
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision about the assessment, payment, collection and recovery of the economic crime (anti-money laundering) levy (“the levy”) which is charged in accordance with Part 3 of the Finance Act 2022 (c. 3) for the financial year beginning with April 2022 and subsequent financial years (see section 66 of the Finance Act 2022). These Regulations amend the Economic Crime (Anti-Money Laundering) Levy Regulations 2022 (S.I. 2022/269, “the 2022 Regulations”) to complete the introduction of the levy.

The appropriate collection authority is responsible for the collection and management of the levy. The appropriate collection authority is either the Financial Conduct Authority, the Gambling Commission or the HMRC Commissioners, as provided for in section 53(3) of the Finance Act 2022.

Regulation 4 amends regulation 6 of the 2022 Regulations to provide that notifications by the Financial Conduct Authority as to levy due may be amended, replaced or withdrawn.

Regulations 5 and 7 insert new provisions where the appropriate collection authority is the Gambling Commission. The new provisions relate to the ability to amend an economic crime (anti-money laundering) levy return, assessments of levy due by the Gambling Commission, the issuing of notices of recalculation following an assessment and payment of the levy after such an assessment. Regulation 6 omits regulation 10 of the 2022 Regulations (which provided for information to be noted on a register) which is no longer needed.

Regulations 8 and 9 insert new provisions where the appropriate collection authority is the HMRC Commissioners. The new provisions relate to payments of levy due as a result of amendments made to an economic crime (anti-money laundering) levy return and assessments of levy due by the HMRC Commissioners and payment of the levy after such an assessment.

Regulation 10 amends regulation 15 of the 2022 Regulations (death, incapacity or insolvency) to ensure that levy incurred in respect of the period before an insolvency takes effect remains debt due by the person originally liable to pay the levy (and not any person treated as the person liable to pay the levy under regulation 15(2) of the 2022 Regulations) and to make levy incurred after the insolvency takes effect an expense of that insolvency.

Regulation 11 inserts new Parts 7 to 10 into the 2022 Regulations. Part 7 makes provision for information or documents to be supplied to the Financial Conduct Authority or the Gambling Commission on request (section 61 of the Finance Act 2022 already provides the equivalent for the HMRC Commissioners). Part 7 also contains a duty for persons liable to pay the levy to keep and preserve relevant records. Part 8 makes provision relating to the repayment of overpaid levy. Part 9 makes provision relating to enforcement through financial penalties. It includes provision as to when penalties may be imposed, the amount of such penalties (set out in the Schedule to be inserted into the 2022 Regulations by regulation 12) and the procedure for imposing them. Regulation 25 of the 2022 Regulations provides for the transfer of functions relating to the recovery of unpaid amounts from the Financial Conduct Authority or the Gambling Commission to the HMRC Commissioners. Part 10 makes provision for the right to review and the right to appeal of decisions.

Regulation 13 makes a consequential amendment to the Financial Services and Markets Act 2000, to add levy functions to the list of functions in respect of which the Financial Conduct Authority is exempt from liability in damages.

An impact assessment has not been prepared for this instrument because the impact of the levy has been assessed, set out and published in advance of provisions being included in the Finance Act

Status: *This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

2022 in the Tax Information and Impact Note (TIIN) of 27 October 2021. The TIIN is available at <https://www.gov.uk/government/publications/economic-crime-anti-money-laundering-levy>.