



Introduction to AML/CTF e-learning course

This knowledge check will provide you with an indication of your knowledge of anti-money laundering and terrorism financing and your knowledge of customer concepts.

You will be presented with a set of questions, you cannot get feedback when you answer a question, but you have the option of changing your initial answer. At the end, you will be asked to submit all your answers.

Question 1 – stages of money laundering

Select the correct description.

The stage of money laundering at which illicit money first enters the financial system is called:

- a) placement
- b) layering
- c) integration

Question 2 – stages of money laundering

Select the correct description.

The stage of money laundering at which illicit money becomes indistinguishable from legitimate funds and can be reinvested is called:

- a) placement
- b) layering
- c) integration

Question 3 – stages of money laundering

Select the correct description.

The stage of money laundering at which money is dispersed and disguised is called:

- a) placement
- b) layering
- c) integration

Question 4 – money laundering

Indicate whether the following statement is True or False.

Money laundering only refers to the laundering of illegal funds and not illegal assets.

Question 5 – money laundering

Identify the risks reporting entities face when their business is used for money laundering.

- a) loss of reputation
- b) legal risk
- c) loss of customers
- d) operational risk
- e) all of the above

Question 6 – money laundering

Indicate whether the following statement is True or False.

Criminals almost always launder money solely through banks and other financial institutions. Therefore anti-money laundering compliance is not a serious issue for other types of businesses.

Question 7 – money laundering

Select the most correct statement.

- a) To fight money laundering effectively a business must have in place a process for reporting threshold transactions.
- b) To fight money laundering effectively a business must know its customers and monitor their transactions and have a process for reporting threshold transactions and suspicious matters.
- c) To fight money laundering effectively a business must have a process for reporting threshold transactions and suspicious matters.

Question 8 – know your customer

Which of the following are appropriate ways to assess the inherent ML/TF risks that a relationship with a customer may present?

- a) reviewing the type of customer (individual, company, trust, etc.)
- b) reviewing the type of service they want to use
- c) considering their ethnic or cultural background
- d) all of the above
- e) (a) and (b)

Question 9 – reporting entities

Indicate whether the following statement is True or False.

Reporting entities are required to submit reports to the Australian Transaction Reports and Analysis Centre (AUSTRAC) only if they have a suspicion on reasonable grounds that a financial transaction may involve money laundering.

Question 10 – reporting entities

Reporting entities are obliged to provide which of the following to AUSTRAC?

- a) Information concerning travellers who bring or take over AUD10,000 in to or out of Australia
- b) Reports showing they have complied with their regulatory obligations in relation to anti-money laundering and counter-terrorism financing
- c) All reports designated under the *Financial Transaction Reports Act 1988*
- d) All reports designated under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

Question 11 – reporting entities

Select the single correct response.

Which is the best description of a reporting entity under the *Anti-Money Laundering and Counter-Terrorism Act 2006* (AML/CTF Act)?

- a) A bank or insurance company.
- b) A wide range of businesses and institutions (specified in the AML/CTF Act) which deal in cash, bullion and financial transactions.
- c) A bank, insurance company or other financial institution designated by AUSTRAC as a reporting entity.

Question 12 – reporting

Select the single correct response.

What is a threshold transaction?

- a) A cash transaction or wire transfer involving the transfer of \$10,000 or more.
- b) A cash transaction involving the transfer of \$20,000 or more.
- c) A cash or e-currency transaction involving the transfer of \$10,000 or more.

Question 13 – terrorism financing

Indicate whether the following statement is True or False.

Terrorist organisations can obtain money to source their activities from legitimate organisations such as charities and religious groups.

Question 14 – terrorism financing

Indicate whether the following statement is True or False.

Australia does not have a plan to detect terrorism activities or financing.

Question 15 – reporting

Indicate whether the following statement is True or False.

When departing from or arriving in Australia you only need to report amounts of \$10,000 or more in cash.

Question 16 – know your customer

Indicate whether the following statement is True or False.

Under the AML/CTF Act reporting entities only need to identify and verify new customers.

Question 17 – overview of the legislation

Indicate whether the following statement is True or False.

The first tranche of the AML/CTF Act was fully implemented on 12 December 2008 and the majority of 'cash dealers' who were captured under the FTR Act are now 'reporting entities' under the AML/CTF Act.

Question 18 – money laundering

Indicate whether the following statement is True or False.

Money launderers are generally criminals trying to hide money from the drug trade.

Question 19 – AUSTRAC’s role

Indicate whether the following statement is True or False.

One of AUSTRAC's responsibilities under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* is to act as an information and analysis conduit between the financial and gambling sectors and law enforcement, revenue collection and national security agencies.

Question 20 – AML/CTF Act

Select the single correct response.

What is a key requirement of the AML/CTF Act?

- a) The identification and verification of customer identities.
- b) To manage relationships with reporting entities.
- c) To establish AUSTRAC’s compliance watch-dog program.
- d) Sharing information with government agencies.

Question 21 – Remittance services

Indicate whether the following statement is True or False.

It is not necessary for remittance services providers who were reporting to AUSTRAC as ‘cash dealers’ under the *Financial Transaction Reports Act 1988* to re-register under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

Question 22 – Enforcement

Indicate whether the following statement is True or False.

AUSTRAC monitors compliance *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* but does not have enforcement powers to address non-compliance with the Act. However incidents of non compliance will be referred to the appropriate law enforcement or Australian Government Regulator e.g. ASIC

Pre-assessment Answers

1. Answer: a
2. Answer: c
3. Answer: b
4. Answer: False
5. Answer: e
6. Answer: False
7. Answer: b
8. Answer: e
9. Answer: False
10. Answer: b
11. Answer: b
12. Answer: c
13. Answer: True
14. Answer: False
15. Answer: False
16. Answer: False
17. Answer: True
18. Answer: False
19. Answer: True
20. Answer: a
21. Answer: False
22. Answer: False

AUSTRAC intends to maintain its Introduction to AML/CTF e-learning application as an evolving resource to reflect changing patterns of behaviour, legislative development and the broader anti-money laundering environment. Should you require further information on the e-learning application, AUSTRAC's operations, the *Financial Transaction Reports Act 1988* (FTR Act) or the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act), please contact:

AUSTRAC Help Desk:

help_desk@austrac.gov.au or telephone 1300 021 037.

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