



# Minutes of the Customs Products & Processes Joint Customs Consultative Committee Sub Group

Date of Meeting: 18 August 2016.

Location: Alexander House Southend

## 1. Introductions.

The Meeting was chaired by KS. A list of attendees is at Annex A.

## 2. Minutes from 22 April 2016.

BS requested confirmation on:

- Point 8, bullet point 9 – LG confirmed this was for any authorisations that are due to expire prior to 1<sup>st</sup> October 2016

The minutes for the meeting were then accepted.

## 3. Outstanding Action Points.

**AP53 09.09.2015** CW - HMRC to share contact centre scripts. These were issued and are also available on the GOV.UK website, although not particularly user friendly. - **CLOSED**

**AP69 15.01.2016** PMcS a Temporary Storage meeting was held at Heathrow regarding issues about when the 90 day timeframe starts and transit with multiple vehicle moves. CSP's meeting to align air and sea for Temporary Storage, **09.08.2016** - DE A Customs Information Paper CIP 25(16) changes to temporary storage 90 day time limit conditions has been issued. **CLOSED**

**AP71 22.04.2016** AH - The team will look to change the C117 to allow partial filling, saving and returning at a later date. CD reported that all the online forms are being looked at with a view to make them more user friendly and easier to complete. Carol Dicker is responsible for taking this forward, please address any further comments to her. **CLOSED**

**AP72 22.04.2016** KS to take forward CITEX visiting officer questions. KS has been unable to speak with those concerned. **Carried Forward**

**AP73 22.04.2016** CW User testing volunteers requested for redesign of Gov.uk. 05.05.2016 CW will email RW separately as we need to manage this through the proper governance process with CDIO. **18.08.16** RW hasn't heard yet but is aware that there are people who would like to be involved. One Gov at the border have taken the lead in this. KS stressed that any Feedback is important and urged people to leave it on the website. The project is ongoing, action point. **CLOSED**

**AP74 22.04.2016.** Update from SMoi. Link showing the information on the new de-minimis level. **Closed**



**AP75 22.04.2016** CW to establish pilot to set process for 3rd parties working in a TS facility or subletting. **CLOSED** 18.08.16 – DE has produced a paper on this which she will re-issue. **New AP78. Update 1/9/16– Paper Attached see Annex A**  
Specific scenarios will need to be addressed individually

**AP76 22.04.2016** CW to send link of Simplified IPR entry details. This is now in operation. **CLOSED**

**AP77 22.04.2016** PMcS to suggest to next main JCCC to send out link to consultation document to other sub groups. 18.08.16 CD explained that JCCC minutes are now available on GOV.UK, and therefore in the public domain. CD asked if the trade would like anything further from HMRC. Everyone was satisfied. **CLOSED**

#### **4. Update on Brexit:**

CD explained there had been a full discussion at the JCCC and it was agreed to restructure sub groups and set up a new one to specifically look at BREXIT issues. This sub group (import/export) has a valid purpose and will continue, however the terms of reference may need to be revisited.

After the referendum a CIP was issued setting out the current position. HMRC are looking at next steps and assisting with the policy impact analysis but any decisions on future customs arrangements will be for ministers to take.

CD explained that we are revisiting our implementation of the UCC to identify further opportunities to mitigate impacts on business, such as the End Use BoD. A CIP has been issued offering businesses the chance to request a waiver for this until their new authorisation is due, or the transition period has ended. This hopefully will mitigate some of the problems it may be causing.

CD said that we are also looking at the changes and amendments that trigger a re-authorisation. There is guidance about this but we are hoping to have some flexibility so new authorisations may not be required for certain requests. We hope to have some news/updates on this in the near future.

CD explained that we are looking at the possibility to waive a guarantee where it is below the statistical threshold. When, & if we can revise policy, a CIP will be issued.

CD invited trade views to inform our policy analysis.

MA asked about Infraction procedures. CD explained that we must still follow UCC legislation, but there may be some flexibility in how we apply the transitional arrangements. MA asked why the UK have a rule of 3 times for using Simplified IP when other member states don't. LG explained that some member states don't use it at all but a maximum of 3 times was put in place to address compliance issues. IW suggested waiving the 3 times limit as the CCGs are taking a long time to put in place.

It was asked if invites will be sent out for volunteers to sit on the BREXIT subcommittee. This will be managed by the JCCC secretariat.



BS requested that duty drawback (not IP) could be discussed as part of the review so that there could be some kind of system set up for refunds.

RW asked if would be possible to have a timetable of events that could be forwarded to the trade. CD doesn't have a timetable but would consider sharing this once one is developed.

**5. Update on Temporary Storage:** GT explained that there are problems for forwarders when actioning transshipment requests because the UCC debars third parties from moving the goods. GT felt that traders that have been able to use this method before should be able to continue to do so. DE explained that at the present time, there is 'no change' to the pre-UCC procedures and that this was a policy decision made whilst IT changes are implemented. AR suggested that any changes still retain simplified transit and asked if comments will be invited before implementation of the changes take place. DE said that unfortunately, simplified transit is not covered in the UCC and going forward, will not be an option. CD explained that we must have a clear audit trail for transshipments and the Brexit decision should not preclude improvements to IT systems to enhance the audit trail. HMRC would continue to discuss the timing and nature of enhancements with trade.

