CERTLABZ

CERTIFICATION BOARD

Certified Digital Asset Compliance Professional (CDACP)

Ten Sample Questions

These ten questions are written at the difficulty of the live exam. Six carry a figure, a data table, a configuration or a code listing; four are plain scenario questions, as on the live paper. Every one is a scenario a working digital asset compliance professional would meet, and none of them appears in the live question bank.

The live exam is multistage adaptive: how you score on one stage selects the difficulty of the next, so no two candidates sit the same paper. It is a performance-based exam: each form can carry up to 5 to 12 performance-based questions alongside the multiple-choice questions, which means you build, sequence or complete something rather than only choosing from a list. Answers and full explanations follow each question here; the live exam does not disclose item-level answers.

Question 1 — Domain 2: AML, CFT and KYC — DATA

Emma Wilson matches each control to what it does.

Control	What it does
KYC	(to choose)
Sanctions screening	(to choose)
Travel rule	(to choose)
Transaction monitoring	(to choose)

Table 1.1 AML controls.

Which set is correct?

- (A) Flags unusual activity, verifies identity, checks against blocked lists, and shares originator and beneficiary data, in order.
- (B) Verifies customer identity, checks against blocked lists, shares originator and beneficiary data, and flags unusual activity.
- (C) Shares originator data, flags unusual activity, verifies customer identity, and checks against blocked lists, in the order shown.
- (D) Checks against blocked lists, shares originator data, flags unusual activity, and verifies customer identity, in the order shown.

Correct answer: B
KYC verifies customer identity, sanctions screening checks parties against blocked lists, the travel rule shares originator and beneficiary information with counterparties, and transaction monitoring flags unusual activity. Only option B maps each control correctly.

Question 2

Domain 3: Blockchain Analytics and Monitoring

CONFIG

James Carter reviews an alert on a customer account.

```
funds arrive from a sanctioned-linked address
immediately routed through a mixing service
then withdrawn to many fresh wallets
all within a single hour
```

Listing 2.1 Alert detail.

What is the appropriate response?

- (A) Ignore the alert, because rapid movement through a mixer to new wallets is normal behavior with no compliance concern at all.
- (B) Treat it as high-risk, investigate, and escalate for a suspicious activity report if the review supports it, per procedure.
- (C) Immediately refund the sender, because returning the funds to a sanctioned-linked address resolves the compliance issue.
- (D) Publicly post the customer identity, because naming the account is the required first step whenever an alert is raised.

Correct answer: B
Sanctioned-linked funds, use of a mixer and rapid dispersal to fresh wallets are classic red flags, so the analyst investigates and escalates for a suspicious activity report if warranted, following procedure. Ignoring it, refunding a sanctioned party, or publicizing the customer are all wrong.

Question 3

Domain 4: Regulation and Frameworks

DATA

Olivia Davis matches each term to its meaning.

Term	Meaning
VASP	(to choose)
FATF	(to choose)
Travel rule	(to choose)
Beneficial owner	(to choose)

Table 3.1 Regulatory terms.

Which set of meanings is correct?

- (A) Sets global AML standards, a virtual asset service provider, the person who ultimately owns or controls, and a data-sharing rule.

- **B** A virtual asset service provider, a body that sets global AML standards, a rule to share transfer party data, and the ultimate owner.
- **C** The ultimate owner, a data-sharing rule, a virtual asset service provider, and a body that sets global AML standards, in order.
- **D** A data-sharing rule, the ultimate owner, a body that sets global AML standards, and a virtual asset service provider, in order.

Correct answer: B
A VASP is a virtual asset service provider, FATF is the body that sets global AML standards, the travel rule requires sharing transfer party data, and a beneficial owner is the person who ultimately owns or controls. Only option B maps each term to its meaning.

Question 4

Domain 5: Risk Management and Controls

CONFIG

Liam Anderson lists the steps of a risk-based AML program, out of order.

```
A. Report suspicious activity and keep records
B. Assess money-laundering risk
C. Design controls matched to the risk
D. Monitor transactions against the controls
```

Listing 4.1 Program steps.

What is the correct order?

- **A** A, then C, then B, then D, reporting and designing controls before the risk has even been assessed for the business at all.
- **B** B, then C, then D, then A, assessing risk, designing matched controls, monitoring against them, then reporting and recordkeeping.
- **C** D, then A, then B, then C, monitoring and reporting before any risk assessment or control design has been carried out first.
- **D** C, then B, then D, then A, designing controls before the risk is assessed, with the risk assessment coming afterward instead.

Correct answer: B
A risk-based program assesses money-laundering risk, designs controls matched to that risk, monitors transactions against the controls, then reports suspicious activity and keeps records. The other orders design controls or report before the risk has been assessed.

Question 5

Domain 1: Digital Asset Foundations for Compliance

DATA

Ava Thompson matches each term to its meaning for compliance work.

Term	Meaning
Public address	(to choose)
Custodian	(to choose)
On-chain	(to choose)
Exchange	(to choose)

Table 5.1 Foundations terms.

