**Questions 1-3.** According to the FATF Recommendations, in 2022 states L, M, N, O, P, S and T must assess the risks of legalization (laundering) of money and financing of terrorism (hereinafter referred to as risk assessment) to form an adequate understanding of risks and threats to the financial system and economy at the national level, negative consequences of such acts, and adoption of adequate response measures. States should conduct risk assessments in accordance with the following conditions:

1. State P will be the first or seventh to conduct risk assessment.

2. State N will conduct risk assessment sometime after State L conducts its risk assessment.

3. State T will conduct risk assessment sometime after State M conducts its risk assessment.

4. Between States L and O, only one State will conduct risk assessment, regardless of where the risk assessment is conducted first: in State L and then in State O, or vice versa.

5. Between States M and P, only one State will be subject to risk assessment, regardless of whether the risk assessment is conducted earlier: first in State M and then in State P, or vice versa.

1. Which of the following procedures for risk assessment by States is correct?

A. L, N, S, O, M, T, P.

A. M, T, P, S, L, N, O.

C. O, S, L, N, M, T, P.

D. P, M, S, N, O, T, L.

E. P, T, M, S, L, N, O.

2. Which of the following is true?

A. State N will be the first to conduct risk assessment.

B. State T will be the first to conduct risk assessment.

C. State T will be the second to conduct risk assessment.

D. State M will be the fourth to conduct risk assessment.

E. State S will be the seventh to conduct risk assessment.

3. If State N is the fourth to conduct the risk assessment, which of the following is true?

A. State L will be the first to conduct risk assessment.

B. State L will be the second to conduct risk assessment.

C. State M will be the third to conduct risk assessment.

D. State O will be the fifth to conduct risk assessment.

E. State S will be the first to conduct risk assessment.

**Question 4.** Establish correspondence between the methods of preventing the illegal use of NPOs and their examples.

Write your answer as a sequence of numbers.

|  |  |
| --- | --- |
| **Example** | **Restraint measures** |
| A. Cancellation of NPO registration | 1) Ensuring compliance with established legal norms  2) Administrative Measures (applied by the competent authorities)  3) Targeted sanctions |
| B. Letter to the NPO stating regulatory concerns and providing the NPO with an opportunity to correct deficiencies |
| C. Subjecting NPO to due diligence |
| D. NPO inclusion in the list of organizations and individuals in respect of which there is information about their involvement in extremist activities or terrorism |
| E. Imposition of administrative fines on NPO |
| F. Agreement between NPO and regulators to implement and enforce stricter rules and standards regarding due diligence and/or reporting |

Correct answer: 212321

**Question 5.** The growth rate of digital payments is estimated at 12.7% per year. It is estimated that by 2022, 60% of global GDP will be digitized. Greater number and volume of digital financial transactions requires FATF’s better understanding how individuals are identified and verified in the world of digital financial services. The rapid development of digital identification technologies leads to the emergence of various digital identification systems. Understanding how these digital identity systems operate is an important and essential prerequisite for applying a risk-based approach. In the context of digital identity, the requirement that “sources of digital documents, data or information” be “reliable and independent” means that the digital identity system used to conduct proper customer verification must be based on technologies, governance, processes, and procedures that provide the necessary level of confidence in the system’s accurate results.

Remote identification of customers and transactions using secure, independent digital identification systems, along with appropriate risk mitigation measures, may represent a standard or even reduced level of risk.

Which of the following hypothetically true facts weakens the argument in the above text?

(A) Identity-based security mechanisms and technical standards in the field, which define these elements and establish requirements for each level of trust, are a very useful tool for assessing the trustworthiness and independence of digital identity systems for AML/CFT purposes.

(B) Mechanisms and standards for identity-based security, as well as legal acts in the field of AML / CFT, have been developed for different purposes and are intended for different users; therefore, it is impossible to formulate a sufficiently effective system of digital identification.

(C) The risk-based approach is based on a set of **open**, negotiated identity-based security mechanisms and technical standards for digital identification systems that have been developed in several jurisdictions and standardized by the International Organization for Standardization (ISO) in conjunction with the International Electrotechnical Commission (IEC).

