



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

Date of Meeting: 30 October 2018

Location: Alexander House, Southend-on-Sea, Essex

1. Introductions

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

TF introduced new member, British Exporters Association (BEXA). Calvin Sherratt attended on behalf of his colleague, Sandra Strong.

TF also introduced Paul Carroll from Langdon Systems, who attended as a guest of Gordon Tutt.

TF reminded members that we cannot discuss Brexit issues within this sub-group. Any Brexit questions should be addressed to the Brexit sub-group.

2. Sign off Minutes and Action Points from 24 July 2018 meeting

The minutes from the last meeting were agreed.

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

JE updated that the CIP has been circulated to JCCC members and should be published in the next couple of days. LR queried the CIP saying that it is only a verbatim of what the Commission said, no interpretation in there. JE pointed out that the time to make comments is when the CIP is circulated to the JCCC members. BS stated that all fine from her point of view. AP closed.

AP29 – HMRC (CJ) to confirm to Barbara Scott whether deadline for authorisations amendments is 30 working days or 30 calendar days

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

Meeting took place in September 2018. Update provided at Agenda item 3. AP closed.



AP31 – HMRC (DB) to provide feedback on how new system of post import entry amendments is working

Feedback from trade at a previous JCCC meeting highlighted a concern around the amount of extra information trade are being asked to supply by NDRC and NCH. DB confirmed that he had spoken to operational colleagues who were surprised about this, as they don't routinely require significant amounts of extra information. If a trader is submitting applications for repayment covering hundreds or thousands of declarations, then it's not unreasonable to be asked for some supporting documents. Likewise, if a declaration has been invalidated then it's acceptable to request information around that.

Where there is an application for repayment involving a single, amended declaration then it should be expected that NDRC will require supporting documents. However, where a significant number of declarations are involved, the application for repayment should be accompanied by a spreadsheet, detailing the original declarations and the nature of the repayment (e.g. reclassification; retrospective claim to preference). NDRC will then request a selection of declarations and call for additional, supporting evidence.

These principles will also be applied (in general terms) for any application for repayment arising from an invalidation of an original Customs declaration. However, please note that these invalidation requests should also be agreed by the Supervising Office for the Customs Authorisation in question and that Office may undertake further checks before repayment can be authorised.

For amendments or adjustments of a non-monetary nature, the Non-Monetary Amendments Team in NCH will accept replacement declarations where submitted. However, they would not routinely call for additional supporting evidence where it is apparent from the correspondence as to the nature of the submission.

DB asked that if any members are getting pushback from central teams then they should inform the Secretariat, and HMRC will look into the issue. LN added that she is visiting the Repayments team in November, so will look at this issue as part of that visit. AP closed.

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

LN had looked into this prior to July 2018 meeting minutes being issued, and an update was provided in those minutes. AP closed.

AP33 – HMRC (DW) to provide update for next meeting on developments within EDCS and EMCS

JE read out update from DW, assuring that systems have been looked at and all now operating correctly. HMRC working closely with traders and software providers to limit the issues they encounter through support and guidance.

GT pointed out that when HMRC do a refresh or take the system down the user's identity is made null and void, and they then have to reinstate it. He said that he will talk to DW separately about this. AP closed.



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

SMac taking this up with Excise Policy at next industry meeting. AP closed.

AP35 – Trade (CAshw) to send any specific examples through to Secretariat around disjoint between CCG applications and authorisations departments, so that CCG team can look into this

TF stated that CAshw emailed her with a couple of cases and a response had been fed back on these. AP closed.

3. Feedback from September 2018 applications meeting

As a result of AP30, a meeting was held in September 2018 between HMRC and a small amount of traders to discuss how to improve the applications and authorisations process. BS felt it was a very positive meeting, both HMRC and trade came up with plans on how things can be moved forward. An update was provided on Action Points from this meeting.

a) HMRC (CJ) to update on progress of visits within ISBC

TF read out an update from CJ around site visits, stating that HMRC are going to trial booking the site visit when the application has been accepted by central site, which should enable the visit to take place much earlier in the 120 day cycle. HMRC are also looking at other ways of improving processes in this area with a view to reducing the 120 day timelines.

