



Fulfilment House Due Diligence Scheme

This scheme comes into operation in April 2019 although it is now open for registration. If you store goods in the UK for sellers which are established outside the EU you will need to register.

Registration is required if your business stores any goods where **all** of the following apply:

- the goods were imported from a country outside the EU
- the goods are owned by, or stored on behalf of, someone established outside the EU
- the goods are being offered for sale and the specific goods being stored have not been sold in the UK before

The new scheme does not apply if you are merely transporting the goods and supply temporary storage, e.g. overnight.

If you are already offering this service, registration is required by 30 June. If the service is offered between April and June, registration is required by 30 September. If you commence offering this service after July, registration is required before 1 October or before the day on which the service commences, whichever is the later.

With effect from April 2019 trading in this type of service will be a criminal offence unless registered.

With effect from April 2019 a record must be kept of:

- overseas customers' names and contact details
- overseas customers' VAT registration numbers or VAT exemption reference numbers
- types and quantities of goods stored
- import entry numbers
- the country where the goods are delivered
- notices that need to be given to overseas customers in the UK

If the overseas customer is not required to be VAT registered, the VAT exemption reference numbers must be verified.

If you suspect your overseas customer has not met its VAT obligations you are bound to notify H M Revenue & Customs.

If you cease trading as a fulfilment business you must advise H M Revenue & Customs within 30 days.

Please contact your usual Chavereys contact if you have any specific questions on the above.

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