

Minutes of the JCCC Duty Liability Sub-Group meeting

Date of Meeting: Friday 16 June 2017

Location: Room 15/17.18 Alexander House Southend on Sea.

Attendees:

Lorenzo Rossetti (LR)
Gavin Roberts (GR)
Michael Alexander (MA)
Ian Worth (IW)
Walter Anzer (WA)
Corinne Nabavi (CN)
Barbara Scott (BS)
Robert Windsor (RW)
Pawell Jarza (PJ)
Howard Levene (HL)
Gordon Tutt (GT)
Arne Mielken (AM)
Ian Worth (IW)
Ronnie Bennett (RB)
Sarah Bell (SB)

Valerie Smith (VS) (*Chair*)
Lisa Cureton-Burgess (LCB) (*Minutes*)
John Mitchell (JM)
Robert Oxlade (RO)
Steve Lamprell (SL)
Aaron Dunn (AD)
Beth Earwicker (BE)
David Knight (DK)

Apologies:

Apologies were received in advance from,

John Carlin
Keith Aldred
Emma Ormond
Andy Miller
Bob Ellison

Previous minutes – Action points

The minutes of the previous meeting of October 16 were agreed.

Action Points:

AP no.	Action Raised	Action Taken	Owner	Status
Valuation	To speak to colleagues regarding jobbing off	Note sent out to all members	JM	Discharged
Origin	Update on Vietnam and India agreement	ongoing	SL	ongoing
REX	Update members on REX	Discharged (presentation circulated)	SL	Discharged

Brexit

AD delivered a slide presentation to the group and a general discussion followed. He advised the group that it is too soon for HMRC to be able to provide answers to specific questions that the group may have. He said that internal preparatory work is ongoing but is not yet ready for release to the trade. Questions about administrative arrangements and the impact of future trade deals are a matter for DIT and HMT and will be subject to future negotiations.

VS shared the early working assumption about the UK Tariff goods schedule on EU Exit reminding the group that the UK is a signatory of the World Customs Organisation's Harmonised System Convention. As a result the first six digits of the UK commodity code will remain the HS6. The working assumption is that digits 7 to 10 (for imports) will be familiar too!

Tariff

VS gave a brief update on development of the Tariff aspects of the Customs Declaration Services Programme (CDS). She said that the new tariff data file is not yet ready for release. However, a proof of concept document is available. Members of the group queried if a duty calculator look up facility was going to be provided, **VS** said that the CDS priority was to implement a duty calculator to support the Declaration Management System (DMS). The new Tariff Component included a duty calculator and user interface which could be made available for trade users. However the user interface needs work to make it user friendly. This work is planned but must be less of a priority than the DMS duty calculator.

Valuation

JM provided an update on recent policy developments in the Valuation area. He advised the group that following Union Customs Code implementation, Customs Expert Group meetings in Brussels have reduced from 5 to 3 per year. Also, that they now tend to focus on technical questions. Perhaps, unsurprising as the legislation beds in. The EU Valuation guidance has been issued. The guidance addresses the UK questions raised and some of the example diagrams provided by trade members of this group have made it into the guidance. **JM** invited members to carry on sharing questions with him and he will pass them on to the Commission.

BS asked if there was an update on Royalties? **JM** said that the position had not changed.

CPC Changes

GT Expressed concern that once again the publication of recent changes to CPCs are likely to cause a serious problem for the Software Suppliers who need to identify easily where the changes occur and adjust their systems and the logic built into their systems accordingly. He thanked HMRC for the work that they do but asked Is there any means or method by which the changes can be better highlighted?

VS responded saying that Mark Grace had been given new role which includes improving the coordination of Tariff Volume 3 changes. Mark will work to ensure this information is distributed to the correct people in good time. Do let him know if there are any concerns.

Origin

SL provided a general update on developments in the Origin area. Amongst other things he advised the group that the new REX (Registered Export) scheme was going well. Preparations for the EU trade agreement with Canada (CETA) were going well. The Tariff Management Team were as ready as they could be for implementation although the entry into force date remains unclear. The latest date has been given as 1 July although given previous dates have slipped, there is no guarantee and this date may change! A CIP has been published which will explain timescales and will include links to check if countries are registered etc.

AP SL to check the latest position re India.

AP SL to update slide pack to add Vietnam.

WA enquired as to the preferential status on goods originating from Western Sahara. **SL** responded that if the goods are coming from WS they should be entered using the appropriate country code (EH) which is not entitled to preference. Imports from Morocco accompanied by a valid preference certificate should be entered under country code MA and are entitled to preference.

GR asked if we could have a regular ADD update at each JCCC DL meeting regarding current issues that may be under discussion. **SL** said that HMRC do not attend EU trade remedies meetings as these are trade policy meetings. DIT (Department International Trade) attend those meetings for the UK. HMRC can comment on administrative matters

AP SL ADD update for JCCC DL meeting going forward. This will focus on HMRC administrative issues.

Classification

BE asked if any members had any questions regarding the Classification sector reports circulated at the meeting? Further updates on the pencil toppers, gopro`s and item 1,9,11,15,17 and 23 were requested . **AP BE to provide update, discharged below**

1. Classification of 3D printers
Discussions about how to classify these products are still ongoing.

9. Classification of a laminated textile fabric for making jackets
Questions asked about what is meant by the 'naked eye test'.
Subject to any reservation the potential classification going forward is currently 5903.20.

11. Classification of unassembled bicycle parts
3 products imported with various components of unassembled bicycle parts.
Question - What needs to be included to be considered more than 87.14 and to be 87.12
Subject to any reservation the classification going forward for all 3 products is 87.12.

15. Classification of a cover made of plastics designed for smartphones
Discussions are still ongoing about how to correctly classify these products.

17. Classification of parts of a shower set put up in the same packaging for retail sale
Should it be classified to the constituent material or to the valve?
Subject to any reservation the classification going forward is currently 3924.90

23. Possible amendments to the Explanatory Notes to headings 21.06 and 30.04 in regard to food supplements
Due to the lack of time this was postponed until the next meeting

Descriptions of 9, 11 & 17 can be found on the WCO website under 'Classification Rulings – HS Committee 59th Session'

Gopo

Ruling by the Court of Justice of the EU. GROFA GmbH (Joined Cases C-435/15 & C-666/15), Classification of Go-pro Hero cameras. The Commission is currently continuing to consider the scope of the judgment, and we await their conclusions.

BTI Seminar

BE gave members an update on the recent EU BTI seminar she had attended in Brussels. She said that the new EU BTI guidance has now been published. Group members should note that the BTI holder is now entitled to a 'Right To Be Heard' in the event of a potential adverse decision such as revocation. She also advised the group that the BTI application and decision form templates will change on 01/10/17. Guidance will be issued in advance. She invited members to contact her if they have any feedback on the new forms.

AOB

None

Meeting closed 14:15

Next Meeting:

13 Sept 17 Southend on Sea

Reference	Action Point(s)	Owner
Origin	Update on India and Vietnam	SL
Origin	to update slide pack to add Vietnam agreement	SL
Origin	To provide ADD administration issue update for JCCC DL meeting going forward.	SL