HM Treasury

Economic Crime Levy Report

2024-25

July 2026

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Introduction

Summary

1.1 Tackling money laundering and economic crime is crucial to the government's missions to kickstart economic growth and create safer streets, by ensuring that the UK is a safe place in which to do business. The government has committed to wide-reaching actions tackling specific aspects of economic crime in strategies including the Anti-Corruption Strategy and the Fraud Strategy, and the public-private Economic Crime Plan 2 (2023-26).

1.2 The Economic Crime (Anti-Money Laundering) Levy was developed in conjunction with the Economic Crime Plan 2 to ensure that its actions had a sustainable source of funding. The levy will continue to provide funding for anti-money laundering initiatives in the government's upcoming Anti-Money Laundering and Asset Recovery (AMLAR) Strategy, Illicit Finance Summit, and Economic Crime Plan 2026-29, ensuring the government can continue to work in partnership with industry and law enforcement to drive dirty money out of the UK.

1.3 The Economic Crime (Anti-Money Laundering) Levy was established through legislation in the Finance Act 2022, and is paid by entities subject to the Money Laundering Regulations 2017 ('the MLRs').

1.4 When introduced, the levy was intended to raise £100m per year. In its first year of operation, the levy undercollected on this target, a common issue with novel levies. To address this, the rate for 'very large' entities was increased at Spring Budget 2024[1]. In 2025 it became clear that a separate adjustment was needed to ensure the levy remains a sustainable source of funding in an increasingly constrained funding landscape. Following the changes made at Budget 2025, it is expected to raise around £225m per year from April 2027 onwards. These changes also address disparities in relative contribution sizes by entities in different bands, making the levy fairer by aligning contributions more closely with revenue size.

1.5 This is the second annual report on the levy. The government believes it is important to continue to report transparently on the operation of the levy, recognising the important contributions made by the private sector to the fight against economic crime. As in the previous report, it provides a breakdown of how the levy was collected and spent in the financial year 2024-25. There is time lag in publication to allow for data gathering. The government will continue to publish

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[1] For more details on this increase, please see the 2023-24 Economic Crime Levy Annual Report.

reports annually to provide detail on the levy's operation. The next annual report will cover the financial year 2025-26, which will be published once the required data is available. The government will continue to publish reports annually to provide detail on the levy's operation.

1.6 As the levy is collected a year in arrears, the relevant levy liabilities for this report will have been accrued by entities during the financial year 2023-24 (figure 1.A). The 2024-25 spending is linked to the deliverables outlined in the Economic Crime Plan 2023-26. The rate for Very Large entities was increased in March 2024 at Spring Budget. This increased rate will be collected from 2025-26 onwards and so is outside the scope of this report. It will be detailed in the 2025-26 report. The payment structure for 2024-25 is outlined in table 1.A.