LR confirmed that they are starting to see that happen, but asked whether, when a trader withdraws, if they can go back in at the same point or if they have to start the process again?

MW replied that legally the process needs to start again and the timeline starts again, but if an officer has already done some of the work then that should speed up the process.

b) JE to update on best way forward for trade to apply for authorisations

JE stated that HMRC had considered comments from trade and would seek to apply the results of assurance activity as far as possible. Some of the tests are identical across procedures, so for example if a trader has done a guarantee waiver and it has proved that they are solvent then there is no need for HMRC to re-check that for AEO. JE explained there are sometimes challenges in linking up applications processed by different offices. Rather than changing official forms which can take significant time, HMRC will publishing a CIP advising trade how they can expedite their application by providing information on existing approvals on recent compliance visits.

MW added that this is the medium term plan, but there are also systems coming in which will speed things up in the future. HMRC are aware that the current application process for authorisations isn't perfect, but the process is being looked at to make it easier for everyone involved.

HL mentioned that this has also been addressed within the AEO working group, he trusts that information will be shared across the two groups.



JMc offered to ensure consistency of message between the two groups.

NEW AP36 – JMc to check AEO working groups minutes to ensure consistency between groups

PCa pointed out that the process in Netherlands is much quicker.

JE acknowledged that trade may see an advantage in delaying their re-authorisations applications in order to postpone transitioning to new rules. However, businesses should consider that there is likely to be a high volume of applications towards the end of the transitional period as a result and that there may be advantages to applying for re-approval earlier than is necessary.

c) GT to update group on feedback from main JCCC on Trade Information Paper

GT reiterated that the September 2018 applications meeting was very positive. One of the things that came out of the meeting was that it is clear that traders are often ill-prepared for the process of applying for authorisations. Trade felt that, although HMRC are able to provide CIPs, these don't often contain the sort of detail that a trader would like to see, so a proposal was made for trade members of the JCCC to provide some guidance for traders making applications, which would be endorsed by HMRC. This will be discussed at the trade meeting of the main JCCC in November.

NEW AP37 – GT to report back to at next meeting on outcomes from trade discussion around Trade Information Papers idea.

BS added that there is also a lot of work that HMRC need to do on their guidance, particularly around applications for procedures like Customs Warehousing and the its connection with all other approvals that are needed. TF replied that she is aware that Notice 3001 needs improvement and it is being worked on currently. JMc also mentioned that the AEO page on gov.uk has also just been updated, no changes to legislation in it though. Any feedback appreciated.

4. Update on reassessment of Customs Open Ended Authorisations

TF explained that HMRC have sent out questionnaires to all traders with authorisations granted under the CCC for them to let HMRC know if they still want to continue with their authorisations. Further attempts to contact traders who haven't replied have been made. Traders need to apply for CCG by 2 January 2019 to give HMRC enough time to process their application.

GT queried the necessity of having a CCG for those traders who already have a deferment account. He has mentioned this to AH and she stated that it is a requirement for the trader to also have a CCG. LN confirmed this, those that already have a procedure in place aren't being re-visited, but in terms of new applications, these will need to be supported by a CCG. TF added that HMRC are looking for publish a CIP on the terms of reassessment, and will be asking for trade's comments on this.



Post meeting update – full details are available by clicking the link below

<https://www.gov.uk/guidance/change-to-the-amendments-that-affect-your-ucc-authorisation-cip4>

BS stated that she is aware of two traders who stated that they haven't heard from HMRC on this matter. MW asked that she send details to the Secretariat, and he will ensure this is looked into.

HL asked whether CFSP traders need to apply for a CCG. LN confirmed that they do. MW added that HMRC have written to all CFSP traders informing them that they need a CCG. HMRC is willing to help traders get through the process, but this does require interaction from trade.