**6. Update group on Control Strategy:**

RO.As stated in the last meeting, no further work being put into the previous strategy, things have moved on with our use of Promote Prevent and Respond, Tactical Plan and Strategic Tax Plan. **Item to be removed from agenda.**

**7. Update on progress with Guarantees and the approach to future reference amounts:**

JMc informed the group that a new version of the CCG form will be available mid-September which will not request as much information. Questionnaires should be available at the same time to avoid unnecessary delay. JMc informed the group that existing AEO traders will need to complete the CCG1 but will not need to complete the questionnaire. The completion of the CCG1 will trigger an AEO reassessment. DB confirmed that a reassessment will be done but, in most cases, only for the new criteria under UCC.

MA asked what happens if the new UCC criteria is not met, DB confirmed that the current AEO would be suspended pending any changes needed to meet requirements.

**8. Update on the current position on the EU/US FREE Trade Agreement also known as the Transatlantic Trade & Investment Partnership:** SMoi not present, carried forward to next meeting.

**9. Update on Non-inventory Linked Ports (NILPs):** CW was not present but HMRC will re-start work on this and re-engage businesses on this review

**AOB.**

LR asked why the CCG process does not run in line with the application for Special procedures. CD explained that a lot of work had been done to streamline the process. The timelines were agreed by the commission so can not be



changed but we are working towards a simpler process. RW asked if it would be possible to have 1 post-box rather than sending things to 2 places. CD said we are heading towards this but would appreciate all feedback. LG advised we are working closely with CDIO to improve the special procedures forms to reduce the volume of errors.

AM asked about the quality standards and how these were being adopted. RW explained that it has now been agreed but not without difficulties – other stakeholders have worked on the basis that individuals have to demonstrate competence, not the corporate body. It will be published but as a UK module which will be used and worked like a training module.

MR asked about FLEGT scheme licenses which are being produced in Indonesia, the first in mid-November. The trade need to know what action they need to take in order to discharge the licences. **New Act Pt 79**. KF to look into and report back 22.08.16 response from KF- *Forest Law Enforcement, Governance and Trade (FLEGT) licensing is a new regime that will be implemented in November/ December 2016 with the first licences issued at that time. Border Force are the owners, and they have been in discussions with DEFRA and the Hub over its implementation. Border Force will issue a CIP in due course.*

Next meeting:  
tba

New Action Points – 18/08/2016	
<b>AP72</b> <b>22.04.2016</b>	KS to take forward CITEX visiting officer questions
<b>AP78</b> <b>18.08.16</b>	DE to re-issue paper on TS facilities and subletting
<b>AP79</b> <b>18.08.16</b>	KF to look into FLEGT, and inform the sub group

**Annex A – List of Members (attendees in blue)**

Chair

Kevin Snow (KS) - HMRC

Secretariat

Jim Leigh (JLe)

Joanne Edmondson

Trade



HM Revenue  
& Customs

Acushnet Europe Limited – Mark Emerson (MEem)  
Agency Sector Management (ASM) - Peter MacSwiney (PMcS)  
Airline Operators Committee for Cargo UK (AOCC) - Andy Miller (AM)  
[Association of Freight Software Suppliers \(AFSS\) - Gordon Tutt \(GT\)](#)  
[Association of International Courier and Express Services \(AICES\) – Adrian Robson \(AR\)](#)  
Automotive Customs & Trade Association - Howard Levene (HL)  
Boots UK Ltd - Karen Coventry (KC)  
[British International Freight Association \(BIFA\) - Robert Windsor \(RW\)](#)  
CCS-UK - Mark Bellis (MBe)  
CCS-UK - Adrian Gunn (AG)  
Chartered Institute of Taxation - John Carlin (JC)  
CNS - Matt Bradley (MBr)  
Crossflight Ltd - James Kelly (JK)  
[Customs Practitioners Group \(CPG\) - Barbara Scott \(BS\)](#)  
Descartes Systems Group - Howard Marsh (HM)  
Descartes Systems Group – Martin Meacock (MM)  
DHL - Steve Parker (SP)  
[DHL – Mark Redding \(MR\)](#)  
Dnata - Lawrence Cockburn (LC)  
Dnata - Gary Morgan (GM)  
Edrington - Carol Kunderan (CK)  
Export Group for Aerospace, Defence and Dual-Use - Gary Charles (GC)  
FDF - Gavin Roberts (GR)  
[Federation of Sport and Play Associations – Michael D Alexander \(MA\)](#)  
Felixstowe Dock & Railway Company (FDRC) - Paul Brooks (PB)  
Ford Motor Company - Penny Todd (PT)  
Global Customs Compliance Limited - James Lenaghan (JL)  
[Grant Thornton UK LLP – Ian Worth \(IW\)](#)  
Grosvenor - Lorenzo Rossetti (LR)  
Institute of Chartered Shipbrokers – Robert Hill (RH)  
International Meat Trade Association – Neil Stokes (NS)  
Jabil - Ruth Maciver (RM)  
Kuehne & Nagel Ltd - Terry Clear (TC)  
[Maritime Cargo Processing \(MCP\) - Alan Long \(AL\)](#)  
[MSC UK Ltd - Vincent Kearney \(VK\)](#)  
Nissan - Steven Sandell (SS)  
Pentant - Mark Phippen (MP)  
Road Haulage Association - TBA  
Samsung Electronics - Bob Ellison (BE)  
Scotch Whiskey Association - Andrew Billcliffe (AB)  
Scotch Whiskey Association - Peter Clark (PC)  
Scotch Whiskey Association - Siobhan MacLennan (SMa)  
Unipart - Don Makepeace (DM)  
[Velta International Ltd - Alonso Mrabety \(AMr\)](#)  
Virgin - Michael Galloway (MG)

