

Module 2

AML/CTF program: Part A (general)

Questions with answers

Question 1

Part A components of an AML/CTF program

Select the correct option from the list below.

Reporting entities who assess the risk of their business being used for money laundering as low do not need to consider all Part A components when developing their AML/CTF programs.

- a. true
- b. false

Answer: b. false – All Part A components should be considered when designing an AML/CTF Standard or Joint program. If it is determined a section is not applicable to your organisation, this should be noted in your AML/CTF program.

Question 2

Part A of an AML/CTF program

Select the correct option from the list below.

Part A of an AML/CTF program reflects:

- a. how you assess the risk of ML/TF to your business
- b. how you respond to that assessment
- c. organisational changes your business needs to make to comply with the AML/CTF Act
- d. all of the above

Answer: d. all of the above

Question 3

Employee due diligence

Answer the question by filling in the space below.

Employee due diligence includes screening employees when they commence working at your organisation and when they _____ roles within your organisation.

Answer: change, move, swap, alter or transfer

Question 4

Part A requirements

Select the correct options from the list below - there is more than one correct answer.

Which of the following are Part A requirements?

Answer:

	Part A
oversight by senior management	A
completing the AUSTRAC Self Assessment Questionnaire (SAQ)	
verifying the identity of your customers	
considering the relevancy of the AML/CTF program for offshore branches	A
risk awareness training program for employees	A
employee due diligence	A
incorporating AUSTRAC feedback	A
independent review of AML/CTF program effectiveness	A
appointment of an AML/CTF Compliance Officer	A

Question 5

Reviewing ML/TF risk assessments

Select the correct option from the list below.

Which of the following should be reviewed to determine if your ML/TF risk has changed?

- a. increased volume of customers or range of customer types
- b. increasing the market share of one of your products
- c. increasing your product range
- d. all of the above

Answer: d. all of the above

Question 6

ML/TF risk awareness training

Select the correct option from the list below.

Employee ML/TF risk awareness training must include:

- a. refresher training on a 12 monthly basis
- b. obtaining an 85% pass in the AUSTRAC e-learning course Introduction to AML/CTF
- c. training deemed to be appropriate to the employee's position by the AML/CTF Compliance Officer
- d. attending formal AML/CTF courses available through AUSTRAC endorsed registered providers

Answer: training deemed to be appropriate to the employee's position by the AML/CTF Compliance Officer

Question 7

Special AML/CTF programs

Select the correct option from the list below.

Reporting entities that are holders of AFS licences and whose only designated service is to arrange designated services on behalf of others do not need to concern themselves with Part A of an AML/CTF program.

- a. true
- b. false

Answer: a. true

Question 8

Risk-based business practices

Select the correct option from the list below.

Which of the following is **not** a risk-based business practice:

- a. expanding into new product markets
- b. privacy legislation
- c. occupational health and safety practices
- d. AML/CTF practices

Answer: privacy legislation

Question 9

Employee due diligence

Select the correct option from the list below.

Under the AML/CTF Rules which of the following are included as employees:

- a. permanent staff, customers and contract workers
- b. agents and consultants
- c. agents and customers
- d. AFSL holders

Answer: agents and consultants