

# Minutes of the Joint Customs Consultative Committee

**Date of Meeting: 31 May 2019**

**Location: Business Centre, Ruskin Square, Croydon**

## **Agenda**

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

## **1. Introductions**

The meeting was chaired by Colin Davis (CD).

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

### **Apologies:**

Bill Williamson	HMRC
Stephen Denning	BAR
Martyn Fiddler	CAITCG

## **2. Minutes, matters arising**

### **2.1 Minutes March 2019**

The minutes of the last meeting were agreed.

### **2.2 Matters Arising and Action Points**

#### **2.2 Ongoing Action Points**

Carried forward from March meeting:

#### **AP1 - HMRC (Secretariat) to provide an organogram of Customs and Border Design**

The Secretariat confirmed this is currently being compiled and will be e-mailed out to all members.

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

CD thanked industry members for their time on production of the paper. CD explained a formal response will be sent to the industry co-ordinator, Arne Meilken (British Association of ShipBuilders) about how HMRC might use the guide.

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

CD confirmed there was no formal minute taken of the meeting and proposed to invite VAT colleagues to provide an update at the next EU exit sub group meeting. It was agreed this is a more effective way to continue the dialogue on import VAT. CD explained, whilst this AP is discharged, VAT colleagues could also be invited to attend the November JCCC to give a further update if required.

**AP7 – Industry to advise HMRC about the need for further business readiness events.**

HMRC (JCW) advised a further CDS event has been planned for the 10<sup>th</sup> June. Industry requested details of what the event will cover and whether it will be both technical issues and business processes. JCW agreed to clarify whether this event will cover technical or business processes.

**New AP-1 HMRC (JCW) to look at topics being discussed at the 10<sup>th</sup> June event and clarify to industry if technical issues or business process will be included.**

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

**3. HMG and Business Readiness for EU Exit**

HMRC (LW) summarised the current situation:

- There has been a marked reduction in trade queries.
- Re-planning is underway, using lessons learned on communication and focussing on outreach to business.
- Engagement with trade is very much a priority with a renewed focus on working in partnership with industry.
- Preparations still include Day 1 No Deal.
- Guidance on GOV.UK is being updated to reflect 31<sup>st</sup> October, and improvements are being made and feedback taken into account. The intention is share draft guidance with industry for review and feedback before it is finalised for publication, this will be done through with members of the JCCC via the EU exit sub group.
- Plans to hold the next EU exit sub-group meeting in early July.

## **Industry**

- Not all businesses are focused on EU exit given the level of uncertainty about the outcome.
- Requested advance copies of guidance. Concerned about timescales and if we are in a No Deal when this will be announced.
- Highlighted missed opportunities for review and lack of momentum.
- Enquired about existing and further easements.
- Questioned the longer term vision.

CD updated Future Borders work will be on the agenda for the November meeting, LW added it is intended to invite Future Borders to the next EU exit sub-group meeting.

PMcS raised Authorised Depositories and all Temporary Storage premises needing to be inventory linked. CD referred to the minutes of the Products and Processes (CP&P) sub group and the decision to reconvene a working group on inventory linking, reporting to the CP&P sub-group. Industry were invited to nominate representatives to attend the group.

### **AP2 Industry to send nominations to join an inventory-linking working group via the Secretariat**

Industry expressed concern about the level of engagement on the UK Tariff. It was agreed DIT will provide contact details via the Secretariat.

### **AP3 DIT to share contact for Tariff via the Secretariat.**

## **4. Delivery of CDS Update**

CD introduced James Chok Wing who gave an update on CDS:

- CDS continue to work closely with delivery partners balancing preparedness for EU Exit scenarios and development and testing for the new Customs Declaration Service.
- The existing CHIEF system has been upgraded with new hardware and we have tested that it can handle 90 messages per second (which is the equivalent to the highest peak of traffic that we can see in a No Deal scenario).
- We will maintain dual running of CHIEF and CDS until we are assured that CHIEF can be turned off. A project has been instigated to manage the decommissioning of CHIEF against CDS migration.

