

THE INSTITUTE OF BANKERS PAKISTAN
ISQ Examination (Winter-2010)
ANTI MONEY LAUNDERING MEASURES AND BUSINESS ETHICS
Associateship

- Q.1 State True or False in the answer column. Give brief reason for your selection at the space provided below the question:**
- Q.2 As a manager of a branch of a medium sized bank in a small town, you have to meet year end deposit targets. On 27th December a prospective customer walks in to your branch asking about deposits schemes. You recognize him as the fruit vendor who puts up his mobile fruit stall on the street outside your branch. You have been seeing him put his fruit stall for the 12 months that you have been the manager of this branch. Upon enquiry he tells you that he lives in a nearby village and has been in the fruit trade for the last 20 years. He has never had a bank account all his life. He just got his CNIC made and thought about keeping some of his savings in your branch. The initial amount that he intends to deposit is Rupees Two Million. Would you or would you not open his account? State you reasons in each case.**
- Q.3 Mrs. Akbar's account for the past 3 years (since account opening) used to have one credit of between Rs. 70,000 to Rs. 85,000 in the 1st week of each month and then a number of smaller debits during the month, most of which were through ATM withdrawals and 1 or 2 cheque payments. The last months AML report showed a number of cash deposits almost every day of the month and 2 large withdrawals removing over 95% of the amount deposited. The cash deposits were made at different branches of the bank using the online facility. Upon enquiry, the customer told the officer that she has started making clothes and selling them to friends and that the deposits are from her customers. What should the bank do?**
- Q.4 (A) Define "FATF IX Special Recommendation # VI"**
- (B) Define a "Payable-through-account".**
- (C) Define a "Concentration account".**
- (D) Define "foreign serious offence" as per the Anti-Money Laundering Act of 2010**
- Q.5 (A) List the potential money laundering risks of "Concentration account".**
- (B) Define the term "politically exposed person"**

- Q.6 (A) Differentiate between Money Laundering and Terrorist Financing.**
- (B) List factors used by Law Enforcement Agency when it assesses whether or not an institution or its personnel are guilty of aiding or abetting money laundering.**
- Q.7 (A) Define a Shell Bank with special reference to “Physical presence”**
- (B) List the potential money laundering risks of “Letter of Credit”.**
- Q.8 (A) List “non-financial business and profession” as defined in the Anti-Money Laundering Act of 2010.**
- (B) Please describe the duties of a compliance Office under prudential regulations and circulars of State Bank of Pakistan.**
- Q.9 (A) Discuss “Record Retention Requirements” as laid out in M3 (Prudential Regulations)**
- (B) List some of the factors used by financial institution in assessing money laundering risk of a customer.**
- (C) Briefly discuss the “Procedure and manner of furnishing information by the financial institutions or reporting entities” as per the section 7(1) of the Anti-Money Laundering Act of 2010.**
- Q.10 As a Compliance Officer of a large network bank, you are also responsible for signing off on new product launches. The people in the product development department, submit for your approval, a proposal for a home remittance product. The product will be launched jointly with a courier company and a bank in the Middle East. What are the risk areas that you will look into before giving your approval?**
- Q.11 List and describe brief the 3 (three) stages of Money Laundering.**
