

Minutes of the Joint Customs Consultative Committee

Date of Meeting: 4 March 2019

Location: Business Centre, Ruskin Square, Croydon

Agenda

1. Introductions and Apologies
2. Minutes, Matters Arising and Action Points
3. Improving the effectiveness of JCCC sub groups, update, governance and service standards
4. HMG and Business readiness for EU Exit
5. Break
6. Delivery of CDS: Update
7. HMRC Approach to trade facilitation
8. Any Other Business

1. Introductions

The meeting was chaired by Bill Williamson (BW), (Director of Customs (International)).

BW welcomed new members, introductions were made and BW opened the meeting.

2. Minutes, matters arising

2.1 Minutes November 2018

It was agreed to amend AP6 from the last meeting to “Industry (PMcS) to raise CDS contingencies at the next CDS Programme Board about the ability to make Customs Declarations in the UK, post EU Exit, and report back”

The minutes of the last meeting were then agreed.

2.2 Matters Arising and Action Points

All action points from the last meeting were discharged. Please see **Annexe B**.

Industry (RB) requested an update on the working group on ports and inventory linking. HMRC (TR) recommended this is brought back to the Customs Products and Processes sub-group for further discussion and update. BW agreed the Customs Future Vision sub-group should remain focussed on the future vision of the Customs-Trade Partnership and border management 2025 and beyond.

Industry (PMcS) thought CP&P is a good group to place most policy concerns,



although there may be a need for smaller working groups coming out of this group to keep this group manageable. It was noted a separate meeting will be held on Approved Depositories. TR confirmed this is sector specific and would not need full CP&P representation.

Given the changes to Customs over the last 12 months industry (HL and GR) asked for an updated organogram to be provided to the JCCC.

New AP1 HMRC (Secretariat) to provide an organogram of Customs and Borders Design.

In response to AP9, industry (PMcS) asked if HMRC are prepared to endorse the draft industry guidance and append to the notes. HMRC (CD) confirmed the preliminary draft document has been received from industry and agreed to report back after the content has been reviewed.

New AP2 HMRC (CD) to review and report back on publication of industry guidance.

In response to AP10 industry (BS) asked if ADR can be applied for in all situations? MA would like a list of cases when ADR is appropriate. CD responded use of ADR in customs is new so case history is not yet available but general principles are consistent with the use of ADR across HMRC and the guidance is on GOV.UK <https://www.gov.uk/guidance/tax-disputes-alternative-dispute-resolution-adr>.

In response to AP 7 Industry (MA) requested notes from the meeting between British Chambers of Commerce (BCC) and VAT colleagues on Postponed Accounting, Passengers and Parcels.

New AP3 HMRC (Secretariat) to obtain and circulate any notes from the meeting between VAT colleagues and BCC.

3. Improving the effectiveness of JCCC sub-groups: update, governance and service standards

Sub-group update

CD invited comments on the sub-groups following the update circulated with the agenda and at **Annexe C**. Industry (PMcS) reported they were content individual sub-group Chairs were not in attendance at this meeting but felt the updates could contain more detail for the benefit of the wider group. PMcS also reiterated the need for a stronger focus on delivery.

Industry (GT) expressed disappointment with the lack of progress of the Self-Assessment group and felt there was a missed opportunity for a pilot to test the concept as a Day 1 easement. GT explained the intensive industry work including providing process maps. TR added the Self Assessment Group is no longer under



Customs Products and Processes (CP&P) but this is an area which return to CP&P at a later date.

DH felt clarity is needed around where this group is going and what is meant by Self Assessment. HL felt the CORE data work is also relevant to this group. HMRC agreed to provide clarity around the definition of Self Assessment and how it fits in with the overall strategy.

AP4 HMRC (CD) to clarify definition of Self -Assessment and its links with the overall HMRC strategy.

Governance and Improvements

CD sought industry views on the current sub-group structure, adding the need for groups to continue to be fluid and adaptable to respond to changing needs. In particular CD said the EU exit group was originally set up as a dedicated group to discuss all EU exit issues in one place. However as we have moved closer to delivery discussions, particularly over the last quarter, have moved into many other sub-groups. CD requested industry views on how the JCCC should adapt the EU exit sub group to ensure appropriate conversations are held.

