
STATUTORY INSTRUMENTS

2018 No. 326

The Fulfilment Businesses Regulations 2018

PART 3

OBLIGATIONS IMPOSED ON APPROVED PERSONS

Customer not meeting UK obligations

8.—(1) An approved person must notify the Commissioners where the approved person knows or has reasonable grounds to suspect that a customer has not met a relevant obligation.

(2) Notification must be given within 30 days beginning with the day on which the approved person first knows or has reasonable grounds to suspect that the customer has not met the relevant obligation.

(3) If after 60 days beginning with the day on which the approved person first knows or has reasonable grounds to suspect that a customer has not met a relevant obligation, the approved person still knows or has reasonable grounds to suspect that the customer is not meeting a relevant obligation, the approved person must cease to carry on a third country goods fulfilment business with that customer as soon as reasonably practicable.

(4) An approved person must not commence business by way of a third country goods fulfilment business with a person where the approved person knows or has reasonable grounds to suspect that that person has not met a relevant obligation.

(5) In this regulation and regulation 9, a “relevant obligation” means a VAT or customs duty obligation under legislation in the United Kingdom in relation to third country goods.

Notice to a customer of UK obligations

9.—(1) An approved person must give a notice to each customer that—

- (a) contains specified information relating to relevant obligations,
- (b) states that the approved person must notify the Commissioners where the approved person knows or has reasonable grounds to suspect that the customer has not met a relevant obligation,
- (c) states that the approved person must as soon as reasonably practicable cease to carry on a third country goods fulfilment business with that customer if, within 60 days beginning with the day on which the approved person first knows or has reasonable grounds to suspect that the customer has not met a relevant obligation, the approved person knows or has reasonable grounds to suspect that the customer is still not meeting a relevant obligation, and
- (d) states that if the approved person fails to comply with the approved person’s obligations under regulation 8(1) and (2) (referred to in paragraph (b) and (c)), the approved person may be liable to a penalty of £3,000 for each failure and may have approval to carry on a third country goods fulfilment business revoked.

(2) A notice under paragraph (1) must be given to a customer on or before the latest of—

- (a) 30th April 2019,
 - (b) the end of the period of 30 days beginning with the day on which the approved person receives a notice of approval, and
 - (c) the end of the period of 30 days beginning with the day on which the approved person begins to carry on a third country goods fulfilment business with that customer.
- (3) Where the specified information referred to in paragraph (1)(a) is amended by the Commissioners, an approved person must give further notice to all of that person's customers containing the amended specified information within 30 days beginning with the day on which the approved person is notified by the Commissioners of the amendment.

Customer due diligence and record keeping

- 10.**—(1) An approved person must maintain a record of the following information—
- (a) the name and contact details of each customer,
 - (b) the VAT registration number of each customer or, in cases where a customer is exempt from VAT registration, the reference number relating to that customer's exemption from VAT registration issued by the Commissioners,
 - (c) a description of the type and quantity of the third country goods stored for each customer,
 - (d) any import entry number⁽¹⁾ of the third country goods stored for each customer,
 - (e) the country to which the third country goods are delivered from storage,
 - (f) a copy of the notice required to be given to each customer under regulation 9, and
 - (g) any specified further information relating to customers and third country goods.
- (2) The information in paragraph (1) must be—
- (a) preserved for a period of six years beginning on the date the information is first held by the approved person, and
 - (b) made available for inspection by an officer when required.
- (3) In this regulation, “officer” means a person appointed under section 2(1) of the Commissioners for Revenue and Customs Act 2005⁽²⁾.

Verification of a customer's VAT registration number

- 11.**—(1) An approved person must verify the—
- (a) VAT registration number, or
 - (b) reference number relating to a customer's exemption from VAT registration issued by the Commissioners (“VAT exemption reference number”)
- held in relation to each customer in accordance with any specified verification process.
- (2) Verification in relation to each customer, must be—
- (a) carried out for the first time on or before the latest of—
 - (i) 30th April 2019,
 - (ii) the end of the period of 30 days beginning with the day on which the approved person receives a notice of approval, and

(1) An import entry number may be assigned to a consignment on entry to the United Kingdom, by Her Majesty's Revenue and Customs, for administrative purposes.

(2) 2005 c. 11.

- (iii) the end of the period of 60 days beginning with the day on which the approved person begins to carry on a third country goods fulfilment business with a customer, and
 - (b) repeated in accordance with a specified frequency or, if different, the frequency set out in the notice of approval.
- (3) If the verification process does not verify a customer VAT registration number or VAT exemption reference number, an approved person must notify the Commissioners, within 30 days beginning with the day on which the verification is carried out.

Change to registered details

- 12.**—(1) An approved person must notify the Commissioners of any change in the registered details relating to that person.
- (2) Notification must be given on or before the later of 30th April 2019 and the end of the period of 30 days beginning with the day on which the change occurred.
- (3) In this regulation, “registered details” means such specified information relating to approved persons which is contained in the register of approved persons⁽³⁾.

Ceasing to carry on a third country goods fulfilment business

- 13.** Where an approved person has ceased to carry on a third country goods fulfilment business, that person must notify the Commissioners within 30 days beginning with the day on which the activity ceased.

(3) Under section 50(1) of the Finance (No. 2) Act 2017 the Commissioners must maintain a register of approved persons.