

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

Date of Meeting: 18 January 2018

Location: Alexander House Southend

1. Introductions
2. Minutes
3. Action Points
4. EU Exit Update
5. Payment Processing
6. NILPs
7. End Use
8. HMRC Office Moves
9. Resourcing
10. Any Other Business

## Annexes

### A – List of attendees

#### 1. Introductions

The meeting was chaired by KS

The Chairman welcomed members.

#### 2. Minutes

The minutes of the last meeting were agreed.

#### 3. Action Points

An update was given on ongoing Action Points

**AP10 - 20.04.17 - JMcC to look at CCG guidelines regarding reference amounts. Put suggestion forward how to calculate reference amount for comprehensive guarantee for temporary storage. DB Transit does not give value assurance regarding guarantee. AM Carriers from member states, temporary storage / warehouse process, will feed back to JMcC and update on next meeting.**

A paper from AM has been received.

**AP15 - 25.08.17 - CW to co-ordinate meeting around new approvals software. GT to report to KS with responses from Ruth. DB further update on whether there is a standard test package for exports.**

KS updated a meeting with Software Developers will take place in January 2018. The meeting will walkthrough new UCC/CDS declaration completion rules. KS said Developers



are also offering sessions to JCCC members. KS explained completion of the standard test pack is dependent on finalisation of the new UCC/CDS tariff and a meeting is planned for March 2018. GJ commented meetings need to be set up further in advance, in order to give people enough time to make sure they are free to attend.

Whilst this AP was discharged, LR queried standardisation of IT processes around approvals for Special Procedures and AEO. BS added there was a discussion about potential authorisation workshops at the November JCCC. CD asked the meeting if they felt there is a need for a new working group. LR explained difficulties with the authorisation process for special procedures, AEO, & CSFP. GJ added a recent application was rejected due to an address not matching.

A new AP was taken to arrange an authorisations meeting between HMRC and industry address industry concerns about service delivery.

**NEW AP18 – HMRC (KS) to arrange an authorisations meeting, to be led by Chris Jones, between trade and central sites,**

**AP16 - 25.08.17 - JC to send out education plan form of words to KS. JC to send links of work done to include in minutes.**

The education plan was circulated to members prior to the meeting. There were no further comments and the AP was discharged.

All other action points from the last meeting were discharged.

#### **4. EU Exit Update**

HMRC gave an update on EU Exit work to date.

#### **5. Payment Processing**

KS introduced Mark Ellis (ME) from the CDS project. ME gave a presentation on changes to Payment Processing as a result of CDS

Industry members asked whether they could continue to exceed their Duty Deferment (DD) accounts as they do today. ME replied that CDS will bring changes, some of which are still subject to agreement, but that the general principle is that trade must manage their DD accounts properly and ensure funds are available to meet liabilities. ME continued we are introducing new flexibilities to enable interim payments to be made. However, continued inability to operate an account properly could ultimately lead to the ability to operate simplified procedures (and submit supplementary declarations) being withdrawn.

ME summarised further detail will be added as the CDS product continues its development. If members have any further questions these should go directly to: [declarationservices.customs@hmrc.gsi.gov.uk](mailto:declarationservices.customs@hmrc.gsi.gov.uk)

#### **6. NILPs**

KS updated in July we said that the draft letter to customs approved locations was awaiting sign-off. The original plans were made before the EU Exit Referendum. In the context of ongoing EU Exit negotiations, HMRC does not want to introduce a separate change that it cannot properly support, or set a deadline that it does not think is achievable. Within the Border Systems Programme, we are working with a number of



priority locations to develop manageable plans that support a number of planning scenarios for Day 1 of EU Exit. Full inventory linking of all customs approved locations remains our aim. We intend taking a prioritised approach to the implementation of the change.

## 7. End Use

### 7.1 Aircraft

BS updated following a discussion at the Special Procedures Expert Group meeting in Brussels about the changes in Civil Aircraft. BS asked whether there was anything else outside what was in the CIP(33) that has changed and be of interest to businesses. TF said no. BS said CIP 33 clarifies some issues but generated lots of queries. BS also asked whether the five CPCs imply that the goods will be duty free, not subject to any further restriction. TF confirmed that the stipulated CPCs in CIP(33) are duty free and the Commission abolished the requirements for civil aircraft under End-Use in order to reduce administrative burden. However, there are two elements to this changes, civil aircrafts need to be registered on the Civil Aircraft Register and declared to free circulation.

GJ felt further clarification is needed around aircraft.

BS said that things are changing and it sounds too good to be true, so would be good to clarify.

### 7.2 End Use

TF introduced herself as HMRC lead on Special Procedures, TF informed the audience that following discussion in the Special Procedures Expert Group, the Commission reviewed the guidance on End-Use and clarified the process as follow:

- Assignment of goods to the prescribed use must take place within the Customs territory of the Union.
- Anything outside the Customs Union is classified as an export.
- If the process is within the Customs Territory, there is no export.

LR explained about clients importing, processing and sending offshore who are under the impression they now need to introduce Customs Warehousing.