Figure 1.A: Economic Crime Levy collection timings

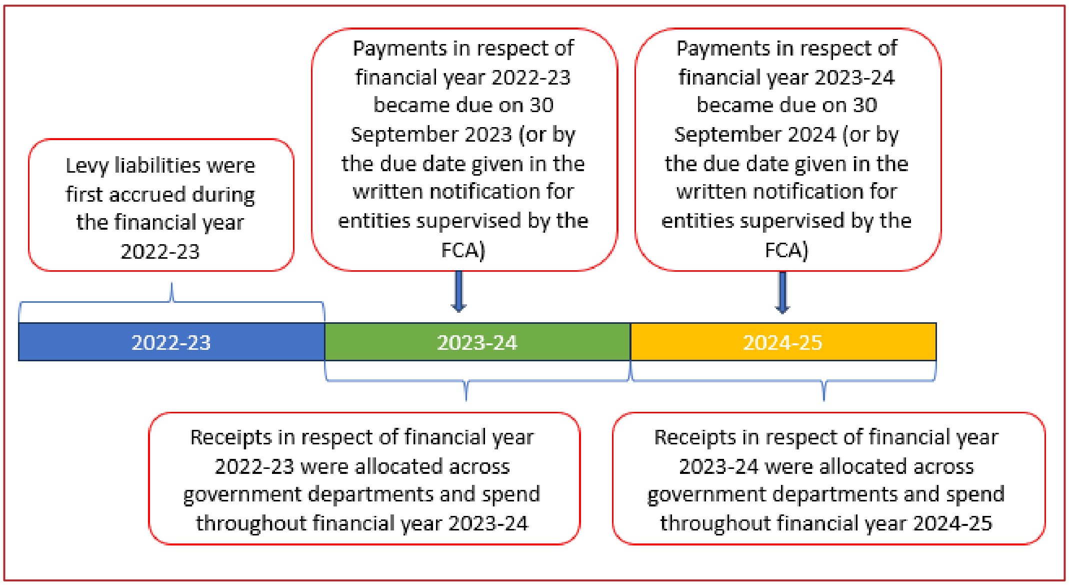

Table 1.A: Economic Crime Levy bands, 2024-25

Levy Band	UK Revenue	Amount charged
Small	Under £10.2m	Nil
Medium	£10.2m to £36m	£10,000
Large	£36m to £1bn	£36,000
Very Large	Greater than £1bn	£250,000

Legal and Accounting Framework

1.7 The legal and accounting framework for the levy is described in the first annual report and remains unchanged[2].

Funding Deliverables

1.8 In March 2023, HM Treasury confirmed the allocation of £300m of expected levy receipts from 2023-24 to 2025-26. This funding was directed to six core areas which are detailed in Table 1.B.

1.9 The Home Office, the Department for Business and Trade, and HM Treasury received funding in 2024-25. As in 2023-24, allocated funding was passed from central government departments to other public bodies and agencies including Companies House, policing in England and Wales, the National Crime Agency, and the Crown Prosecution Service.

1.10 These allocations were reduced in 2024-25 to account for the undercollection on the expected £100m. Departments reduced spending by decreasing and delaying recruitment.

1.11 These deliverables are closely linked to the key outcomes of reducing money laundering and recovering more criminal assets set out in the Economic Crime Plan 2023-2026[3].

1.12 Each deliverable feeds into the cross-cutting system capability and reform work identified as necessary in the Plan, including:

- Limiting abuse of UK corporate structures
- Increasing the effectiveness of the UK's AML/CFT regulatory and supervisory regime
- Combatting the criminal use of cryptoassets
- Improving intelligence, feedback, and analysis through Suspicious Activity Reports (SARs) reform
- Recovering more criminal assets
- Increasing law enforcement capacity
- Improving information sharing, data, and technology

2 2023-24 Economic Crime Levy Annual Report.

3 https://www.gov.uk/government/publications/economic-crime-plan-2023-to-2026

Table 1.B: Economic Crime Levy 2023-26 Deliverables

Deliverable 1	Invest over £100 million in state-of-the-art technology to analyse and share data on threats in real time, to give law enforcement the tools it needs to stay ahead of criminals.
Deliverable 2	Provide funding to increase resourcing across the anti-money laundering system. This includes funding to hire 475 new FTEs across threat leadership, intelligence and investigative and prosecution capacity dedicated to tackling money laundering and asset recovery over three years.
Deliverable 3	Invest £60 million to fund new specialist intelligence teams in the National Crime Agency and expand the Combatting Kleptocracy Cell to tackle the most complex global money laundering networks.
Deliverable 4	Provide funding for c.75 officers to sustain the increased staffing of the UK Financial Intelligence Unit and for 22 new financial investigators to analyse Suspicious Activity Reports (SARs) embedded in regional organised crime units.
Deliverable 5	Invest £20 million in Companies House and the Insolvency Service to fund the creation of two new intelligence teams, recruitment and training of AML enforcement teams, and procurement of technological advances to improve AML capability. Invest £0.6 million for the deployment of UK experts overseas to raise the global standards on Beneficial Ownership, multiplying the impact of our domestic reforms to Companies House.
Deliverable 6	Provide £1.2 million for a dedicated surge team to accelerate the fundamental reform of the AML supervisory regime, leading to more effective risk-based supervision, more dissuasive enforcement, and greater sharing of high-value information and intelligence.

Chapter 2
Levy Collection

Overview

2.1 In total, 3,069 entities paid the levy during the 2024-25 financial year. Receipts totalled £96.9m[4]. Table 2.A provides a breakdown of levy receipts by revenue band.

