

CAMS Practice Test Questions and Answers

1. What does OFAC's 'license' process allow?

- A) It licenses financial institutions to conduct business in high-risk countries
- B) It grants specific authorization for transactions that would otherwise be prohibited under sanctions programs
- C) It certifies AML officers to conduct sanctions screening
- D) It licenses technology vendors to sell sanctions screening software

2. What is a FATF-Style Regional Body (FSRB)?

- A) A regional law enforcement body that enforces FATF standards within its jurisdiction
- B) An associate member of FATF that performs similar functions (mutual evaluations, typologies) for non-FATF member jurisdictions in a particular region
- C) A regional development bank that funds AML capacity building programs
- D) A subgroup of FATF members focused on a specific regional money laundering threat

3. What is the primary use of SAR data by FinCEN?

- A) Directly prosecuting financial criminals based on SAR filings alone
- B) Building financial intelligence databases used by law enforcement to investigate and prosecute money laundering, terrorism financing, and other financial crimes
- C) Publishing annual statistics on the state of financial crime in the U.S.
- D) Automatically freezing accounts mentioned in SARs pending investigation

4. What is 'residual risk' in an AML risk assessment?

- A) The risk that remains after all AML controls have been applied and any remaining risk must be accepted or transferred
- B) The portion of risk that is too small to be worth controlling
- C) The risk from accounts closed due to suspicious activity
- D) The leftover risk from prior regulatory examinations that wasn't remediated

Answers: 1-B 2-B 3-B 4-A

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