



## **UKWA and HMRC come together to clarify impact of FHDDS on logistics businesses**

Contrary to rumor and speculation, fulfillment houses will not have to check every single package they receive from overseas clients to comply with the rules laid down by the new Fulfilment House Due Diligence Scheme (FHDDS).

They will, however, need to demonstrate that reasonable due diligence has been exercised to validate an incoming load's contents and verify the quantities of goods it contains against information declared for customs clearance.

That was one of the key messages to come out of a recent FHDDS briefing meeting co-hosted by the UK Warehousing Association (UKWA) and HMRC.

Held at The Treasury, the briefing was attended by executives from more than 20 UKWA member companies as well as senior personnel from HMRC.

The FHDDS has been introduced as a way of tackling non-EU online traders that do not pay the correct VAT and duty on goods held in UK warehouses that are sold to UK consumers via websites - an activity which is said to cost £1.5bn in lost VAT revenue each year.

Any business that fulfils goods for, or on behalf of, someone outside the European Union to be sold in the UK, must apply online to register for the Fulfilment House Due Diligence Scheme by 30th June 2018 and all registered businesses will be expected to comply with the new standards required by the FHDDS from April 2019.

According to HMRC, FHDDS compliance will not prove onerous for legitimate businesses, but it will involve some additional tasks and record keeping.

UKWA CEO, Peter Ward, commented: "UKWA played a key role in the consultation that took place prior to FHDDS going through the parliamentary process, and we will continue to work with HMRC to assist with communication and execution of the scheme.

“It was a privilege to co-host the FHDDS briefing with HMRC in the impressive surroundings of the Churchill Room at the Treasury – from where Winston Churchill gave his iconic VE Day speech in 1945. The atmosphere was very positive and vibrant and there were some fascinating exchanges of view and opinion.

“UKWA is building strong relationships with various departments of government on behalf of its members. Our message to the policy makers is that UKWA is here to help and this is clearly resonating. As a result of our approach, UKWA’s members have greater access than ever before to key influencers which gives them the chance to engage in shaping the future of our industry.”

**ENDS**