

## PART 1

### ECONOMIC CRIME (ANTI-MONEY LAUNDERING) LEVY

#### 1 Economic crime (anti-money laundering) levy

- (1) A tax called the “economic crime (anti-money laundering) levy” (referred to in this Part as “the levy”) is charged in accordance with this Part.
- (2) The appropriate collection authority is responsible for the collection and management of the levy.
- (3) In this Part, “appropriate collection authority” means –
  - (a) in the case of an entity for which the Financial Conduct Authority is the supervisory authority, the Financial Conduct Authority;
  - (b) in the case of an entity for which the Gambling Commission is the supervisory authority, the Gambling Commission;
  - (c) in any other case, the HMRC Commissioners.

#### 2 Charge to the levy

- (1) The levy is charged for a levy year if –
  - (a) an entity carries on a regulated business at any point during the levy year, and
  - (b) the entity’s UK revenue for the levy year is medium, large or very large (see section 3).
- (2) In this Part, “levy year” means –
  - (a) the period of 12 months beginning with 1 April 2022, and
  - (b) each subsequent period of 12 months.
- (3) The amount charged for a levy year is –
  - (a) in the case of an entity whose UK revenue for the levy year is medium, [£5,000 to £15,000];
  - (b) in the case of an entity whose UK revenue for the levy year is large, [£30,000 to £50,000];
  - (c) in the case of an entity whose UK revenue for the levy year is very large, [£150,000 to £250,000].
- (4) The amounts specified in subsection (3) are to be proportionately reduced in the case of an entity which carries on a regulated business only for part of the levy year.

- (5) No amount of payment made in respect of the levy is to be taken into account in calculating profits or losses for the purposes of income tax or corporation tax.

### **3 UK revenue: amount**

- (1) An entity's UK revenue –
- (a) is medium for a levy year if its UK revenue for the relevant accounting period is more than £10.2 million but not more than £36 million;
  - (b) is large for a levy year if its UK revenue for the relevant accounting period is more than £36 million but not more than £1 billion;
  - (c) is very large for a levy year if its UK revenue for the relevant accounting period is more than £1 billion.
- (2) To determine the “relevant accounting period”, see section 4.
- (3) The sums in subsection (1) are to be proportionately adjusted if the relevant accounting period of the entity is a period other than 12 months.
- (4) The Treasury may by regulations amend subsection (1) so as to substitute another sum for a sum for the time being specified.

### **4 Relevant accounting period**

- (1) This section applies for the purposes of section 3.
- (2) The “relevant accounting period”, in relation to the UK revenue of an entity for a levy year, is the accounting period of the entity that ends in the levy year.
- (3) For this purpose, an accounting period that ends at the same time as the end of the levy year is an accounting period ending in the levy year.
- (4) Where there is more than one accounting period of an entity ending in a levy year –
- (a) the entity's UK revenue for the relevant accounting period is to be taken as the sum of the UK revenue for each of the accounting periods ending in the levy year;
  - (b) the length of the relevant accounting period is to be taken as the combined length of those periods.
- (5) Where there is no accounting period of an entity ending in a levy year –
- (a) in the case of an entity that has an accounting period that ends during the period of 3 months beginning with the end of the levy year, the relevant accounting period is to be taken as that period;
  - (b) in any other case, the relevant accounting period is to be taken as the entity's accounting period ending last before the start of the levy year.
- (6) If there is no relevant accounting period of an entity capable of being determined in accordance with this section, the UK revenue amounts in section 3 are to be determined for that entity by reference to the amount of the entity's UK revenue that, on a just and reasonable apportionment, is attributable the levy year.

## 5 UK revenue: determination

- (1) This section applies for the purposes of determining an entity's UK revenue in a relevant accounting period.
- (2) In the case of a UK resident entity, the entity's UK revenue is all of that entity's revenue after deducting so much of its revenue as, on a just and reasonable apportionment, is attributable to the activities of any permanent establishment of the entity in a territory outside the United Kingdom.
- (3) In the case of a non-UK resident entity, the entity's UK revenue is so much of the entity's revenue as, on a just and reasonable apportionment, is attributable to activities of any permanent establishment of the entity in the United Kingdom (this is subject to subsections (4) and (5)).
- (4) Subsection (5) applies to a non-UK resident entity which, by virtue of regulation 9(4) of the Money Laundering Regulations (casinos which provide facilities for remote gambling), is regarded for the purpose of those regulations as carrying on business in the United Kingdom.
- (5) The entity's UK revenue also includes so much of the entity's revenue as, on a just and reasonable apportionment –
  - (a) is attributable to activities in respect of which a charge to remote gaming duty arises (see section 155 of FA 2014), and
  - (b) is not included in the entity's UK revenue by virtue of subsection (3).
- (6) References in this section to a "permanent establishment" of an entity are to be read –
  - (a) in the case of a company, in accordance with Chapter 2 of Part 24 of CTA 2010;
  - (b) in the case of any other entity, in accordance with that Chapter but as if the entity were a company.
- (7) References in this Part to "revenue" of an entity in a relevant accounting period are (subject to subsection (8)) references to –
  - (a) the entity's turnover for that period, and
  - (b) any other amounts (not included within turnover) which, in accordance with generally accepted accounting practice ("GAAP"), are recognised as revenue in the entity's profit and loss account or income statement for the accounting period.
- (8) The Treasury may by regulations specify descriptions of revenue that are to be disregarded in determining revenue for the purposes of this Part.
- (9) Where an entity does not draw up accounts for a relevant accounting period in accordance with GAAP, the reference in subsection (7)(b) to any amounts which in accordance with GAAP are recognised as revenue in the entity's profit and loss account or income statement for the accounting period is to be read as a reference to any amounts which would be so recognised if the entity had drawn up such accounts for that accounting period.

