

## Registration for the Economic Crime Levy

The Economic Crime Levy (the levy) was announced at Budget 2020, and following a policy consultation in Summer 2020, has been introduced for businesses regulated for Anti-Money Laundering (AML) purposes under the Money Laundering, Terrorist Financing and Transfer of Funds Regulation 2017. Further information on the background of the levy can be found [here](#).

The levy is part of the government's aim of tackling economic crime, and they have stated that funds collected through the levy will be used to contribute towards government initiatives outlined in the 2019 Economic Crime Plan to help tackle money laundering.

Where an entity is AML regulated by either HMRC, or one of the tax/accountancy sector Professional Body Supervisors (including CIOT), the business must register for the levy with HMRC. If the business is supervised by either the Financial Conduct Authority or the Gambling Commission, they will need to follow their processes and not register with HMRC.

The first levy payment relates to the financial year 1 April 2022 – 31 March 2023, for businesses with a UK revenue of more than £10.2m in the year. The amount payable is determined by the "size" of the entity based on the UK revenue for the financial year. Further information can be found [here](#) on the gov.uk website, including details on which businesses sectors are expected to need to register and the fees payable depending on which size band the entity falls in.

Businesses are required to self-declare their levy status, and need to provide additional information as outlined [here](#) when registering. Once registered a levy registration number will be provided which will be required for future submissions. The registration is a one-off process, whereas a return submission and levy payment are required annually for entities that exceed the £10.2m UK revenue threshold. HMRC have stated that interest will be chargeable for late payment.

The levy for each financial year is due for payment by 30 September, therefore for the year ending 31 March 2023 the deadline for payment is 30 September 2023. Businesses should therefore ensure their position is reviewed annually, and where necessary the levy is registered for, the return submitted, and payment made by this date each year.

It should be noted that agents are currently unable to register for the levy on behalf of their clients, therefore agents should inform their clients of a possible requirement to register for the levy where their business falls within any of the sectors covered in the first weblink provided above, and their UK revenue in the year potentially exceeds the £10.2m threshold.

Entities who have registered for the levy in 2023 but have not yet filed a return and/or paid the levy due, may receive a One to Many reminder letter from HMRC in advance of the deadline to ensure this is completed by 30 September 2023.

Last updated 30 August 2023.