(D) The identity-based security mechanism establishes requirements relating to different "reliability levels" or "levels of trust" that determine the degree of confidence in reliability and independence of the digital identification system and its elements.

(E) In recent years, there has been a high growth rate of digital financial transactions and development of digital identification technologies

**Question 6.** Citizen “A”, being aware of the criminal origin of funds in the amount of 520,000 conventional monetary units, received by him as a result of the illegal sale of the cannabis (marijuana) narcotic drug~~,~~ repeatedly entered into loan agreements with sole entrepreneur “B”, to whom, through cash receipts, citizen “A” has repeatedly deposited funds gained by selling drugs. Subsequently, the deposited funds were returned to citizen “A” through cash receipt note. Thus, citizen “A”, by depositing funds in the amount of 520,000 conventional monetary units gained from the sale of drugs, subsequently received them as a loan repayment and repeatedly performed transactions with funds, which he later used for buying expensive cars.

Determine the phases of the income legalization model used by citizen A. and describe each of the phases of the income legalization model you have identified in accordance with the information contained in the above description of the situation.

Correct answer:

Citizen "A" used a three-phase model of legalization of proceeds from crime. The first stage is the *placement of funds* through an institution in the non-financial sector. The second stage is *layering.* "Dirty" money was mixed with legal income and declared as "clean" money through sham loan agreements. The third stage - *integration* – is aimed at attaching visible legitimacy to the criminally acquired wealth through purchasing cars.

**Question 7.** VASPs and FIs submitted to the FIU an STR regarding the trading of VAs in a large amount immediately after opening an account in the currency exchange office. In particular, the account holder carried out various VAs purchase and sale transactions in the amount of more than 180,000 euros, which did not match the profile of the account holder (including his occupation and salary); the IP address of the account from which the transactions were carried out did not match the one declared by the account holder in documents. The analysis showed that VAs were then used for (i) operations on the darknet market; (ii) online betting; (iii) transactions with VASPs that did not comply with AML/CFT requirements, or that were previously subject to millions of dollars of ML investigations;

(iv) conducting operations on peer-to-peer trading platforms with VAs; and (v) "mixing". The Account holder provided the account details of another account when making transactions, and also used various means (such as, money transfers, online banking and prepaid cards) to withdraw the corresponding amount of funds from his account during that period. The funds received by the account holder turned out to come from a network of individuals who bought VA (Bitcoin) in cash and were located in various countries or territories of Asia and Europe (including Italy). These funds were then used for online gambling and cross-border transfers, as well as cash withdrawals from ATMs in Italy.

**Which of the following statements reflects the reasoning of the financial institution's that led it to conclude that there were suspicious signs associated with the financial transaction pattern and that STR had to be filed?**

(A) The client provides identification or account details (flash cookies) of another account.

(B) The client has made transactions using mixing services, indicating an intention to hide the flow of illegal funds between known wallet addresses and darknet marketplaces.

(C) The client makes a large initial deposit when establishing a new relationship with a VASP, and the amount of funds does not match the client profile

(D) Discrepancies between the IP addresses associated with the client profile and the IP addresses from which transactions are initiated.

(E) The client used bank accounts to conduct P2P transactions, processing a large number of VA transfers on behalf of his client, and charging his client higher transfer fees than other exchanges.

1) (B), (C) and (E)

2) (A) and (D)

3) only (B)

4) only (Е)

5) (B) and (D)

**Question 8.** In the course of the financial investigation, the competent authority revealed a scheme of suspicious financial transactions related to payment for construction work under a state contract in the amount of more than one billion roubles. The customer head who accepted and paid for these construction works was identified. In addition, a financial transaction for the purchase of an apartment worth 30 million roubles by 75-year-old mother-in-law of the customer head was revealed. The payment for the apartment was made a month after the completion of construction works and their final payment by cash to a bank account and a non-cash payment to the seller of the apartment.

**Which of the following hypothetically true facts does (do) not support the conclusion of the competent authority that there is a pattern of suspicious financial transactions in the activities of the customer?**

(A) A check was made of whether the customer head and his close relatives had shares in business X, the value of the identified assets, based on the latest annual tax returns of organization X, significantly exceeds the value of the apartment purchased by the mother-in-law of the Head of the customer.