Which set of meanings is correct?

- **A** Holds assets for clients, a public identifier for funds, a venue to trade assets, and recorded on the shared ledger, in order.
- **B** A public identifier for receiving funds, a party that holds assets for clients, recorded on the shared ledger, and a venue to trade.
- **C** Recorded on the shared ledger, a venue to trade assets, a public identifier for funds, and a party that holds assets, in order.
- **D** A venue to trade assets, recorded on the shared ledger, a party that holds assets, and a public identifier for funds, in order.

Correct answer: B
A public address is a public identifier for receiving funds, a custodian holds assets for clients, on-chain means recorded on the shared ledger, and an exchange is a venue to trade assets. Only option B maps each term to its meaning.

Question 6

Domain 6: Governance, Fraud and Operations

DATA

A firm reviews its compliance program health.

Element	Healthy sign
Clear accountability	Named compliance officer
Independent testing	Regular audits
Staff capability	Ongoing training
Escalation	Defined reporting path

Table 6.1 Program elements.

What best describes a healthy compliance program?

- **A** A single written policy filed once, because after a policy exists no accountability, testing, training or escalation is needed.
- **B** Clear accountability, independent testing, ongoing training and defined escalation, kept current as risks and rules change.
- **C** A very large fine budget, because paying penalties is a cheaper and simpler substitute for building any real controls.

- (D) A promise from staff to be careful, because informal good intentions replace the need for documented controls and testing.

> **Correct answer: B**
> A healthy program has clear accountability, independent testing, ongoing training and defined escalation, all kept current as risks and rules change. A one-time policy, a budget for fines, or informal good intentions are not substitutes for a living control framework.

Question 7 Domain 3: Blockchain Analytics and Monitoring

A colleague says that because blockchains are public, all transactions are anonymous and cannot be traced. How do you correct this?

- (A) Agree, because a public ledger makes every transaction completely anonymous and impossible for anyone to trace or analyze.
- (B) Explain that public ledgers are pseudonymous, and analytics can often cluster addresses and trace flows to real entities.
- (C) Explain that public ledgers hide all amounts, so no analysis of transaction value or flow is ever possible on chain.
- (D) Agree, because addresses are encrypted on chain, so investigators can never connect activity to any real-world identity.

> **Correct answer: B**
> Public ledgers are pseudonymous, not anonymous: activity is tied to addresses, and analytics can often cluster those addresses and trace flows to real entities, especially at on and off ramps. Amounts are typically visible, and addresses are not encrypted identities.

Question 8 Domain 2: AML, CFT and KYC

During onboarding, a customer refuses to provide required identity information but wants to fund a large account. What should the compliance professional do?

- (A) Open the account anyway, because large deposits justify skipping identity checks to avoid losing a valuable new customer.
- (B) Decline to onboard until required KYC is completed, because verifying identity is a precondition for opening the account.
- (C) Open the account and collect the information sometime next year, since KYC can always be deferred well after funding.
- (D) Ask the customer to self-certify verbally, because a spoken assurance fully satisfies identity verification obligations.

> **Correct answer: B**
> KYC is a precondition for onboarding, so a customer who refuses required identity information should not be onboarded until it is provided and verified. The size of the deposit does not justify skipping checks, KYC cannot simply be deferred, and a verbal self-certification does not satisfy verification.

Question 9 Domain 5: Risk Management and Controls

Why does an effective AML program apply a risk-based approach rather than treating every customer and transaction identically?

- (A) Because treating everyone identically is illegal, and a risk-based approach exists only to reduce the total cost of compliance.
- (B) Because resources are finite, so effort is focused where money-laundering risk is highest while lower-risk activity gets lighter checks.
- (C) Because a risk-based approach removes the need for any controls on high-risk customers, who are trusted once identified.
- (D) Because it lets the firm ignore low-risk customers entirely, skipping identity checks for anyone deemed low risk at all.

Correct answer: B
A risk-based approach focuses finite resources where money-laundering risk is highest, applying enhanced measures to high-risk activity and proportionate checks to lower-risk activity. It does not remove controls for high-risk customers, nor does it allow skipping baseline checks such as identity verification for anyone.

Question 10 Domain 4: Regulation and Frameworks

A cross-border transfer between two service providers must comply with the travel rule. What does this require in practice?

- (A) Nothing, because the travel rule applies only to cash withdrawals at a bank and never to transfers between service providers.
- (B) That required originator and beneficiary information travels with the transfer between the providers, per applicable thresholds.
- (C) That the full transaction be posted publicly on chain, because the travel rule mandates open disclosure of all party details.
- (D) That the transfer be delayed thirty days, because the travel rule is simply a mandatory waiting period before funds can move.

Correct answer: B
The travel rule requires that specified originator and beneficiary information accompany a transfer between service providers, subject to applicable thresholds, so each side can meet its obligations. It applies to virtual asset transfers, does not mandate public posting, and is not a waiting period.

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