2.2 At the point of introduction, the levy was designed to raise £100m and the bands and rates were set accordingly. When forecasting a novel levy, some margin of error is expected. Internal forecasts of receipts based on data from the three collectors predicted that £83m would be collected in the 2024-25 financial year. To mitigate this shortfall, the charges for entities in the 'Very Large' band was raised from £250,000 to £500,000, with effect from April 2024[5]. As the levy is collected in arrears, this increased rate will be collected in 2025-26 for liabilities generated in 2024-25, and so the effects of this increase are not included in this report.

2.3 Receipts in 2024-25 represented an increase of 9% compared to 2023-24. This increase was driven by a 6% increase in the number of entities in the Medium band and a 4% increase in the Large band. The number of entities in the Very Large band decreased by 3%. Due to the timings of collections, this was not apparent until late in the year.

2.4 As in 2023-24, entities were not required to provide detailed information on their business type or sector when making returns for the purposes of paying the levy, and so this report does not provide a detailed sectoral breakdown of entities which were subject to the levy. Entities undertaking regulated financial activities – whether or not their primary business is in financial services – pay the levy to the FCA; regulated casinos pay the levy to the Gambling Commission; and all other MLRs-regulated entities, including professional services entities in the accounting and legal sectors that are not regulated by the FCA, pay the levy to HMRC. The arrangements for firms supervised by Professional Body Supervisors (PBSs) and HMRC, which will be supervised by the FCA following the government's decision to reform AML supervision, are still being developed to ensure minimal disruption to affected businesses.

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[4] To note, collections figures are accurate as of end financial year 2024/25, but subject to (minor) change where levy amounts were either paid late, or where levy amounts were adjusted subject to the provisions of Part 8 of The Economic Crime (Anti-Money Laundering) Levy Regulations 2022. Any adjustments will be confirmed in the 2025/26 report.

[5] For more details on this change, please see the 2023-24 Annual Report.

2.5 The rates chosen ensure that no entity's levy charge represents more than 0.1% of its UK revenue, in order to minimise the levy's burden on industry.

Collection costs

2.6 As in 2023-24, by agreement with HM Treasury, the FCA and Gambling Commission withhold an agreed amount of levy receipts to cover their own collection costs[6].

[6] HMRC's collection costs are not disaggregated from HMRC's broader departmental funding settlement.

Table 2.A: Economic Crime Levy receipts by band, 2024-25

Levy band	Amount charged	2023-24			2024-25		
		Number of entities	Receipts[7]	Proportion of Receipts	Number of entities	Receipts	Proportion of Receipts[8]
Medium	£10,000	1,419	£14.0m	15%	1,508	£15.0m	15.5%
Large	£36,000	1,396	£49.7m	55%	1,450	£51.9m	53.6%
Very Large	£250,000	112	£27.0m	30%	109	£29.8m	30.7%
Total	**-**	**2,927**	**£89.7m**	-	**3,069**	**£96.9m**	**-**

[7] Figures in this table have been rounded to one decimal place.

[8] When entities move out of scope of the Money Laundering Regulations part way through the year, they are invoiced on a pro-rata basis. These entities are not included in the total number of entities and so the proportion of receipts figures do not add to 100%.

Chapter 3
Programme Outcomes

Summary

3.1 In total, £83m was spent in 2024-25 across the six deliverables set out in Table 1.B. This included over £31m in increasing resourcing across the anti-money laundering system and over £22m on state-of-the-art technology.

3.2 Following lower-than-expected receipts of £90.7m in 2023-24, forecast receipts for 2024-25 based on collectors' data showed a large decrease to c.£80m at the start of the year. As a result, allocations for departments were cut to match this forecast and departments scaled back their programmes accordingly.

3.3 As the year progressed, higher than expected receipts were received due to a growth in the population figures for entities in the Medium and Large bands. Due to the timings of payments, this did not become clear until near the end of the year. It was not possible to spend the entirety of the increased receipts before the conclusion of the financial year due to lead-in times for project delivery and recruitment.

3.4 A brief summary of spend against each deliverable for 2024-25 is set out in Table 3.1.

3.5 Spend profiles for levy-funded projects are not even across the levy funding period of 2023 to 2026 due to implementation processes. Some projects may have seen large spending in the previous year or will see larger spending in future years. The details of future spending will continue to be detailed in an annual report.

