



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

Date of Meeting: 24 July 2018

Location: Euston Tower, London

## 1. Introductions

The Meeting was chaired by Tinu Fagbayi (TF). A list of attendees and apologies is at Annex A.

## 2. Sign off last minutes

The minutes from the last meeting were agreed.

## 3. Outstanding Action Points from 24 April 2018 meeting

### **AP20 - HMRC to circulate new TOR ahead of the next meeting for comment and discussion at the next meeting**

TF proposed this be discussed at Agenda item 4.

### **AP21 - Trade to disseminate AM's proposal paper on CCG reference amounts for temporary storage as widely as possible. If trade have any queries, then they should get in touch with HMRC**

TF checked if any queries from trade on this. Nothing raised. AP closed.

### **AP22 - HRMC (CJ) to provide feedback on progress of action points from authorisations**

TF suggested that we also include Barbara Scott's (BS) agenda item around new HMRC initiatives for improved approval process at this point. Chris Jones (CJ) unable to attend meeting, but TF read out an update on authorisations process from him explaining that:

- There are two new site leads in place at Leeds and Nottingham
- Further authorisation site set up at Bradford
- Work between the sites and Leeds and Nottingham is being undertaken to produce a standard simplified triage process for all authorisation applications
- Ultimate plan is to have a single authorisation site, but exact location not yet decided
- Changes have been made to the management teams to bring in more operational experience, which allows HMRC to map our processes and introduce improvements
- The recruitment of new operational managers is focusing the sites on the needs of the customer and trying to change the way applications are dealt with.

No queries from this update. AP closed.



**AP23 - HMRC to arrange e-commerce workshop session for first part of July 2018  
CP&P sub-group meeting**

TF explained this meeting was postponed and replaced by an update under agenda item 5.  
AP closed.

**AP24 - Trade to feedback, via Secretariat, if not happy with proposal that ongoing  
Transit Group not brought under the overall JCCC umbrella. Trade also to let  
Secretariat know if wish to be involved in future Transit Group meetings**

John Evans (JE) explained that he had received feedback that the group is useful, but that it doesn't need to be done on formal HMRC group basis. He is happy to keep sending updates to the distribution list. He asked that if anyone has an interest in attending future sessions, they should let us know at [enquiries.importexport&transit@hmrc.gsi.gov.uk](mailto:enquiries.importexport&transit@hmrc.gsi.gov.uk). Gordon Tutt (GT) agreed that they had had a good discussion at the last group and he is happy to raise issues in that forum. AP closed.

**AP25 - Trade to let HMRC (JH) know what they would like education/training on and  
what format they would like it take. Trade to also let JH know of any specific  
examples of gap in knowledge, including any incidences where they feel an individual  
officer may need more education**

Jane Hassan (JH) stated that she's not heard from anyone since the last meeting in that respect, but continues to liaise with individuals. Peter MacSwiney (PMac) informed that they have someone from HMRC CDS project arranged to talk to trade, so that everyone shares the same mechanism. AP closed.

**AP26 - HMRC (CJ) to communicate to trade what is happening with timings on  
authorisations process**

TF suggested including BS' other agenda item here. BS clarified that she has heard cases of there being a 3-month delay when businesses have an authorisation and want an amendment to it. TF gave update from CJ that they are working to 30 days deadline now. BS asking for clarification whether that is 30 working days or 30 calendar days?

NEW AP29 – HMRC (CJ) to confirm to BS whether this deadline is 30 working days or 30 calendar days.

Post meeting update: This has now been confirmed by CJ as 30 calendar days. AP closed.

**AP27 - HMRC (JE) to look into producing a CIP for updated regulations on suspension  
of duties for aircraft airworthiness**

JE stated that his team are refreshing guidance on gov.uk to set out the correct position on this. AP carried over for update at next meeting.



**AP28 - HMRC (KS) to forward Medical Health Regulation Authority request email to DHu who will source relevant person**

Ian Tucker (IT) updated that David Huke will continue to liaise with KS on this. AP closed.

**4. Agreement of updated TORs**

TF advised that the proposed TORs were circulated with the agenda, and asked if anyone had any comments? Nothing raised, so TORs accepted.

**5. WCO E-commerce group update**

Colin Davis (CD) explained the WCO are developing a framework of standards for e-commerce. The Framework was finalised and agreed in the April meeting but further work is continuing with the annexes. Carol Ashbrook is representing the UK in the group looking at the data annex, and is liaising with Border Force to present a common UK position. HMRC and BF are working with trusted traders to obtain voluntary access to trade data and are seeking to use the group to define what commercial data may be useful. The original intention was for the standard and annexes to be published in June 2018, but due to the complexity and volume of work the Policy Commission have agreed an extension of a year to enable further work to be done.