## 6 Recovery

The levy is recoverable as a debt due to the Crown.

**7 Assessment, payment, collection and recovery**

- (1) The Treasury may by regulations –
  - (a) make provision about the assessment, payment and collection of the levy;
  - (b) make further provision about the recovery of the levy.
- (2) Regulations under subsection (1) may –
  - (a) make provision about the times at which payments are to be made and the methods of payment;
  - (b) require entities that are liable to pay the levy to notify the appropriate collection authority of that liability and to make returns;
  - (c) make provision in relation to a business which is carried on by a partnership or by another unincorporated body specifying by what person anything required to be done in connection with the levy is to be done;
  - (d) make provision for interest (at a rate specified in, or determined under, the regulations) to be charged in respect of unpaid amounts of the levy;
  - (e) permit or require entities liable to pay the levy to supply the appropriate collection authority such information or documents as the authority may request in connection with the levy;
  - (f) require bodies (other than appropriate collection authorities) that are supervisory authorities to co-operate with appropriate collection authorities in the collection of the levy or otherwise in matters relating to the levy;
  - (g) make provision for the making of decisions by appropriate collection authorities as to any matter required to be decided for the purposes of the regulations;
  - (h) make provision about the form, manner and content of notifications under section 2 or any other notices or communications with appropriate collection authorities in connection with the levy;
  - (i) make provision for the review of, and a right of appeal to the tribunal against, specified decisions of appropriate collection authorities in connection with the levy;
  - (j) make provision about the recovery of the levy (in addition to the provision made by section 6);
  - (k) make provision about the enforcement of the levy (including provision for the imposition of civil penalties or other sanctions for a failure to comply with a requirement imposed by or under this Part);
  - (l) make provision about the recovery of overpayments of the levy;
  - (m) make provision in relation to cases where an individual liable to pay the levy dies or becomes incapacitated, or where an entity (whether or not an individual) is subject to an insolvency procedure.
- (3) Provision under subsection (2)(b) may include provision about –
  - (a) the periods by reference to which returns are to be made,
  - (b) the information to be included in returns,
  - (c) the timing for making returns, and
  - (d) the form of, and the method of making, returns.
- (4) Provision under subsection (2)(h) may include provision about communications in electronic form.

- (5) Regulations under subsection (1) may have effect in relation to the levy year during which they are made.

## **8 Payments into Consolidated Fund**

- (1) Subject to subsection (2), money received by the Financial Conduct Authority and the Gambling Commission in the exercise of functions under this Part as appropriate collection authorities is to be paid into the Consolidated Fund.
- (2) Before making payment under subsection (1) a deduction may be made for reasonable administrative costs associated with the exercise of such functions.
- (3) See further section 44 of the Commissioners of Revenue and Customs Act 2005 for payments of money by the HMRC Commissioners into the Consolidated Fund.

## **9 Application to partnerships**

- (1) This section applies where an entity liable to pay the levy for a levy year is a partnership.
- (2) In the case of a partnership that is a body of persons forming a legal person that is distinct from themselves, the entity liable to pay the levy is that legal person.
- (3) In the case of any other partnership –
  - (a) the entity liable to pay the levy is the responsible partners, and
  - (b) the liability of the responsible partners to do so is joint and several.
- (4) The references in subsection (3) to “the responsible partners” are to all the persons who are members of the partnership at any time during the levy year.
- (5) A partnership is to be regarded for the purposes of this Part as continuing to be the same partnership regardless of a change in membership, provided that a person who was a member before the change remains a member after the change.

## **10 Collection of information**

In Schedule 36 to FA 2008 (powers to obtain information etc), in paragraph 63(1) (meaning of “tax”), after paragraph (iza) insert –

“(izb) economic crime (anti-money laundering) levy.”

## **11 Disclosure of information**

- (1) An appropriate collection authority may disclose information obtained or held by them for, or in connection with, their functions under this Part to –
  - (a) another appropriate collection authority;
  - (b) a supervisory authority that is not an appropriate collection authority;
  - (c) the Secretary of State;
  - (d) the Treasury;
  - (e) an authorised officer of a person listed in paragraphs (a) to (d).
- (2) Information disclosed by an appropriate collection authority in reliance on subsection (1) may not be further disclosed without the consent of that appropriate collection authority (which may be general or specific).