NEW AP38 – BS to send details of traders who believe they haven't been contacted to Secretariat for HMRC (MW) to look into

NEW AP39 – HMRC (TF/MW) to get CIP issued around reassessment as soon as possible

5. NOP and adjustment process with Closing Stock Customs Warehouse systems

LR raised a query around netting off stock adjustments, and how to balance off the Closing Stock Customs Warehouse System against the Duty Management System. Currently trade are making payments using the same procedures as are used to declare goods to free circulation and there has been talk of needing to replace this process with a more cumbersome paper exchange.

JE suggested it may be important to separate duty payments with demands issued to regularise discrepancies. Customs debts that result from irregularities may be subject to particular rules and HMRC would have to consider the issue in more detail. If the current process is deemed to be inappropriate HMRC will provide expedient digital solutions where at all possible, though it may be that law sets some requirements which must be observed.

MW added that it is something that needs to be taken away, discussed internally and a Policy decision made on it.

NEW AP40 – HMRC (JE/MW in conjunction with DB/CJ) to work out Policy decision on NOP and adjustment process with the different systems

6. Guarantees on authorisations by declaration

BS raised an issue around guarantees being required when a high value item e.g. a yacht, is brought in for IP. She asserted that the UK is not competitive, as not every Member State required the VAT to be guaranteed which makes it harder for UK repairers to win contracts. She asked if there is anything that HMRC can do to reduce the requirement.

RA replied that HMRC can't comment on how other Member States operate, but under the UCC there is a mandatory requirement for items to be guaranteed for any Special Procedure.



JE added that if there is an irregularity in how other Member States are treating trade and that is putting UK business at a disadvantage, then HMRC needs to ask the Commission about this.

NEW AP41 – HMRC (RA) to raise issue around guarantees on authorisations by declaration for high value items at next Brussels meeting in November

Post-meeting update: RA stated that the Commission has confirmed that the customs guarantee required shall cover the amount of import or export duty and the other charges due in connection with the import or export of goods under any authorisation (Authorisation by Declaration or Full authorisation).

7. AOB

a) Applying for a Special Procedure or AEO if not currently trading or trading very little outside of EU

TF read out issue raised by Sandra Strong from BEXA around clients who wish to apply for AEO or a Special Procedure, but have been advised that they can't apply yet because they don't have eligible trade.

JMc stated that all HMRC can say at this point is that clients need to get themselves into the best position to apply.

TF also reminded members of the Partnership Pack on gov.uk (see below) which may help to answer some of their questions.

<https://www.gov.uk/government/publications/partnership-pack-preparing-for-a-no-deal-eu-exit>

b) Inconsistency in approach by HMRC to issuing authorisations

This issue was also raised by BEXA. CS expanded on the point by stating that he has seen incidences where the answers provided by a client should never have been granted an authorisation, but they were given one, and likewise a questionnaire with similar responses was not granted the authorisation. MW responded that this feeds into the earlier discussion around what is happening with authorisations. He reassured that this is something HMRC will take away and look into and asked that CS give any examples to the Secretariat.

TF also read out a response that was provided on this question by CJ reassuring that the sites are trying to work together to ensure customers receive a consistent service from HMRC.

NEW AP42 – Trade (CS) to send any examples of inconsistent decisions given around authorisations to Secretariat. HMRC (CJ) to look into this issue

c) Update on AEO development and trusted trader

A request was made by BEXA for an update on developments in this area.



TF advised that there was an AEO working group meeting on 22 October and an update from this meeting will be provided in the agenda pack for the main JCCC group.

BS questioned the difference between AEO and Trusted Trader. HL added that this was discussed at the AEO working group meeting, and it was agreed that it would be raised at the main JCCC meeting in order to get a formal definition. MW stated that there is no formal definition of 'trusted trader', all traders with authorisations/approvals have a level of trust, with traders who have obtained the highest level of trust having been checked against all criteria HMRC have in place. The term 'trusted trader' is used more generally to describe these authorisations.

