

## Pre-assessment

This assessment will test your understanding of anti-money laundering and terrorism financing

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 banks face when their institution 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 correct statement.

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

### **Question 8 – know your customer**

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

- a) review type of customer (individual, company, trust, etc.)
- b) review type of account (business, fiduciary, etc.)
- c) review country of origin
- d) (a) and (c ) above
- e) (a), (b) and (c ) above

### **Question 9 – cash dealers**

Indicate whether the following statement is True or False.

Cash dealers are required to submit reports to the Australian Transaction Reports and Analysis Centre (AUSTRAC) only if they have a reasonable basis for suspecting that a financial transaction may involve money laundering.

### **Question 10 – AUSTRAC's role**

What is the scope of AUSTRAC's responsibilities under the *Financial Transaction Reports Act 1988*?

- a) AUSTRAC monitors compliance by cash dealers with anti-money laundering (AML) legislation and supports enforcement agencies in the fight against money laundering.
- b) AUSTRAC monitors and directly enforces AML compliance by banks and insurance companies.
- c) AUSTRAC monitors and directly enforces AML compliance by all businesses defined as cash dealers.

### **Question 11 – cash dealers**

Select the single correct response.

Which is the best description of a cash dealer under the *Financial Transaction Reports Act 1988* (FTR Act)?

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

### **Question 12 – reporting**

Select the single correct response.

What is a significant cash 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 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 – FTR Act**

Indicate whether the following statement is True or False.

The FTR Act is currently being phased out by the AML/CTF Act which will be implemented over two years.

### **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) identification and verification
- b) managing relationships with reporting entities
- c) compliance watch-dog program
- d) information sharing with government agencies

## 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: a
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

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 via:**

[help\\_desk@austrac.gov.au](mailto:help_desk@austrac.gov.au) or Telephone 1300 021 037.

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