Andy Miller (AM) asked if we are looking at introducing a new customs regime, but CD confirmed that we don't see e-commerce as a separate customs regime, just a means of moving goods across international boundaries, albeit with distinct features such as high volumes, speed and significant B2C trade. All the risks that apply to customs across the board also apply to e-commerce. Judith Gregory (JG) asked for reassurance that if trade share data voluntarily then they won't be penalised if something is wrong. CD mentioned this has been raised by trade as a concern but cooperation is a key feature of the trusted trader concept. Siobhan MacLennan (SMac) wanted to ensure excise is also part of this conversation. CD confirmed that Customs are engaging with colleagues in Indirect Tax Policy.

**6. Seizure of Chinese goods on import**

HL raised issue of the current focus on seizing mostly Chinese goods on import, and how genuine importers can stop this from happening.

JH provided an update on the specifically targeted exercise that started last year, explaining that this is now business as usual, and also that HMRC had found no evidence of legitimate importers in the containers they had seized. Although trade are supportive of the exercise, there were also concerns raised around delays, shipping companies not getting their containers back and the lack of visibility around allocation of seized containers. JH explained that:

- Turnaround time has dropped considerably since the exercise started and, with the addition of more sites and more resource going forward, it will continue to drop further. However, businesses can't just assume that their goods won't be stopped at Customs
- Currently due to legal constraints, HMRC can't communicate directly with shipping agents, only with the declarant



- HMRC are looking at best way of making the status of goods more visible to traders.

## **7. Acceptance of applications**

Lorenzo Rossetti (LR) and PMac had raised issues around acceptance of authorisations which TF read out to the attendees. Key concerns are around:

- Law not stating that end-to-end systems must be in place prior to the authorisation being issued – what information do HMRC need to satisfy themselves that an application is valid?
- The length of time it is taking for an application to be accepted
- A recent CIP provided a list of software suppliers, was this an endorsement?

Tessa Robins (TR) stated that HMRC want to make it as easy as possible for businesses to access facilitations and authorisations. HMRC accepts that a trader may not be operational before the officer comes out to visit, but HMRC need to be confident that the business can effectively operate the procedure they are applying for. She continued that, if a business does not have adequate systems in place when an officer goes out for a visit, then HMRC cannot authorise that business.

Chris Ashworth (CA) asked for some clarity around HMRC's process of auditing the software. Darren Bradbury (DB) stated the audit should not focus on auditing the software but on how the system interfaces with the business. HMRC officers should be conducting tests that establish that, by the time the data drops into your software package, it is still accurate and can be recognised by CHIEF as a customs declaration.

GT had issues around a trader needing to have software integrated prior to an application being made, as this is not the case elsewhere in Europe. BS added her support for what GT said, adding that this is an issue for businesses wishing to expand. GT also expressed concern that several applications are being held up. DB said that there are situations with Large Business where they receive a fully completed application, but then officers turn up to do an audit and there is nothing to test. CA asked for some clear direction and specifics around what businesses are expected to demonstrate when the officer undertakes the premises visit. TR proposed a separate smaller meeting to discuss requirements at premises visits and ensuring consistency in approach to authorisation visits.

NEW AP30 – Applications meeting to be arranged by HMRC. Please let Secretariat know asap if you are interested in attending as limited number of spaces available.

## **8. AEO authorisations / Notice of Presentation**

BS requested clarification around AEO authorisations – previously in order to use EIDR without having to pre-notify, a trader had to be AEO authorised, but have since been told this isn't the case, the trader only needs to be AEOC level, because that is what is needed for other authorisations.

JE responded by saying that you definitely need AEO to get the Notice of Presentation waiver, but HMRC are considering other details about the legal requirement to present goods. HMRC will communicate a definitive position in due course.



## 9. Repayment claims

BS asked why repayments are taking so long. Lyn Norton (LN) responded by saying she had investigated this question by speaking to the Operations team and can confirm that it is currently taking 29 days to process repayment claims, and the team are expecting to bring this down to 27 days by the end of the month. If BS has any specific cases, then she should email details to [lyn.norton@hmrc.gsi.gov.uk](mailto:lyn.norton@hmrc.gsi.gov.uk) and LN will look into it to see what has gone wrong. TR added that there were resourcing issues at the start of year, but those have now been addressed. BS responded positively to this, and checked that 29 days relates to 29 calendar days, rather than working days? LN confirmed yes, 29 calendar days.

Post meeting update: Repayment post is currently being turned around in 25 working days.