NEW AP43 – HMRC (DHil) to get update from main JCCC on AEO development

d) Allocation of funds to train trainers for customs declarations and upskill the 'intermediary' industry

This question was raised by BEXA, but CS stated that he has since been advised that there has been an allocation of funds provided.

CD confirmed the information given in recent press briefings that funds have been allocated by Treasury to support the development of the intermediary sector.

e) Movement of returnable packaging in Brexit scenario

A question around was raised by BEXA around the cost of doing customs entries, administering special procedures and paying duty for empty packaging which moves round the EU post Brexit.

TF advised that this group is unable to answer this question, as it is Brexit related.

JE reminded the group that HMRC's intention is to ensure that post exit legislation replicates the Union Customs Code.

f) Whether UK has been granted accession to the CTC

A question was raised by AM and read out by TF requesting an update on whether the UK has been granted accession to the CTC, and if it has, what the proposals are for presentations of TADs at the physical borders to Customs Office of Transit.

TF advised that, as this is Brexit related, this group cannot answer the question.

g) Update on Transit declarations

JE reminded the group that HMRC was improving the Transit system to be able to receive accurate reference amount information. The change is now expected to be available on all channels by 31 December 2018. HMRC will publish a CIP formally notifying trade of the change.

GT asked for confirmation that, if you use your harmonising code within the declaration, the mandatory value isn't required?



JE replied that the value of the goods is not mandatory in a transit declaration, but the trader does have to provide a reference amount that is equal to the duties and other taxes that may be due in any customs territory that the goods are moving through. The commodity code isn't a mandatory requirement under transit currently, but is expected to become so in the future.

h) Limit of 3 entries per annum on Simplified End-Use and Inward Processing CPCs

Question raised by RHin of ACITA asking for location of legal reference around the limit of 3 entries per year and item value of up to £½ million for Inward Processing and Simplified End-Use CPCs.

RA confirmed that there is no legal reference, it is a Policy decision as a measure to control how the facility is being used, and to differentiate between a full authorisation and a declaration by authorisation.

TF added that the details around the policy are set out in Notice 3001 on gov.uk.

i) CIP 10 (2018)

GT from AFSS queried whether CIP 10 (2018) will be re-issued in light of comments which have been made from a number of organisations challenging HMRC's interpretation.

JE explained that the Commission had made it clear that, if a declaration creates ongoing obligations (such as the need to provide a supplementary declaration or maintain special procedure conditions) the declaration must be made in the name of the person responsible for fulfilling those conditions. This means that all authorisations must be held by the same individual.

GT asked what the procedure is if someone wants to comment on the CIP.

JE said HMRC would consider any legal argument that trade would like to put forward and appreciated that trade would need to make adjustments in order to comply with the clarified position. If trade were having difficulties in managing the change they should discuss with appropriate Compliance Managers or could present arguments through the Secretariat.

j) Route 1 Clearances at NCH

Issue raised by AR from AICES around the amount of time it is taking for documentary checks in the maritime area. He stated that it is currently taking around 4 to 5 hours to clear, rather than 2 hours promised on the SLA.

CD responded that HMRC are aware that current performance of NCH is below SLA and an internal governance meeting last week considered actions to recover the position.

TF advised that HMRC will take this as an Action Point and get someone from NCH to reply on this issue.

NEW AP44 – HMRC (MW/JE) to get someone from NCH to reply to AR on the delays his members are experiencing



k) NOP data elements

LR advised that he had sent an email in via Secretariat asking for data elements, which has been replied to. However, he had some outstanding questions around these.

MW confirmed that his team is looking into these questions and will respond to LR, but cautioned that the answer will be based on what HMRC expect currently, and that may change when CDS comes in.

