

Fulfilment House Due Diligence Scheme



HM Revenue
& Customs

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Overview

What is a Fulfilment House?

How does FHDDS work?

What are the Due Diligence requirements?

Case Study

What is a Fulfilment House?

Exist to facilitate global e-commerce supply chains

Hold stock owned by third parties, pick and pack individual items to fulfill to end customers

Vast quantities of stock stored in locations across the UK to meet consumer expectations of next day delivery

How does FHDDS work?

Introduced in 2018

[Finance \(No. 2\) Act 2017 Part 3 Fulfilment Businesses](#)

[Fulfilment Business Regulations 2018, SI1028/36](#)

Any business that stores goods in the UK that:

were imported from a country outside the UK

are owned by, or stored on behalf of, someone established outside the UK

are being offered for sale and have not been sold in the UK before

Publicly available register of all approved Fulfilment Houses across the UK

[Fulfilment House Due Diligence Scheme registered businesses list - GOV.UK \(\[www.gov.uk\]\(http://www.gov.uk\)\)](#)

Public Register

Business names starting with A to C

Updated 12 May 2022

Contents

[A](#)

[B](#)

[C](#)

 [Print this page](#)

List of Fulfilment House Due Diligence Scheme (FHDDS) registered businesses whose names start with A, B and C.

A

Business name	Trading name (if different)	Address	Postcode	FHDDS number
Absolute Group Limited	—	Interlink Way South, Interlink Park, Coalville, Leicestershire	LE67 1PG	XLFH00000100426

Due Diligence requirements

Approved businesses must keep certain records on customers, goods held and import entry numbers

Must ensure all customers have valid VAT number

Notify HMRC of changes to their business details and any non-compliance of their customers

Failure to meet any conditions have a range of penalties

Case study

Late application for FHDDS by large logistics business with huge warehouse capacity

HMRC directed business to stop fulfilling until application resolved

Unannounced visit found business continued to trade without approval

Entire warehouse seized

Customer behaviour corrected & now compliant, some goods restored, £7m+ VAT payment on account, non-compliant imports identified and removed

Summary

Creates legal definition of a Fulfilment House

Online register of approved businesses

Brings more visibility to e-commerce supply chains

Moves responsibilities onto enablers of the supply chain

Questions?



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