AP5 Industry to send views to Secretariat (via Industry Chair) on options for the future of the EU exit sub group.

CD added work continues on ensuring there are good communication links between the sub-group network and the plenary JCCC. CD recorded thanks to the sub-group Secretariats. HL added testament to smooth working of this structure is that not many sub-group issues need to be escalated to the main JCCC.

BW summarised sub and working groups have been useful for exchange of views and highlighted the need, especially in task and deliver working groups, to move discussions into proposals which can be brought to the plenary JCCC. BW added the need to take a realistic view of where improvements can be made as we are approaching a period of considerable change. Future group activity and lifespan will be influenced by whether the UK is in a no deal scenario or in an implementation period.

4. HMG and Business Readiness for EU Exit: Update

HMRC (LW) summarised the current situation:

- Acknowledged the challenge for industry and the need for certainty.
- In the event the UK leaves the EU on 29 March with no deal, traders will have to make a customs declaration for all goods moving between the UK and the EU, and pay any import duties, excise duties and import VAT that are due. This means that many traders who are not currently required to make customs declarations will now have to do so.
- Traders who are authorised to use Transitional Simplified Procedures (TSP) will be able to import goods from the EU without having to make a full



customs declaration before their goods are released at the UK border, and will be able to postpone paying any import duties.

- Updated on plans to refresh guidance.
- Updated on communications, including webinar series, sector specific events and Partnership Pack.
- Updated on work with Border Delivery Group and other government departments, such as Defra and Department for International Trade and with Other Member States.

Industry

- Expressed concern amongst trade about easements, lack of consultation about TSP's and lack of clarity about how this will operate.
- Concerned about pre-entry, especially in RORO environment. Feeling trade, in particular Road Haulage Association (RHA's), views were not listened to.
- Asked about plans for Northern Ireland.
- Concern about HMRC and HMG's understanding of the end to end supply chain in a commercial environment.
- Asked for clarity about plans for non-disclosure agreements.
- Asked about Border Force (BF) links with ENS and CDS links with AFTC.
- Felt it is important to retain AEO and Safety and Security standards for Mutual Recognition.
- Felt engagement with Software Houses and Community System Providers (CSPs) has been poor.
- Asked when the Tariff is expected to be published.

BW summarised industry detailed questions will be considered and taken back to the EU exit team along with looking at better mechanisms for and ways of consulting and engaging.

Industry raised a concern about new legislation. (PMcS) highlighted a disconnect in policy intent in some areas, adding he has sympathy with time constraints and knowledge gaps but is concerned about operational impact. GT referred to DG TAXUD's approach, which was to review legislation through a Trade Contact Group.

BW welcomed specific examples, adding the intent is to ensure that legislation achieves its anticipated policy intent. MA asked, in the event of a deal, will HMRC commit to consultation on future legislation? BW said that HMRC had always sought to consult on Customs legislation and to work in partnership with industry to ensure that both policy intent and practical effect were in close alignment. That approach would not change, reflecting HMRC's general commitment towards consultation.

A Statement had been prepared on behalf of JCCC members reflecting industry concern with the quality of consultation with HMRC in preparation for a possible no deal scenario. The Statement included a request that it be relayed to senior management in HMRC and to ministers responsible for HMRC and HM Treasury. HMRC has provided separately a written response to the Statement for circulation by (PMcS) to JCCC members.

AP6 Industry members to send (via Industry Chair to Secretariat) specific examples where new SI's may have a significant operational impact on trade.