## 10. Changes to procedures for Post Import Entry Amendments

Karen Coventry (KC) had raised an item around changes to procedures for Post Import Entry Amendments. DB addressed issue by responding that they realised that because all claims for Large Business went to a tax specialist, this was adding an additional layer. A decision was therefore made to streamline things so that now every business in UK follows same process, all documentation to NDRC. Mark Emerson (ME) mentioned that NDRC seem to be inexperienced in this area, it's taking a long time to get through, and suggested some training. DB said that he will look into operational issues and provide feedback at next meeting on this. If there are any specific issues that trade have, then they should make HMRC aware via the Secretariat, and DB will look into this. PMac asked how this is going to work under CDS? JG added that trade are asking if any amendments can be done electronically in CDS? TR said we will also take an AP to look into this.

NEW AP31 – HMRC (DB) to provide feedback on how this new system is working

NEW AP32 – HMRC (LN) to look into how post entry import amendments will work under CDS.

Post meeting update re AP32: In the initial phases of CDS the repayment process will be almost the same as now, form C285 will still be required and this will need to be submitted to the National Clearance Hub (the National Duty Repayment Team) for processing. The longer term process has not yet been worked through but is more likely to be automated.

## 11. Availability and support of EDCS and EMCS

GT raised an issue around EDCS and EMCS, when the systems are down it has a major impact on a number of High Street brands. It's onerous for trade to have to go to paper fall-back declarations. He is concerned that HMRC don't have the ability to manage these systems.

JE responded that there often routine technical changes within HMRC systems that are not intended to impact the trade. Changes to HMRCs IT security systems recently had an impact on trade and we apologise for the inconvenience. HMRC understands trade desire for effective fall-back, but are often limited by EU legal requirements. Colleagues in Live



Services have received input from trade and will consider ways of improving recovery time. GT raised the point that trade are contacting helpdesks because trade go onto gov.uk and see a 'no problems with service' message so assume the issue is with the software, but it's the server that is to blame. JE recognised that the way we communicate to trade can definitely be improved. TF added that we will highlight this to the Live Services team. PMac also added that, on positive note, EDCS is due to go through an overhaul as part of the CHIEF upgrade, so should be more reliable. SMac raised an issue around compliance when EDCS doesn't work properly. She asked that there is some leniency on trade on those occasions, because trade trusts that the systems will work. JE advised that, whilst HMRC systems may be set up to verify data and reduce errors, this does not make HMRC responsible for the accuracy of information provided by trade. TR suggested that SMac put something formally in writing via the Secretariat for HMRC to look into.

NEW AP33 – HMRC (Denise Williams) to provide update for next meeting on developments within this area

NEW AP34 – Trade (SMac) to put any concerns around compliance and EDCS not working properly in writing, so that HMRC can address her issues.

## **12. Proposed changes to the STC**

AM's initial concern was around HMRC not making comments on EU position around proposed changes to STC. However, at last Tuesday's meeting a number of Member States were supporting the retention of the existing condition, and Philla Evans from HMRC was vocal in that, so AM pleased to see that. JE suggested this issue has not been resolved and more is expected from the Commission.

## **13. Update on ETD**

AM asked if any update on ETD from a UK perspective.

JE explained that the ETD procedures had now come into effect. The UK were content that all applications had been approved and the procedure is working. If there was a lack of consistency within the MS, HMRC could approach the Commission for clarity. AM advised the trade did not require support at the moment, as no penalties or sanctions currently being issued. AM also asked for it to be noted that JE's team have been very helpful with a number of applications, assisting trade in a short amount of time.

## **14. Update on transit**

AM also asked if any update on transit, particularly around HS codes.

JE said that the Commission are keen to bring it in, still discussions happening around when HS codes are required and when exemptions apply. Not likely to go any lower than 6 digit HS codes which will be mandatory at item level in transit, but suspects it may get caught up with changes that are being made to the DA. PMac asked what the Day 1 No Deal situation is in CDS. JE replied that HMRC are committed to controlling importation without jeopardising the flow of trade traffic. HMRC may build on the Day-1 arrangements after exit.





## 15. AOB

BS asked if Customs Warehousing approvals are due to be in place by the end of May. TF replied that HMRC have sent out letters to trade, and we are now receiving questionnaires back. DB added that operationally they are now performing the formal reassessment decisions which will be managed on a staggered structured process approach. HMRC would encourage businesses to respond if not yet done so, not leave it all until next May. He also stated that those businesses that have an open ended authorisation will need a CCG too, so they should apply for that sooner rather than later. MEm queried if they still need this if they are AEO. DB confirmed that they will still have to apply for CCG, but if they are AEO they will get a waiver. CA commented that there was a disjoint between CCG applications and authorisations departments. TF asked that CA send through any specific examples of this to Secretariat so that the matter can be looked into.