- (3) A supervisory authority that is not an appropriate collection authority may disclose information obtained or held by them to an appropriate collection authority or to an authorised officer of an appropriate collection authority.
- (4) Information may only be disclosed under this section for the purpose of assisting the person to whom it is disclosed to carry out functions in relation to the levy.
- (5) No charge may be made for any disclosure made under this section.
- (6) Except as provided by subsection (7), the disclosure of information under this section does not breach—
  - (a) any obligation of confidence owed by the person making the disclosure, or
  - (b) any other restriction on the disclosure of information (however imposed).
- (7) The powers conferred by this section to disclose information do not operate to authorise a disclosure that would contravene the data protection legislation (but those powers are to be taken into account in determining whether the disclosure would contravene that legislation).
- (8) References in this section to an authorised officer of any person are to any person who has been designated by the principal as a person to and by whom information may be disclosed under this section.
- (9) For the purposes of subsection (8), any officer of Revenue and Customs is to be treated as having been designated by the HMRC Commissioners as a person to and by whom information may be disclosed under this section.
- (10) In this section “data protection legislation” has the same meaning as in the Data Protection Act 2018 (see section 3 of that Act).

## **12 Power to make consequential provision**

- (1) The Treasury may by regulations make provision that is consequential on this Part.
- (2) Regulations under this section may amend, repeal, revoke or otherwise modify any enactment (whenever passed or made).

## **13 Regulations**

- (1) Regulations under this Part—
  - (a) may make different provision for different purposes;
  - (b) may include incidental, consequential, supplementary, transitional or transitory provision.
- (2) Regulations under this Part may make provision by reference to things specified in a notice that is—
  - (a) published by the HMRC Commissioners, or another appropriate collection authority, in accordance with the regulations, and
  - (b) not withdrawn by a further notice.
- (3) The power of the Treasury to make regulations under this Part, other than regulations under section 3(4), may instead be exercised by the HMRC Commissioners.

- (4) Before making regulations under this Part the Treasury must consult each appropriate collection authority.
- (5) Before making regulations under this Part the HMRC Commissioners must consult the Treasury and each of the other appropriate collection authorities.
- (6) Regulations under this Part are to be made by statutory instrument.
- (7) Except as provided by subsection (8), a statutory instrument containing regulations under this Part is subject to annulment in pursuance of a resolution of the House of Commons.
- (8) A statutory instrument containing (whether alone or with other provision) regulations of the following kinds may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the House of Commons –
  - (a) regulations under section 3(4) which change a sum by more than is necessary to reflect changes in the value of money;
  - (b) regulations under section 7(1) that make provision falling within section 7(2)(k);
  - (c) regulations under section 12 that amend or repeal any provision of an Act of Parliament.

## 14 Interpretation

- (1) In this Part –
  - “accounting period” –
    - (a) in relation to a company, is to be read in accordance with Chapter 2 of Part 2 of CTA 2009, and
    - (b) in relation to any other entity, means a period for which the entity’s accounts are drawn up;
  - “appropriate collection authority” has the meaning given by section 1(3);
  - “company” has the meaning given by section 1121(1) of CTA 2010;
  - “economic crime (anti-money laundering) levy” has the meaning given in section 1;
  - “entity” includes a company, a partnership, a joint venture or an individual;
  - “generally accepted accounting practice” has the meaning given by section 1127(1) and (3) of CTA 2010;
  - “HMRC Commissioners” means the Commissioners for Her Majesty’s Revenue and Customs;
  - “the levy” means the economic crime (anti-money laundering) levy (see section 1(1));
  - “levy year” has the meaning given by section 2(2);
  - “Money Laundering Regulations” means the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (S.I. 2017/692);
  - “non-UK resident entity” means an entity that is not resident in the United Kingdom;
  - “partnership” means a body of any of the following descriptions that is carrying on a trade, business or profession with a view to profit –
    - (a) a partnership within the meaning of the Partnership Act 1890;

- (b) a limited partnership registered under the Limited Partnership Act 1907;
- (c) a limited liability partnership incorporated in the United Kingdom;
- (d) a firm or entity of a similar character to those mentioned in paragraph (a) or (b) formed under the law of a territory outside the United Kingdom;

“regulated business” means a business carried on by an entity by virtue of being a relevant person within the meaning of regulation 8(1) of the Money Laundering Regulations;

“relevant accounting period” is to be read in accordance with section 4;

“revenue” has the meaning given in section 5(7);

“supervisory authority” means an authority that is a supervisory authority under the Money Laundering Regulations (see regulation 7 of those Regulations);

“tribunal” means the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal;

“turnover” means the amounts derived from the provision of goods and services after deduction of trade discounts, value added tax and any other taxes (other than the levy) based on the amounts so derived;

“UK resident entity” means an entity which is resident in the United Kingdom.

- (2) For the purposes of this Part –
  - (a) the territory in which a company is resident is to be determined as for corporation tax purposes, and
  - (b) the territory in which a partnership is resident is the territory in which the control and management of the activities of the partnership take place.