5. Delivery of CDS: update

HMRC (PH) provided an update on the current position:

- Controlled migration is underway with 4 traders currently operating in a “live” environment.
- Further migration of the next 25 traders begins in April with release drop 2.2 (inventory linking).
- Trade test 6.1 went live on 28 February.
- A number of hand held performance testing with one developer has been undertaken. This has confirmed the upper limitations of volume testing to enable the wider developer community to undertake volume tests.
- Plans for March/April include:
 - CDS tariff download.
 - First element of EORI (registration).
 - Release 3 (exports).
 - Technical Readiness event to cover Exports and next phase of CDS delivery
 - Supporting developers with their D1ND changes. CHIEF will remain the main system in the event of a day 1 no deal scenario.
- Next version of Frontier declaration functionality will be deployed.

GT reported really good discussions with CHIEF and CDS teams, especially the technical readiness events. MA asked why CDS is behind schedule. PH referred to the size and nature of the project. PH asked if industry feel there is a need for additional readiness events when the next technical specification becomes available. It was agreed Industry (GT) will advise PH by the end of March.

AP7 Industry (GT) to advise PH about the need for further business readiness events by 31/03.

GR asked about the capacity of CHIEF for day 1 no deal. PH said CHIEF has been scaled up to 250 million transactions per annum.

PH agreed to pick up off line with GT postponed VAT Accounting.

AP8 PH to discuss Postponed VAT accounting off line with GT.

BW thanked industry for their comments and questions. Concerns around readiness, raised above, will be taken back to the CDS programme.

7. HMRC Approach to Trade Facilitation

BW said recent constructive discussions with industry have highlighted the need to reinforce HMRC's philosophy of, and commitment to, trade facilitation. BW confirmed this remains unchanged. However, an opportunity existed, with the future vision of



Customs under active discussion, to celebrate the history of the Customs-Trade Partnership and to re-emphasise how vital a role that partnership will play under any future post EU Exit scenario. With the JCCC in its 50th year, BW proposed a re-launch at the July meeting, of the principles of the Customs-Trade Partnership. PMcS welcomed the proposal and asked whether Border Force (BF) shared the approach. CD replied HMRC has been working very closely with BF at a strategic level to ensure our approach is aligned and confirmed the BF strategy recognises the importance of trade to the economy. RB felt BF had engaged with Dover and other high profile ports on EU exit but not across the piece. CD said there is a strategy to engage across all ports but the engagement was prioritised to focus on the biggest impact.

BW summarised by reasserting the commitment of HMRC, as the UK Customs Authority, Border Force, and OGDs, including BEIS and DIT, and UK trade to work in a Customs-Trade Partnership to achieve common objectives that are in the UK's interest. BW highlighted the importance of the work within the Customs Future Vision sub-group on the Customs Vision 2025 to develop a shared vision.

9. AOB

Anti – Fraud

Industry (PJ) enquired about progress on anti-fraud measures, including commitment to a Service Level Agreement for inland pre-clearance. CD responded HMRC is working to reduce the backlog which has arisen from the transfer of operations from the Bicester site.

It was agreed to take offline any concern for members.

Free ports/free trade zones

RB said he has been receiving questions from members about free ports/free trade zones. TR said, whilst there is a new legal framework, in order to replicate the UCC, all customs facilitations offered by free zones are available in other customs procedures. Therefore HMRC is not anticipating using the new legal framework to set up free zones in the near future. It was decided to take off line any concern for members.

EORI numbers

MA queried the automatic generation of EORI numbers within CDS and asked if there is any risk with this approach.

PH agreed to check the validation process and report back to MA.

Date of next meeting:

17/07/2019

It was agreed an extraordinary meeting should be scheduled for May [31/05/2019 has been agreed].



Summary of Action Points	
AP1	HMRC (Secretariat) to provide an organogram of Customs and Border Design.
AP2	HMRC (CD) to review and report back on publication of industry guidance.
AP3	HMRC (Secretariat) to obtain and circulate any notes from the meeting between VAT colleagues and BCC.
AP4	HMRC (CD) to clarify definition of Self -Assessment and its links with the overall HMRC strategy.
AP5	Industry to send views to Secretariat (via Industry Chair) on options for the future of the EU exit sub group.
AP6	Industry members to send (via Industry Chair to Secretariat) specific examples where new SI's have a significant operational impact.
AP7	Industry (GT) to advise PH about the need for further business readiness events by 31/03.
AP8	PH to discuss Postponed VAT accounting off line with GT.