NEW AP35 – CA to send any specific examples through to Secretariat around disjoint between CCG applications and authorisations departments, so that CCG team can look into this.

Next meeting will be **30 October 2018 – 10am, Alexander House, Southend, Essex**

Action Points carried forward	
AP27	HMRC (JE) to look into producing a CIP for updated regulations on suspension of duties for aircraft airworthiness
New Action Points	
AP29	HMRC (CJ) to confirm to BS whether deadline for authorisations amendments is 30 working days or 30 calendar days. Note: This has now been confirmed by CJ as 30 calendar days. AP closed.
AP30	Applications meeting to be arranged by HMRC. Please let Secretariat know if you are interested in attending.
AP31	HMRC (DE) to provide feedback on how new system of post import entry amendments is working
AP32	HMRC (LN) to look into how post entry important amendments will work under CDS. Note: Update provided in text above.
AP33	HMRC (Denise Williams) to provide update for next meeting on developments within EDCS and EMCS
AP34	Trade (SMac) to put any concerns around compliance and EDCS not working properly in writing to Secretariat, so that HMRC can address her issues
AP35	CA to send any specific examples through to Secretariat around disjoint between CCG applications and authorisations departments, so that CCG team can look into this.



## **Annex A – List of Attendees July 2018**

### **Chair**

Tinu Fagbayi (TF) - HMRC

### **Secretariat**

Deborah Hill (DHil) – HMRC

### **Outside organisation attendees**

Acushnet Europe Limited – Mark Emerson (MEem)  
Agency Sector Management (ASM) – Peter MacSwiney (PMac)  
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) – Judith Gregory (JG)  
Customs Practitioners Group (CPG) – Barbara Scott (BS)  
FDF – Gavin Roberts (GR)  
Grosvenor – Chris Ashworth (CA)  
IAG Cargo – Sarah Bell (SB)  
Institute of Chartered Shipbrokers – Robert Hill (RH)  
Mail Carriers Association – Lee Bucktrout (LB)  
Scotch Whisky Association – Siobhan MacLennan (SMac)  
Society of Motor Manufacturers & Traders (SMMT) – Howard Levene (HL)  
Velta International Ltd – Alonso Mrabety (AMr)

### **Guests**

DPD – Dave Yarnell  
DPD – Mandy Deakin-Snell

### **HMRC**

Andy Lord (AL)  
Colin Davis (CD)  
Darren Bradbury (DB)  
David Peters (DP)  
Jane Hassan (JH)  
Jane McCain (JMc)  
John Evans (JE)  
Lyn Norton (LN)  
Mike Walton (MW)  
Mohammed Aqueel (MA)  
Rachel Ademosu (RA)  
Tessa Robins (TR)

### **Other Government Departments**

Border Force – Ian Tucker (IT)

## **Apologies received for 24 July 2018 meeting**

### **Outside organisations**

Adidas Group - Samantha Gartside (SG)  
AICES - Adrian Robson (AR)  
Boots – Karen Coventry (KC)  
British Ship Suppliers Association - Arne Mielken (ArM)  
Chartered Institute of Taxation - John Carlin (JC)





## HM Revenue & Customs

Crossflight – James Kelly (JK)  
Descartes Systems Group - Howard Marsh (HM)  
Descartes Systems Group - Martin Meacock (MM)  
Dnata - Lawrence Cockburn (LC)  
Export Group for Aerospace, Defence and Dual-Use – Gary Charles (GC)  
Felixstowe Dock & Railway Company - Rob Kirk (RK)  
Felixstowe Dock & Railway Company (FDRC) – Paul Davey (PD)  
Freight Transport Association - Alex Veitch (AV)  
Grosvenor - Lorenzo Rossetti (LR)  
Jabil - Ruth MacIver (RM)  
Mail Carriers Association – Nicholas Street (NS)  
Orange – Bob Ellison (BE)  
Road Haulage Association - Duncan Buchanan (DBu)  
Seafish - Ivan Bartolo (IB)  
Unipart - Don Makepeace (DM)

### **HMRC**

Hazel Batter (HB)  
Joanne Cheetham (JC)  
Cathryn Collins (CC)  
Philippa Evans (PE)  
Kerry Fairless (KF)  
Andrea Head (AH)  
Chris Jones (CJ)  
Jim Leigh (JL)  
Kevin Snow (KS)  
Caroline Wilkins (CW)

### **Other Government departments**

David Huke – Border Force (DHu)