3.6 The remainder of this chapter provides a detailed description of spend under each deliverable in 2024-25, including relevant case studies.

Table 3.A: Economic Crime Levy spend, 2024-25

Deliverable	2024-25 Delivery Summary	Spend (£m)[9]
1: Investment in state-of-the-art technology	Investment in a range of IT and technology programmes to support SARs processing, asset recovery and cross-system data exploitation.	22.5
2: Increase resourcing across the anti-money laundering system	Increased resourcing across various teams increasing knowledge, detection and disruption of Money Laundering and recovery of criminal assets.	31.5
3: Fund specialist intelligence teams and expand the Combatting Kleptocracy Cell	Set of investments focused on tackling high end money laundering targeting corrupt elites, professional enablers and supporting cross-HMG sanctions delivery and enforcement.	17.2
4: Employ officers and investigators to analyse SARs	Full implementation of officers and investigators across Regional Organised Crime Units and the UK Financial Intelligence Unit.	6.5
5: Create intelligence teams and build a new beneficial ownership Technical Assistance Unit	Investments in Companies House and Insolvency Service developing an intelligence hub to fight against economic crime and the build of a DBT Beneficial Ownership Technical Assistance Unit.	4.9
6: Setup a dedicated team to work on AML supervision reform	Detailed policy work and completion of a public consultation, on reforming AML and counter-terrorism financing supervision.	0.3
Collection Costs		0.3
Total		**83.2**

[9] Figures have been rounded to one decimal place and respect the actual spend per EC Levy-funded deliverable.

Deliverable 1: Investment in state-of-the-art technology

3.7 £15.3m has been invested in IT transformation as part of the Suspicious Activity Reports (SARs) Reform Programme, continuing the work done in 2023-24. SARs are the foundation of the UK's AML intelligence system and are the mechanism by which suspected money laundering or terrorist financing is reported to the National Crime Agency (NCA). They provide a vital source of financial intelligence. As a result of this investment, the SARs Reform Programme has successfully delivered a new Digital Service, , modernising the way SARs are submitted.. Over 1.1 million SARs have been submitted via the new system, with over 15,211 organisations onboarded. This has significantly improved data accessibility, submission efficiency and operational intelligence capabilities across law enforcement.

CASE STUDY:

The new SARs reporting service is enabling efficiencies across law enforcement. In 2024-25 a reporter submitted a SAR outlining their concerns that their client, originally from a high-risk jurisdiction, was laundering funds via cash deposits of an unknown origin and then layering these funds through multiple business and personal accounts.

The UK Financial Intelligence Unit (UKFIU) fast tracked the SAR to the relevant law enforcement agency (LEA). Their investigations found several business and personal accounts linked to the subject. Further SARs were submitted by multiple reporters, which were also fast tracked to the LEA. These SARs identified significant cash deposits of unknown origin, faster payment credits, credits from an unregulated consultancy firm totalling over £15,000, as well as card merchant payments and transfers over £15,000. The reasons provided for outgoing transactions were vague and often recorded as salary payments (some for a business which was no longer operating), high value purchases and luxury travel. This was inconsistent with the business profiles.

The UKFIU refused consent for the majority of the SARs and multiple asset freezing orders were obtained by the law enforcement agency. Nearly £150,000 was successfully restrained.

3.8 £0.8m has been invested in the Asset Recovery IT (ARIT) project. In 2024-25, the programme completed the commercial and technical preparation and information gathering exercise needed to launch the procurement phase of the project. This is a crucial step to launching the successor platform to the legacy Joint Asset Recovery Database which is used in England, Wales and Northern Ireland.

3.9 £4.8m has been invested in building greater data exploitation capability at the NCA, strengthening the UK's ability to detect and disrupt complex money laundering networks.

3.10 £1.7m has been invested in improving IT component elements and in supporting anti-money laundering activity delivered through the Asset Recovery Incentivisation Scheme.

3.11 These investments are delivering technology improvements that help law enforcement agencies respond to the complexity of criminal activity.