Annexe A - List of Attendees – March 2019

Outside Organisation attendees

	Name
Airline Operators for Cargo UK (AOCC)	JO
Association of International Courier and Express Services (AICES)	GJ
Association of Freight Software Suppliers (AFSS)	GT
Automated Customs and International Trade Association (ACITA)	DH
British Association of Exporters (BeXA)	SS
British Association of Removers (BAR)	SD
British Business General Aviation Authority (BBGA)	AJ
British Chamber of Commerce (BCC)	RQ
British International Freight Association (BIFA)	PJ
Chamber of Shipping (COS)	GS
Chartered Institute of Logistics and Transport (CILT)	JD
Community System Providers (CSPs)	PMcS
Customs Practitioners Group (CPG)/UK Warehousing Association (UKWA)	BS
Federation of Sport & Play Association (FSPA)	MA
Food & Drink Federation (FDF)	GR
Freight Transport Association (FTA)	JL
Institute of Chartered Shipbrokers (ICS)	RH
Institute of Export (IoE)	JI
International Meat Trade Association (IMTA)	KD
Society of Motor Manufacturers & Traders (SMMT)	HL
UK Aerospace Industry Customs Group (UKAICG)	GT
Wine and Spirits Trade Association (WSTA)	DR

HMRC/OGD attendees

HMRC	BW
HMRC	LW
HMRC	CD
HMRC	TR
HMRC	PH
HMRC	DB
HMRC	AS
HMRC	SY
HMRC	SH
HMRC	LC-B
DIT	RD



From November

Summary of Action Points		UPDATE
AP1	HMRC (Ian Wilkins) to discuss UCC interpretation off-line with industry (BIFA).	Discharged
AP2	HMRC (MS) to include inventory linking on the agenda for the Customs Future Vision working group.	Discharged
AP3	Industry to provide comments on JCCC Review of the Year to the Secretariat.	Discharged
AP4	HMRC to add clear definition of AEO and Trusted Trader to minutes.	Discharged
AP5	AP5 Industry feedback and questions to be remitted via the Secretariat to the EU Exit or other relevant sub-group.	Discharged
AP6	Industry (PMcS) to raise CDS contingencies at the next CDS Programme Board about and report back	Discharged
AP7	Industry questions on Postponed Accounting, Passengers and Parcels to be sent in writing to JMCL via the Secretariat.AP	Discharged
AP8	HMRC (BW) to take forward proposal to set up a separate NFTC group, aligned to JCCC, and report back.	Discharged
AP9	Industry members to send their guidance and information on application for authorisations to HMRC (AM). HMRC to provide AM with a contact.	Discharged
AP10	HMRC (CD) to investigate whether ADR internal guidance can be shared with industry.	Discharged



Annexe C subgroup update

JOINT CUSTOMS CONSULTATIVE COMMITTEE

DATE OF MEETING: 4 March 2019
SUBJECT : Update on JCCC Sub Groups

The information table below provides key issues and updates from JCCC Sub Group/ Working Group meetings. The minutes from each Sub Group or Working Group meeting will continue to be posted onto the [HMRC website](#)

Definitions

- **JCCC Sub Group** - for projects / initiatives which are finite; and
- **JCCC Working Group** - for “perpetual” meetings;

JCCC Secretary, E-Mail – [JCCC Secretariat](#)