(B) In the course of the check, it was revealed that the customer head had mortgaged real estate to secure the fulfilment of obligations under loan agreements before the purchase of the apartment by his mother-in-law.

(C) The places of work of the head of the customers and his close relatives over the past few years were established, according to the tentative assessment, it was found that the total income of the inspected persons for several years is significantly less than the cost of the purchased apartment, and it can be assumed that the inspected persons have hidden income.

(D) The check made it possible to establish that, the contractor made a number of financial expenditure transactions with individuals using part (352 million) of the funds received as a result of the execution of the state contract.

(E) The check by the competent authority found out that the contractor's tax revenue was substantially higher than the government contract price.

1) (A), (B) and (E)

2) (C) and (D)

3) Only (B)

4) (A) and (B)

5) (D) and (E)

**Question 9**. Match excerpts from normative legal acts and the types of financial security these norms aim to ensure. For each position in the first column, choose the corresponding position from the second. Write the answer as a sequence of numbers.

|  |  |  |
| --- | --- | --- |
|  | **ELEMENTS OF THE AML/CFT/CPF SYSTEM** | **LEVELS OF AML/CFT/CPF SYSTEM** |
| A) | A credit institution creates a risk and capital management system by implementing internal procedures for assessing capital adequacy in order to identify, assess, aggregate the most significant risks, other types of risks that, in combination with the most significant risks, can lead to losses that significantly affect the assessment of capital adequacy. | 1) budget security  2) tax security  3) the security of the monetary system  4) security of the banking and foreign exchange system |
| B) | Carrying out banking operations by a legal entity without a license, if obtaining such a license is mandatory, it entails the recovery from such a legal entity of the entire amount received as a result of these operations, as well as the collection of a fine in the double amount of this amount to the federal budget. |
| C) | Seizure of property as a way to ensure the execution of a decision on the collection of taxes, penalties and fines is the action of a tax or customs authority, with the sanction of a prosecutor, to restrict the property rights of a taxpaying organization in relation to its property. |
| D) | Settlements in the course of foreign exchange transactions are made by resident legal entities through bank accounts in authorized banks, the procedure for opening and maintaining the respective accounts is established by the Central Bank of the Russian Federation, as well as by electronic money transfers. |
| E) | The Accounts Chamber of the Russian Federation prepares recommendations on the formation of a target indicators system for the development of strategic planning documents of the Russian Federation, as well as on their composition and quantitative values. |

Correct answer: 33241

**Question 10.** From the group of seven States J, K, L, M, N, P, and Q, four States will be selected to form a task force to combat terrorist financing offences. The selection shall be subject to the following conditions:

1. It is necessary to choose either J or K, but it is impossible to choose both J and K at the same time.

2. It is necessary to choose either N or P, but it is impossible to choose both N and P at the same time.

3. N cannot be chosen unless L is chosen.

4. Q cannot be chosen unless K is chosen.

If P is not chosen at all in the creation of a special group to combat terrorist financing offences, how many different groups of 4 States can be created to meet all these conditions?

A. one

B. two

C. three

D. four

E. five

**Question 11.** Due to the improvement of the epidemiological situation, the special working group on the budgetary sphere transparency, authorized to monitor the spending of funds allocated to combat the spread of the coronavirus COVID-19, has to stop five of the eight currently implemented activities, namely G, L, M, N, P, R, S and W, observing the following conditions:

1. If both G and S are stopped, W will also cease.

2. If N is stopped, neither R nor S will cease.

3. If P is stopped, L will not cease.

4. Out of the three activities (L, M and R), only two will cease.

If both M and R cease, which of the following activities cannot be terminated?

A.G.L

B.G.N

C. L, N

D. L, P

E.P.S

**Question 12**. Select all the correct statements.

1) By counteracting illegal financial transactions, the law and its application create the necessary conditions for the implementation of measures/means/instruments to combat corruption and tax evasion, to ensure the budget safety and implement the entire range of AML/CFT compliance practices.

2) The country's financial system and its maintenance in a legal and stable state, protected from any threats, is a matter of national security.

3) By virtue of the constant activities of financial monitoring bodies on exploring typical methods and tools for the legalisation of criminal proceeds and terrorism financing, as well as due to the results of these activities being regularly brought to the attention of law enforcement agencies and other participants in the national AML / CFT system in the form of albums of typologies, the modern processes of criminal proceeds laundering and terrorism financing cannot be qualified as a global challenge.

