large amounts of cash into smaller transactions
 - C. Transferring money overseas
 - D. Collecting cash payments from multiple clients
- 2. In the context of the BSA, what is necessary for verifying a purchaser's identity?**
 - A. Previous credit history
 - B. Specific identifying information
 - C. Proof of residence
 - D. Employment verification
- 3. Under the ownership prong, how many individuals can be classified as beneficial owners?**
 - A. Two individuals
 - B. Four individuals
 - C. Three individuals
 - D. One individual
- 4. True or False: The time period for filing a SAR can be extended to 60 days if no suspect can be identified.**
 - A. True
 - B. False
 - C. Only if the suspect is known
 - D. Only if proven necessary by law enforcement
- 5. What defines a Specific License issued by OFAC?**
 - A. It is automatically granted to all applicants
 - B. It is issued without any review process
 - C. It is granted on a case-by-case basis based on application
 - D. It covers multiple transactions at once

- 6. What occurs when a credit union blocks a transaction?**
- A. It allows the funds to be transferred
 - B. It accepts the funds and freezes them
 - C. It sends the funds back to the sender
 - D. It informs relevant authorities
- 7. What aspect of accounts does OFAC recommend screening during periodic reviews?**
- A. Transaction frequency
 - B. Compliance with state laws
 - C. Data matches, including accounts and transactions conducted
 - D. Account closure procedures
- 8. What action should a credit union take if it identifies suspicious account activity?**
- A. Ignore it
 - B. File a SAR if necessary
 - C. Close the account immediately
 - D. Notify all members
- 9. What is the purpose of maintaining records for identity verification in financial institutions?**
- A. To enhance customer satisfaction
 - B. To comply with federal regulations
 - C. To streamline account opening processes
 - D. To increase membership
- 10. What does the BSA's "Travel Rule" require?**
- A. Include certain information in payment orders of \$3000 or more
 - B. File a CTR for all transactions
 - C. Report suspicious activities
 - D. Maintain records of all deposits

Answers

SAMPLE

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

SAMPLE

Explanations

SAMPLE

1. What does the term "smurfing" refer to in the context of money laundering?

- A. Investing in stocks
- B. Breaking down large amounts of cash into smaller transactions**
- C. Transferring money overseas
- D. Collecting cash payments from multiple clients

The term "smurfing" in the context of money laundering refers to the practice of breaking down large amounts of cash into smaller transactions. This tactic is often employed to avoid detection and reporting thresholds set by financial institutions and regulatory authorities. When large sums of money are deposited or transferred as smaller increments, it significantly reduces the chance that these transactions will trigger Suspicious Activity Reports (SARs) or Currency Transaction Reports (CTRs), which are required for larger amounts. By using this method, individuals seeking to launder money can further disguise the origins of illicit funds and integrate them into the financial system with less scrutiny. Smurfing is effective because it leverages the principle of volume over size, allowing illicit actors to operate under the radar of regulatory systems designed to catch large-scale money laundering operations. Understanding this term is crucial for compliance professionals working to identify and combat money laundering activities effectively.

2. In the context of the BSA, what is necessary for verifying a purchaser's identity?

- A. Previous credit history
- B. Specific identifying information**
- C. Proof of residence
- D. Employment verification

In the context of the Bank Secrecy Act (BSA), verifying a purchaser's identity primarily requires specific identifying information. This information typically includes the individual's name, date of birth, address, and government-issued identification number (such as a Social Security number or driver's license number). The BSA mandates that financial institutions implement measures to verify customers' identities to help prevent financial crimes such as money laundering and fraud. While factors like credit history, proof of residence, or employment verification could provide additional context about a customer, they do not serve as the foundational elements required by the BSA for identity verification. The focus on specific identifying information aligns directly with the objectives of the BSA, which seeks to ensure that financial institutions can accurately identify their customers and report suspicious activities appropriately.

3. Under the ownership prong, how many individuals can be classified as beneficial owners?

- A. Two individuals
- B. Four individuals**
- C. Three individuals
- D. One individual

The correct answer is four individuals. Under the Bank Secrecy Act (BSA) and the associated regulations, specifically the Customer Due Diligence (CDD) rule that was finalized in 2016, beneficial ownership is defined in a manner that allows for a maximum of four individuals to be identified as beneficial owners in a corporation. This includes individuals who own 25% or more of the equity interest in a legal entity, as well as one individual who has significant responsibility for managing the legal entity, such as an executive officer or senior manager. This framework is essential for financial institutions to ensure they can identify and mitigate the risks of financial crime and money laundering associated with beneficial ownership. Understanding this aspect of the regulation helps institutions comply with their customer due diligence obligations effectively.

4. True or False: The time period for filing a SAR can be extended to 60 days if no suspect can be identified.

A. True

B. False

C. Only if the suspect is known

D. Only if proven necessary by law enforcement

The statement is true because, under the Bank Secrecy Act (BSA) and regulations outlined by FinCEN, financial institutions are required to file a Suspicious Activity Report (SAR) within 30 days of detecting suspicious activity. However, if the financial institution cannot identify a suspect, they are permitted to extend the filing period for an additional 30 days, giving a total of 60 days to file the SAR. This extension provides institutions with extra time to gather information before submitting the report, which is crucial for effective compliance and assisting law enforcement in investigations. Therefore, the ability to extend the filing time to 60 days when no suspect is identified aligns with the regulatory guidance.