Name of Group / Type of Group	Contact	Last Meeting / Next Meeting	Decisions (including decisions from working groups and delivery groups)	Achievements
Customs AEO task & deliver working group	Jerome Cornwall TBC	22/10/18 Next meeting Feb 2019 TBC	No update from last meeting – key for next meeting will be to contextualise interaction with TSP as alternative authorisation; provide an update on process improvements to AEO application assessment; update on transition to UK AEO scheme (legislation/branding/mutual recognition, etc)	
Customs EU exit Group	Aaron Dunne Mustakin Ahmed	25/01/19 TBA	Introduced Day one easements to address concerns from industry for: <ul style="list-style-type: none">• RoRo locations• Transitional Simplified Procedures• Intermediaries' liability• Guarantee relaxations Discussed engagement and communications on readiness, including: <ul style="list-style-type: none">• Partnership pack. Department for International Trade (DIT) explained plans to: <ul style="list-style-type: none">• Establish a working Group on Customs, Trade Facilitation and Rules of Origin Administration in New Free Trade Agreements to enable testing of proposed approaches as we move closer to, and into, negotiations.	HMRC commended for common sense approach and for listening to concerns from trade about the capacity of traders, hauliers or carriers to meet the new day 1 requirements.



<p>Customs Duty Liability</p>	<p>Valerie Smith Lisa Cureton - Burgess</p>	<p>11/02/20 19 TBC</p>	<p>Group reviewed updates on Valuation, Origin and Classification issues. Members discussions were around:</p> <ul style="list-style-type: none"> • EU draft guidance on Royalties-Customs (Import duty) (EU Exit) Regulations 2018 • EU/Japan FTA • GSP+ removal for Myanmar & Cambodia • Steel safeguard charges (HMRC role) • Duty calculation on CDS + CHIEF • Update for current turnaround for Binding Tariff Information (BTI) • The new UK BTI system 	<p>Members continue to contribute to the ongoing EU Valuation guidance which the UK feeds through to Brussels.</p>
<p>Customs Future Vision</p>	<p>Corey Herbert son Paulette Coghiel</p>	<p>17/01/19 29/04/19</p>	<p>Chair: Colin Davis</p> <ul style="list-style-type: none"> • First meeting. Agreed objective is to take a strategic, long term view of how the UK will operate customs and its borders. Within remit is reviewing and updating Customs 2020 Vision into a vision for 2025 and beyond.. • Role of Border Delivery Group (BDG) in taking forward future borders vision clarified. • BDG plans to engage with industry explained. • Plans to bring in key stakeholders discussed. • Agreed aim to have progress report for main JCCC in Nov 2019. 	<ul style="list-style-type: none"> • Industry consulted on membership and who they wished to see in this group. • Acknowledged future vision needs to reflect developments in technology



Customs Product and Processes	Tinu Fagbayi Deborah Hill	29 January 2019 / 2 May 2019	<ul style="list-style-type: none">• Discussion around Notice of Presentation (NOPs) and AEO authorisations. HMRC confirmed that post-exit legislation does not tie NOP requirements to AEO status, which provides more flexibility• HMRC explained updated rules for clearance of goods under £135, and instances where import VAT liability will switch to overseas seller• HMRC is considering concerns from trade regarding inventory linking• Discussion around CIP 10 (2018). HMRC confirmed that a new updated CIP will be released confirming extended deadline of 1 October 2019 for compliance for authorisation holders• HMRC addressed trade concerns about the approach to non-compliance in a D1ND scenario• Concerns raised by trade around lack of involvement in preparation of SIs. HMRC reassured that intentions are for customs rules to remain as close as possible to existing practices	<ul style="list-style-type: none">• Trade commended HMRC on improved communication during the application process• Trade commended HMRC on their involvement in sorting network issues that had arisen
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Customs Self - Assessm ent	Theresa Goodwin	05/10/18 Next – 15/02/19	<p>Chair: Alastair Lloyd</p> <ul style="list-style-type: none">• Update provided on AEO. Agreement reached that we need only pass on information from this group when progress has been made.• Agreement that Policy will look into quarterly payment of duties and taxes under Self - Assessment through longer aggregation and deferment.• Discussed who SA would be aimed at, what the benefits would be and how it may look as a facilitation.• Presentations/discussions led by two members of the group to present ideas. This will be incorporated into policy work to develop SA.• A potential process was presented by Theresa Goodwin; this was well received by the group and made useful discussion. Process will be changed to reflect the views of the group. <p>Work on futures facilitations has been paused to concentrate on D1ND policy, however a meeting has been set for the 15th February and the work undertaken by the group will be reviewed after this meeting.</p>	
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