

HMRC issues record £23.8m fine for money laundering breaches

Today (7 January 2021), HM Revenue and Customs (HMRC) published the latest [list of businesses](#) handed fines for breaching strict regulations aimed at preventing criminals from laundering illicit cash.

The list includes money transfer company MT Global Limited, which has been handed the largest ever fine issued by HMRC, for significant breaches of the regulations between July 2017 and December 2019 relating to:

- risk assessments and associated record-keeping
- policies, controls and procedures
- fundamental customer due diligence measures

Nick Sharp, Deputy Director of Economic Crime, Fraud Investigation Service, HMRC, said:

Businesses who fail to comply with the money laundering regulations leave themselves, and the UK economy, open to attacks by criminals.

Money laundering is not a victimless crime. Criminals use laundered cash to fund serious organised crime, from drug importation to child sexual exploitation, human trafficking and even terrorism.

We're here to help businesses protect themselves from those who would prey on their services. That includes taking action against the minority who fail to meet their legal obligations under the regulations as this record fine clearly shows.

HMRC supervises more than 30,000 businesses across the UK, including 1,500 principal money service businesses (MSBs), and helps these firms protect themselves from criminals who seek to launder cash or finance terrorism.

Webinars, guidance and e-learning is available here to help guide and educate businesses on their money laundering responsibilities.

HMRC works closely with partner law enforcement agencies and government departments to reduce the criminal abuse of the sector through tightened registration, greater understanding of the risks, and joint periods of concerted action focussing on those MSBs at greatest risk of being used by organised crime.

In 2019 to 2020 HMRC completed 2,000 interventions on supervised businesses, issued penalties totalling £9.1 million and stopped 89 non-compliant businesses and individuals from trading. It also recouped over £166 million from the proceeds of crime, of which more than £22 million was linked to money laundering offences – sending a very clear message that crime doesn't

pay.

Further information

In accordance with our responsibilities under the Money Laundering Regulations (MLRs) 2017, HMRC publishes details of businesses failing to comply with the MLRs who have received a penalty.

Money laundering is the process through which criminals disguise the criminal origin of money and assets they earned through criminal activity. [Anti-money laundering guidance for MSBs is available on GOV.UK](#)

Serious and organised crime costs the UK billions of pounds every year and HMRC's anti-money laundering supervision is a vital tool in combatting that. Money laundering regulations are in place to prevent criminals benefitting from the proceeds of crime and to help tackle money laundering/terrorist financing, human trafficking, drugs, prostitution and other organised crime.

Using a range of civil penalties and prosecutions, HMRC responds effectively to businesses who fail to comply with the money laundering regulations.

Last year, HMRC announced a £7.8 million fine against a London MSB that ignored anti-money laundering regulations. HMRC, Metropolitan Police (MPS) and Financial Conduct Authority (FCA) also carried out a [month-long crackdown in July 2019 on MSBs](#) at risk of being used for money laundering to fund organised crime.

HMRC has a range of enforcement powers that it can use for businesses who do not comply with the money laundering regulations, including civil penalties, criminal proceedings and removal from the register. Any of these sanctions can be used in combination. HMRC can:

- issue a financial penalty
- issue a censuring statement
- impose a suspension on management of a relevant business upon a person
- impose a prohibition on management of a relevant business upon a person
- suspend a registration
- cancel a registration
- decide a relevant person in a business is no longer fit and proper, which will lead to either suspension or prohibition on management, or suspension or cancellation of the business' registration
- obtain a court injunction
- refer a case for criminal investigation and potential prosecution

HMRC supervises around 1,500 principal MSBs, which together have 31,000 operating premises.

The number of operating MSBs supervised by HMRC has fallen by 19 per cent since August 2017, mostly due to continuing action to tackle the use of MSBs for the laundering of dirty money. However, the government recognises the majority of MSBs are compliant with money laundering regulations.

Information about [money service business guidance for money laundering](#)

[supervision](#) is available on GOV.UK.

HMRC promotes help and education for those businesses that need it, including webinars, e-learning and guidance. These activities enable us to educate a larger audience than could be covered by traditional visits or events.

[Recordings of these webinars](#) can be found on GOV.UK.

The UK was rated as having the most robust processes in the world for tackling money laundering by the Financial Action Task Force in its last UK report and HMRC has played a key part in that.