4) To prevent the circulation of dirty cash, i.e. criminal proceeds, it is important that citizens had less access to banking services, since the involvement of unprotected segments of the population as clients of banks and financial institutions raises claims from regulatory authorities when checking for the sufficiency of risks consideration in relation to this group of clients.

5) The development and approval of a national risk assessment by each country will help many financial institutions offer legal financial products under FATF acceptable requirements for problematic customers.

Correct answer: 125

**Question 13.** Establish a sequence for the implementation of measures to conduct a financial investigation. Write down your answer as a sequence of numbers.

1) information search, selection, analysis, and evaluation of database information on operations and transactions for the purposes of its initial check

2) conducting an in-depth check through additional collection, analytical processing and evaluating the information received to assess the sufficiency of grounds indicating that the operations are related to the legalization (laundering) of criminal proceeds obtained by criminal means and the financing of terrorism

3) informing the law enforcement agencies without bank secrecy disclosure, about the counterparties of identified financial transactions, approximate amounts, period of transactions and their nature

4) analysing and evaluating the information selected on an initiative basis and received from external organizations, in order to prioritise the data for the initial check

5) conducting additional financial investigations on newly discovered circumstances and persons involved as well as sending the information and materials to law enforcement agencies in addition to those previously submitted

6) verification of the information, selected on an initiative basis, or received through information exchange channels with external organisations, with regard to the existence of grounds for conducting an in-depth check

1. providing the information and materials to the Russian law enforcement agencies and foreign FIUs within the framework of international cooperation in the field of combating the legalisation (laundering) of criminal proceeds and financing of terrorism

8) supervising the results of the consideration by the law enforcement agencies of the information and materials provided, as well as procedural decisions made on them

9) information search through external information resources, including the media and materials of collaboration with authorities, in order to reveal the facts containing possible signs of AML / CFT and requiring the initial check.

Correct answer: 194627358

**Question 14.** Choose all the correct statements. Write down your answer as a sequence of numbers.

1) The goals and objective necessity of using incentive security measures lies in the fact that they are the only way to ensure socially useful behaviour of legal entities in the field of AML / CFT / CPF.

2) The highest risks of the Russian economy destabilisation, and hence its financial security, may be caused by geopolitical tensions.

3) External threats of the financial risk onset are generated mainly by the ineffective financial policy of the state, instability of its financial institutions, lack of integrity of the legal support of financial and legal spheres, as well as by the system of state financial control, and criminalisation of the stock market.

4) Instruments of banking regulation and supervision that ensure the stability of the banking system should be aimed at establishing rules for minimising relevant risks, checking the quality of the management and applying enforcement measures in case of violations.

5) In modern social relations, the role of assessing tax risks and managing them increases as tax administration strengthens in the context of the economy globalisation.

Correct answer: 245

**Question 15:** The money laundering scheme designed by former high-ranking officials of state X was carried out through national banking institutions and foreign banks. A number of non-resident companies (most of which were registered in Panama, Great Britain, Belize, as well as in the British Virgin Islands and Cyprus), connected by founders (officials) and business relations, invested a significant amount of funds in state X. They acquired domestic government bonds, transferred large amounts of money to deposit accounts in state X and invested in the authorized capital of enterprises on the territory of the state. The results of the analysis of the IP addresses used to access the accounts of these companies, revealed that all the investments were managed from one centre.

**Which of the following statements let the competent authorities conclude that there were signs of money laundering?**

(A) Involvement of politically exposed persons or persons with family or professional ties to a politically exposed person.

(B) The director, controlling shareholder(s) and/or beneficial owner(s) are in the records of other legal entities or formations.

(C) There is a very small (almost zero) remaining balance in the bank account, despite private incoming and outgoing transactions (transfers).

(D) "Aggressive" tax optimization strategy aimed at minimizing tax liabilities

(E) An entity or formation established in a low-tax jurisdiction or in an international trade or financial centre.

1) (B) and (C)

2) only (A)

3) (A), (B) and (E)

4) (D) and (E)

5) (C) and (E)