Deliverable 2: Hire and train more financial crime investigators

3.12 In 2024-25, levy-funded investment has enabled the onboarding of almost 300 new full-time equivalent staff since 2023-24. This includes:

- c.200 new specialists at the NCA, City of London Police ,and across Regional Organised Crime Units (ROCUs) to support the system response to tackling economic crime, including investigators;
- 44 new legal, operational and investigative personnel across the Crown Prosecution Service (CPS) dedicated to improving criminal and civil asset recovery;
- Additional specialists and support staff in GCHQ to deliver against anti-money laundering intelligence requirements;
- A tech-enabled money laundering threat mitigation unit within HMRC to deliver increased asset recovery; and
- Additional personnel as part of the Domestic Corruption Unit at CoLP, enhancing intelligence development capabilities and leading proactive investigations, while also providing new insights on the corruption landscape and threat.

CASE STUDY:

Anti-Money Laundering Asset Recovery (AMLAR) operational activity in 2024-25 has resulted in:

- ✓ ***£17.5m recovered*** *in a civil case following a Defence Against Money Laundering (DAML) request regarding a UAE-registered company.*
- ✓ *£1m+ in frozen assets, £40k seized, and 35 arrests following Operation Machinize, a national operation targeting high street money laundering*
- ✓ *£2.9m in frozen assets, £10m worth of confiscation orders, and 21 ongoing money laundering investigations from PLUME, a cross-agency initiative led by the Environment Agency to tack money laundering linked to environmental waster which saw the first ever EA cash seizure using POCA legislation*
- ✓ *60 convictions for money laundering supported by the Expert Laundering Cadre run by the NECC, covering a combined £150m in laundering, 245 sentencing years and forfeitures/confiscations worth £35.5m*
- ✓ *7 properties and 3 high value vehicles worth over £32m seized as part of the UK's participation in the European Money Mule Action 10*

Deliverable 3: Fund specialist intelligence teams and expand the Combating Kleptocracy Cell

3.13 In 2024-25, the levy continued to invest in NCA asset recovery and AML capabilities. Funding supported the expansion of specialist intelligence teams where officers analyse collected intelligence, investigate, and recover criminal profits for the public good.

3.14 Investment in Data Exploitation teams, including in the Data Fusion pilot programme, enabled advanced public-private data sharing. The Data Fusion pilot programme was the second iteration of a public-private data sharing initiative bringing together the NCA and seven UK banks. Through a series of operational sprints, the programme generated 338 tactical reports and identified £66m in restrained assets in 2024-25. Two banks used data from Data Fusion to inform their transaction monitoring rules, demonstrating the utility of the initiative to the private sector.

3.15 Funding enabled innovation in the crypto and digital assets capabilities of the Data Exploitation team which delivered the first Crypto Wallet Freezing Order, trained over 600 officers, and used AI/data tools to identify over 6,000 suspicious crypto addresses.

3.16 The Combatting Kleptocracy Cell (CKC) is a unit within the NCA tasked with investigating elites, proxies and enablers linked to state threat actors and to serious organised crime. The CKC predominantly utilises illicit finance investigations. In 2024-25 the CKC significantly outperformed its disruption target, delivering 27 disruptions of which 17 were high-end interventions.

CASE STUDY:

Cross-team collaboration between the Civil Recovery Team and the Jurisdictions of Risk pillar in the National Economic Crime Centre enabled the recovery of £12m in a settlement with suspected Chinese money launderers and fraudsters.

The case focused solely on asset recovery (rather than criminal prosecution). This allowed the team to engage with Chinese authorities under the NCA's low-risk Overseas Security and Justice Assistance (OSJA). Levy funding supported the team with a Chinese language translation solution. This delivered timely assistance with translating material for Court hearings. Critically, it provided proof of the viability of using this to translate operational material from Chinese to English.

This operation provided an excellent opportunity to build a relationship with Chinese authorities, who provided significant operational assistance throughout the case.

3.17 Investment in strengthening collaboration and information sharing with both domestic and international partners continued in 2024-25. Improved coordination with international partners was critical to delivering the aforementioned results.

3.18 The CKC has continued to deliver economic crime upskilling events focused on money laundering for partner organisations in 2024-25. Combined with improvements to the CKC-published industry alerts, this has improved understanding of the money laundering and economic crime landscape across the domestic anti-money laundering landscape.

Deliverable 4: Employ officers and investigators to analyse SARs

3.19 The UK Financial Intelligence Unit (UKFIU), hosted in the NCA, receives over 850,000 SARs per year. The majority of these are disseminated to law enforcement agencies who investigate the details of the reports.