NEW AP45 – HMRC (MW) to respond to LR on data elements for NOP

Next meeting will be **29 January 2019 – Euston Tower, London**

A reminder for all non-HMRC visitors to Euston Tower that photo ID will be required at Reception

New Action Points	
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AP37	GT to report back to at next meeting on outcomes from trade discussion around Trade Information Papers idea
AP38	BS to send details of traders who believe they haven't been contacted to Secretariat for HMRC (MW) to look into
AP39	HMRC (TF/MW) to get CIP issued around reassessment as soon as possible
AP40	HMRC (JE/MW in conjunction with DB/CJ) to work out Policy decision on NOP and adjustment process with the different systems
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AP42	Trade (CS) to send any examples of inconsistent decisions given around authorisations to Secretariat. HMRC (CJ) to look into this issue
AP43	HMRC (DHil) to get update from main JCCC on AEO development
AP44	HMRC (MW/JE) to get someone from NCH to reply to AR on the delays his members are experiencing
AP45	HMRC (MW) to respond to LR on data elements for NOP

Annex A – List of Attendees October 2018

Chair

Tinu Fagbayi (TF) - HMRC

Secretariat

Deborah Hill (DHil) – HMRC

Outside organisation attendees

Association of Freight Software Suppliers (AFSS) – Gordon Tutt (GT)

Association of International Courier and Express Services (AICES) – Adrian Robson (AR)

Automated Customs & International Trade Association (ACITA) – Robert Hina (RHin)

British Exporters Association (BEXA) – Calvin Sherratt (CS)



HM Revenue & Customs

Boots UK Ltd – Karen Coventry (KC)
Customs Practitioners Group (CPG) – Barbara Scott (BS)
Export Group for Aerospace, Defence and Dual-Use – Gary Charles (GC)
Grosvenor – Lorenzo Rossetti (LR)
Mail Carriers Association – Lee Bucktrout (LB)
Pentant – Mark Phippen (MP)
Seafish – Ivan Bartolo (IB)
Society of Motor Manufacturers & Traders (SMMT) – Howard Levene (HL)
Velta International Ltd – Alonso Mrabety (AMr)

Guests

Langdon Systems – Paul Carroll (PCa)

HMRC

Afolake Johnson (AJ)
Andrew Kennedy (AK)
Colin Davis (CD)
Darren Bradbury (DB)
Jane Hassan (JH)
Jane McCain (JMc)
John Evans (JE)
Kehinde Famojuro (KFam)
Laura Dearnley (LD)
Lyn Norton (LN)
Tavan Hamarash (TH)
Mike Walton (MW)
Rachel Ademosu (RA)
Zeba Chowdhury (ZC)

Apologies received for 30 October 2018 meeting

Outside organisations

Asuchnet Europe Limited – Mark Emerson (MEEm)
Adidas Group - Samantha Gartside (SG)
Agency Sector Management (ASM) – Peter MacSwiney (PMacS)
Airline Operators Committee for Cargo UK (AOCC) – Andy Miller (AM)
British International Freight Association (BIFA) – Pawel Jarza (PJ)
British Ship Suppliers Association - Arne Mielken (ArM)
Descartes Systems Group - Martin Meacock (MM)
Dnata - Lawrence Cockburn (LC)
FDF – Gavin Roberts (GR)
Felixstowe Dock & Railway Company - Rob Kirk (RK)
IAG Cargo – Sarah Bell (SB)
Institute of Chartered Shipbuilders – Robert Hill (RH)
Jabil – Ruth MacIver (RM)
Mail Carriers Association (MCA) – Nicholas Street (NS)
Road Haulage Association - Duncan Buchanan (DBu)
Scotch Whisky Association – Siobhan MacLennan (SMac)
techUK – Craig Melson (CM)
Unipart - Don Makepeace (DM)
Zen Trade – Alison Zaremba (AZ)



HM Revenue
& Customs

HMRC

Mohammed Aqueel (MAq)
Carol Ashbrook (CA)
Hazel Batter (HB)
Cathryn Collins (CC)
Kerry Fairless (KF)
Chris Jones (CJ)
Tessa Robins (TR)
Kevin Snow (KS)

Other Government departments

Border Force – David Huke (DHu)
Border Force - Ian Tucker (IT)