HMRC

Lee Barham (LB)

[Hazel Batter \(HB\)](#)



HM Revenue  
& Customs

[Darren Bradbury \(DB\)](#)

Gill Castle (GC)

Dawn Clennett (DC)

Greg Connew (GCo)

[Colin Davis \(CD\)](#)

Mark Ellis (ME)

[Diane Evans \(DE\)](#)

John Evans (JEv)

[Kerry Fairless \(KF\)](#)

Paul Frost (PF)

[Lynne Goodwin \(LG\)](#)

Andrea Head (AH)

[Jane McCain \(JMc\)](#)

John Mitchell (JM)

Syed Moinuddin (SMoi)

Arnold Mtopa (AMt)

Robert Oxlade (RO)

[David Peters \(DP\)](#)

Lynne Rawlinson (LRa)

Sue Shanks (SSh)

Caroline Wilkins (CW)

Other Government Departments

Border Force - David Huke (DH)

**Apologies Received**

HMRC Gill Castle (GC)

HMRC Greg Connew (GCo)

HMRC John Evans (JEv)

HMRC Paul Frost (PF)

HMRC Andrea Head (AH)

HMRC Jim Leigh (JLe)

HMRC Syed Moinuddin (SMoi)

Acushnet Europe Limited – Mark Emerson (MEM)

Agency Sector Management (ASM) - Peter MacSwiney (PMcS)

Association of International Courier and Express Services (AICES) – Joe O'Connor (JOC)

Automotive Customs & Trade Association - Howard Levene (HL)

Boots UK Ltd - Karen Coventry (KC)

Descartes Systems Group - Howard Marsh (HM)

Descartes Systems Group – Martin Meacock (MM)

Export Group for Aerospace, Defence and Dual-Use - Gary Charles (GC)

Grosvenor - Lorenzo Rossetti (LR)

Institute of Chartered Shipbrokers – Robert Hill (RH)

Pentant - Mark Phippen (MP)

Road Haulage Association - Peter Cullum (PC)

Unipart - Don Makepeace (DM)



## Annex A

### Guidance on the interpretation of Exclusively Operated TS Facilities

The UCC Article 148 (1) requires an authorisation to operate a temporary storage facility. Article 117 of the DA expands on the authorisation conditions specifically Art.117 (c) which says:

*“the temporary storage facilities are exclusively operated by the holder of the authorisation”.*

We have obtained legal opinion on what *exclusively operated* meant. The lawyer responded that the meaning was quite unambiguous: “exclusively” means to the exclusion of all others and the expression “exclusively operated” is used quite deliberately and must be construed strictly.

We asked this question of some other Member States each of whom agreed with the lawyers interpretation and added that this was how their own facilities operated.

The UK is asking the Commission to look again at this because of the negative impact it will have on some UK ports and airports, but until a reply is received, we have to apply the UCC legislation to any new applications a for Temporary Storage authorisation.

The following scenarios set out when Exclusively Operated is met and when it falls foul of the legislation.

#### Scenarios where Exclusively Operated is met:

- 1) Where the approval holder operates the facility himself and may employ others to carry out some operations such as stacking, logistical control, domestics etc.
- 2) Where a temporary authorisation holder sublets or leases the whole facility but employs one of their own staff to oversee the operation, it is considered that this scenario is covered by the legislation because, effectively, the facility is being operated by the holder of the authorisation.

#### Scenarios where Exclusively Operated is NOT met:

1. Where the (air)port authorisation holder holds one temporary authorisation for various sheds on that particular (air)port but they are operated by third parties, the legislation cannot cover this scenario because the holder of the authorisation is not the operator.
2. Where a temporary authorisation holder holds a contract with a third party to operate the shed alone, this scenario is not covered by the legislation because the holder of the authorisation is not operating the facility.
2. Where a temporary authorisation holder sublets and shares their facility with a third party, both operating separately but out of the same facility and under one authorisation number, the legislation cannot cover this scenario because “exclusively” means not divided or shared with others and not accompanied by others.