3.20 In addition to the capital investment in IT systems detailed under Deliverable 1, the levy has built on the initial resourcing from 2023-24, and has sustained staff in the UKFIU and in Regional Organised Crime Units (ROCUs). As of 2024-25, the Economic Crime Levy funded:

- 80 FTE in the UKFIU, continuing to increase the volume of financial intelligence referrals and enabling enhanced operational and strategic intelligence outputs, as well as improving the quality of SARs; and
- 22 FTE across Regional Organised Crime Units (ROCUs), responsible for analysing and investigating SARs and are responsible for 41 arrests and 11 convictions in 2024-25 as well as a total Asset Recovery benefit exceeding £3m.

CASE STUDY:

SAR intelligence led to the forfeiture of over £1.5m after an LEA investigation was instigated, as a result of a SAR on the sale of counterfeit products that breached safety regulations.

The LEA requested further financial intelligence from a SAR reporter who was able to detail the suspicious activity of a number of linked accounts with higher than expected turnover and multiple high value transfers between the linked accounts. This enabled the LEA to uncover a web of interlinked companies importing counterfeit products.

The LEA was able to obtain multiple Account Freezing Orders (AFOs) on funds held in the linked accounts. Additionally, the LEA shared further intelligence with another LEA which has been able to identify the importer of the counterfeit products and carry out a large seizure as a result. Enquiries are ongoing, with the LEA now expected to carry several cases towards a forfeiture of funds.

Deliverable 5: Create intelligence teams in Companies House and Insolvency Service

3.21 Following the establishment of two new intelligence teams in Companies House and the Insolvency Service in 2023-24, the levy has invested more than £4.8m in operationalising these teams in 2024-25. These teams are supporting the implementation of the reforms at Companies House legislated for in the Economic Crime and Corporate Transparency Act 2023. These reforms will allow Companies House to better improve detection of money laundering taking place through corporate entities.

3.22 Funding in 2024-25 has focused on improving technology and capabilities in each team. Approximately £0.6m has been invested in technological upgrades to improve intelligence capabilities in both teams.

3.23 The Beneficial Ownership Technical Assistance Unit has continued its work to facilitate international cooperation and deliver international technical assistance. In 2024-25, the unit supported partners including the United Arab Emirates and Overseas Territories. It secured technical assistance commitments through international agreements such as the UK-Seychelles Economic Security Partnership and the UK-Ukraine 100 Year Partnership. This reduces the money laundering risks both in the UK and globally, and lays a strong foundation for even deeper partnerships in future years.

Deliverable 6: Setup a dedicated team working on AML supervision reform

3.24 In its second year, the team established within HM Treasury's Economic Crime and Sanctions Group to work on AML supervision reform published the response to the public consultation on the matter. It announced that as part of the AML supervision reform efforts, the FCA will be assuming responsibilities for AML supervision for some professional services sectors.

Chapter 4

Conclusion and Next Steps

4.1 In its second year, the Economic Crime Levy has delivered significant progress against its deliverables. Recruitment in 2024-25 was on target against the Economic Crime Plan 2 commitment to deliver 475 new FTE under the Anti-Money Laundering and Asset Recovery programme by 2026. Combined with the delivery of state-of-the-art technology and IT systems, these investments have delivered operational results that exceeded expectations. We have continued to develop a strong expertise across established and emerging threat areas.

4.2 As the levy operates on a three-year cycle of allocations and deliverables, 2025-26 is the final year to deliver on the goals detailed in chapter one. Following the changes to levy rates made at Budget 2025 in November 2025, the levy is now forecast to raise approximately £225m from 2027-28 onwards. Discussions regarding the deliverables and allocations for 2026-27 through 2028-29 are ongoing and will be publicly communicated once finalised. As the government progresses from Economic Crime Plan 2 to the upcoming AMLAR Strategy, Illicit Finance Summit, and the Economic Crime Plan 2026-29, the levy will continue to provide funding to such actions that tackle money laundering.

4.3 The government plans to continue reporting on the activities of the Economic Crime Levy annually in recognition of the industry's legitimate interest in ways that contributions are supporting the fight against economic crime.

4.4 As detailed previously, the government plans to conduct a full review of the levy's operation by the end of 2027 to identity learnings and opportunities for improvement.

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