DB said anything staying within territorial waters is still in the Customs Territory and is not an export. DB explained the message has been given to large businesses where it is generating a lot of discussion. Meetings are being booked in Aberdeen area, so dialogue is happening.

LR noted that a number of operators don't always know if goods will be delivered within the 12 nautical mile limit, so don't know if it is Inward Processing or Customs Warehousing.

DB said an End Use authorisation may be needed.

LR asked if there can be an extension to the 31 July time limit.

LR said the initial wording in the CIP makes a lot of sense.

BS said she has other questions, but will come back to TF outside of this meeting.

**AP19 – Industry (BS) to contact TF about her remaining issues around End-Use**



### **CIP(33) questions from businesses.**

TF explained the function of the Customs Special Procedures team. The team deals with complex policy questions, so if Industry feel guidance isn't clear, then that this is where to direct queries. The team are also happy to raise UCC legislation questions at the SPEG in Brussels on behalf of businesses. For queries relating to particular businesses, this will need to go to the National Advice Service and ultimately to the Unit of Expertise.

### **8. HMRC Office Moves**

KS gave an update on HMRC's transformation programme:

#### **HMRC**

- Is modernising and moving to Regional Centres.
- Key focus, as with any big change programme, is on staff and customers.

#### **Industry**

- Concerned about losing expertise and key contacts.

#### **HMRC**

- Succession planning is ongoing in Customs so that expertise is retained.

### **9. Resourcing**

- Customs is continuing to expand its policy team.
- Under HMRC's Transformation Programme, some functions have already moved to London.
- Currently establishing London branch of Import/Export team headed by MW.
- A lot of the work will continue in Southend for a time.
- Industry should not notice a difference, apart from some new names.

KS summarised updates will continue as the Transformation Programme develops.

## 10. Any Other Business:

### 10.1 CIP 32

BS queried whether CIP 32 covers Deferment and SIVA? AH replied under the UCC Deferment is out of scope. A Deferment Account pre UCC will continue. SIVA falls under the usual monitoring and checking. Deferment and SIVA will be reviewed in the future to ensure they continue to meet standards. BS asked if Industry will be asked to re-apply? AH replied HMRC is not aware of any plan for that under SIVA.

#### Date of next meeting:

The date of the next meeting will be **24 April 2018**

Summary of New Action Points	
AP18	HMRC (KS) to arrange an authorisations meeting, to be led by Chris Jones, between trade and central sites,
AP19	Industry (BS) to contact TF about her remaining issues around End-Use CIP(33) questions from businesses.

## Annex A – List of Attendees January 2018

### Chair

Kevin Snow (KS) – HMRC

### Secretariat

Deborah Hill (DHil) – HMRC

Jim Leigh (JLe) – HMRC

### Outside Organisation attendees

Airline Operators Committee for Cargo UK (AOCC) – Sarah Bell (SB)  
Association of International Courier and Express Services (AICES) – Graham Joyce (GJ)  
Boots UK Ltd – Karen Coventry (KC)  
CCS-UK – Mark Bellis (MBe)  
CCS-UK – Adrian Gunn (AG)  
Customs Practitioners Group (CPG) – Barbara Scott (BS)  
Export Group for Aerospace, Defence and Dual-Use – Gary Charles (GC)  
Grosvenor – Lorenzo Rossetti (LR)  
Seafish – Ivan Bartolo (IB)  
Society of Motor Manufacturers & Traders (SMMT) – Howard Levene (HL)  
Unipart – Don Makepeace (DM)

### HMRC attendees

Hazel Batter (HB)

Darren Bradbury (DB)



Colin Davis (CD)  
Mark Ellis (ME)  
Philippa Evans (PE)  
Tinu Fagbayi (TF)  
Andrea Head (AH)  
Mike Walton (MW)

### **Apologies**

Acushnet Europe Limited – Mark Emerson (MEem)  
Adidas Group – Samantha Gartside (SG)  
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)  
British International Freight Association (BIFA) – Pawel Jarza (PJ)  
Crossflight Ltd – James Kelly (JK)  
Dnata – Lawrence Cockburn (LC)  
Dnata – Gary Morgan (GM)  
Food & Drink Federation – Gavin Roberts (GR)  
Felixstowe Dock & Railway Company (FDRC) – Rob Kirk (RK)  
Global Customs Compliance Limited – James Lenaghan (JL)  
Institute of Chartered Shipbrokers – Robert Hill (RH)  
Mail Carriers Association (MCA) – Nicholas Street (NS)  
Maritime Cargo Processing (MCP) – Alan Long (AL)  
Orange – Bob Ellison (BE)  
Pentant – Mark Phippen (MP)  
Road Haulage Association – Duncan Buchanan (DB)  
Scotch Whisky Association – Siobhan MacLennan (SMa)  
Velta International Ltd – Alonso Mrabety (Amr)

### **HMRC**

Joanne Cheetham (JC)  
Cathryn Collins (CC)  
Kerry Fairless (KF)  
Lynne Goodwin (LG)  
Alison Heeney (AHee)  
Tessa Robins (TR)  
Caroline Wilkins (CW)  
Martin Lowe (ML)

### **BF**

David Huke (DHu)