5. What defines a Specific License issued by OFAC?

A. It is automatically granted to all applicants

B. It is issued without any review process

C. It is granted on a case-by-case basis based on application

D. It covers multiple transactions at once

A Specific License issued by the Office of Foreign Assets Control (OFAC) is intended to allow particular transactions that are otherwise prohibited under U.S. sanctions regulations. These licenses are not automatically granted; rather, they require an application process where each request is considered on its merits. This means that the OFAC evaluates the specifics of the transaction in question, the parties involved, and the context surrounding it before making a determination. The flexibility of the Specific License allows OFAC to grant permission for transactions that align with U.S. foreign policy and national security objectives, ensuring that there is scrutiny and accountability in accordance with the law. Typically, each license pertains to a specific circumstance or set of transactions rather than covering multiple transactions at once. This case-by-case approach is critical for effective compliance and enforcement of sanctions.

6. What occurs when a credit union blocks a transaction?

A. It allows the funds to be transferred

B. It accepts the funds and freezes them

C. It sends the funds back to the sender

D. It informs relevant authorities

When a credit union blocks a transaction, it typically involves accepting the funds but freezing them. This action is taken to comply with regulations and to ensure that the transaction does not proceed due to suspicion of illegal activity, potential fraud, or other compliance-related concerns. By freezing the funds, the credit union can hold onto the money while further investigation takes place or while ensuring that any regulatory requirements are met. Blocking a transaction serves as a protective measure for both the financial institution and its members, allowing for a cautious approach before any funds are released or further action is taken. This process can also help in tracking and reporting any potential suspicious activity in alignment with the Bank Secrecy Act, thereby fulfilling the credit union's compliance obligations. In summary, when a transaction is blocked, the funds are not merely allowed to transfer; they are frozen to evaluate the situation appropriately and to maintain regulatory compliance.

7. What aspect of accounts does OFAC recommend screening during periodic reviews?

- A. Transaction frequency
- B. Compliance with state laws
- C. Data matches, including accounts and transactions conducted**
- D. Account closure procedures

The Office of Foreign Assets Control (OFAC) recommends screening data matches, including accounts and transactions conducted, during periodic reviews as a crucial part of compliance with U.S. sanctions. This process helps to identify potential connections to individuals, entities, or countries that are subject to sanctions, thereby mitigating the risk of engaging in prohibited transactions. Regularly screening for data matches allows institutions to maintain up-to-date information about their customers and their transactions. This is essential for detecting potentially suspicious activities that could lead to compliance violations. By focusing on accounts and transactions, an organization can ensure it avoids facilitating any illegal activities or dealings with sanctioned parties. Engaging in such reviews helps institutions to respond proactively to changes in the OFAC sanctions lists and to monitor for any discrepancies or potential risks that may arise within their customer base. This diligence supports the broader goals of the Bank Secrecy Act to prevent money laundering and safeguard the integrity of the financial system.

8. What action should a credit union take if it identifies suspicious account activity?

- A. Ignore it
- B. File a SAR if necessary**
- C. Close the account immediately
- D. Notify all members

When a credit union identifies suspicious account activity, the appropriate action is to file a Suspicious Activity Report (SAR) if warranted. The primary purpose of a SAR is to alert law enforcement and regulatory authorities about potentially unlawful or suspicious financial activity. Filing a SAR allows the institution to comply with the Bank Secrecy Act (BSA) requirements while also contributing to the overall efforts to combat money laundering and other financial crimes. In this context, choosing to file a SAR serves several important functions. It ensures that detailed information regarding the suspicious activity is documented and shared with relevant authorities, enabling them to conduct further investigations. Additionally, filing a SAR aids the credit union in demonstrating that it has fulfilled its compliance obligations under the BSA, thereby protecting itself from potential penalties. The other actions – ignoring the activity, closing the account immediately without investigation, or notifying all members – would not align with the regulatory expectations for compliance and could compromise the integrity of the investigation. Each of those options may hinder the credit union's ability to respond appropriately to the suspicious activities and could even expose the institution to increased risks, including potential legal liability.

9. What is the purpose of maintaining records for identity verification in financial institutions?

- A. To enhance customer satisfaction
- B. To comply with federal regulations**
- C. To streamline account opening processes
- D. To increase membership

Maintaining records for identity verification in financial institutions primarily serves the purpose of complying with federal regulations. The Bank Secrecy Act (BSA) and related regulations mandate that financial institutions implement robust customer identification programs (CIP) to help prevent money laundering and other financial crimes. These regulations require institutions to verify the identity of customers opening accounts and to keep detailed records of these verification processes. By adhering to these regulations, financial institutions not only fulfill legal requirements but also contribute to the integrity of the financial system. This compliance ensures that institutions are not unwittingly providing services to individuals participating in illicit activities, thus safeguarding themselves and their clients from potential legal repercussions. Other options relate to customer service and operational efficiency, but they do not capture the primary and most crucial reason for maintaining these records, which is the obligation under the law to protect the financial system and report suspicious activities.

10. What does the BSA's "Travel Rule" require?

- A. Include certain information in payment orders of \$3000 or more**
- B. File a CTR for all transactions
- C. Report suspicious activities
- D. Maintain records of all deposits

The BSA's "Travel Rule" specifically requires financial institutions to include certain information in payment orders of \$3,000 or more. This rule is designed to ensure that the necessary information about the sender and receiver of funds is transmitted along with the payment, thus promoting transparency and aiding in the fight against money laundering and other financial crimes. The goal of the Travel Rule is to maintain a trail of information that can be used to track illicit activities, making it harder for criminals to exploit the financial system. By mandating that specific data, such as the names and addresses of both the originator and the beneficiary, be included in wire transfers or other payment orders above the specified amount, it enhances the ability of authorities to monitor and investigate potentially suspicious transactions. This requirement aligns with broader BSA objectives, helping to establish a standard of communication between institutions to maximize compliance and efficiency in regulatory reporting and risk management in the financial sector.

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://banksecrecyact.examzify.com>

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

SAMPLE