- CDS is a Live Service. The phased deployment of functionality has enabled 5 'live' traders to CDS. We expect managed migration activity to increase as CDS grows and traders decide to migrate following completion of their testing and readiness preparations.
- In March, 85% of import declaration types made in 2018 could be processed by CDS.
- Export functional deployment started at the end of March and will continue over the coming months.
- We are supporting 270 high volume declarants through a managed migration approach.
- The remaining traders who are responsible for making lower volume of declarations are mostly going to provide their declarations through intermediaries such as customs agents and will be informed by communication campaigns.
- We are supporting traders to subscribe to CDS which is an initial step before actual migration to the new service.
- Trade Test 7.1.0 functionality was deployed 29th March which will support simple exports frontier movements.
- A Technical Readiness Meeting for SWDs planned 10th June has been cancelled.

Industry requested CDS declaration data elements are circulated via the Secretariat.

**AP4 HMRC (JCW) to circulate CDS declaration data elements via the Secretariat.**

Industry Chair asked if a version prepared by BIFA can be endorsed by HMRC.

**AP5 HMRC (JCW) to consider endorsing CDS data elements version prepared by BIFA and report back.**

Industry requested an update regarding test environments. JCW acknowledged this is an important area for trade and agreed to provide an update

**AP6 HMRC (JCW) to provide an update on CDS test environments**

Industry raised concerns around site migration, explaining the impact of migrating in one go and not being able to roll back, Industry preferred a port by port approach. Industry asked about the date for migration. It was agreed CDS will confirm this date.

**AP7 HMRC (JCW) to confirm CDS migration date.**

Industry requested a copy of the timeline for delivering functionality and a

definition of what “Go Live” means in terms of an end date. Industry explained the impact on timeframes for updates to trade software.

**AP8 HMRC (JCW) to provide details of the planned timeline to deliver functionality.**

**AP9 HMRC (JCW) to provide a definition of CDS Go Live.**

## **5. Department of Trade and Industry (DIT) introduction**

CD introduced Ryan Sweeney (RS) and Dempsey Best (DB) who gave a presentation with an introduction to DIT and an overview of the new Strategic Trade Advisory Group (STAG), a forum for high-level strategic discussions between government and stakeholders from all parts of the UK on trade policy matters. An overview of The Expert Trade Advisory Groups (ETAGs), part of DIT’s wider external engagement structure was also given. A copy of the presentation has been sent to JCCC members.

Industry asked about inclusion in the ETAG group. DIT advised invitations had already been made, including the JCCC. It was agreed the Secretariat will liaise with DIT.

**AP10 HMRC (Secretariat) to liaise with DIT around re-issue of invitation to ETAG.**

Industry requested terms of Terms of Reference (TOR’s). DIT agreed to provide.

**AP11 DIT to circulate (via the Secretariat), associated ETAG TORs**

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

CD invited comments on the sub-groups following the update circulated with the agenda and at **Annexe C**. CD also referred to the proposals to evolve the sub-groups and working groups. PMcS reported industry fully endorse plans to evolve the JCCC sub and working group structure.

PMcS requested a list of Secretariat contact details and thought sub-group reports could contain more information on outcomes, including target dates for action points.

**AP12 Secretariat to send contact details for sub and working group Secretariats to all members.**

PMcS raised concerns around temporary storage authorisations and resourcing at the National Frontiers Authorisations Unit (NFAU). RB wished to record Industry recognition for the work of the NFAU. CD updated authorisation redesign work is on-going to improve the authorisation process. Plans are to report progress to a future sub-group meeting or full JCCC.

**AP13 HMRC (CD) to report back progress on authorisation redesign work to either the CP&P sub-group or full JCCC.**

Industry (MA) requested details of the number of UCC reassessments open at the end of May 2019. An action was taken to provide details.

**AP14 HMRC (CD) to provide details of the number of UCC reassessments open at the end of May 2019.**

AJ asked about authorisations for inland clearance for export and whether these have been included in the above figures. CD agreed to report back.

**AP15 HMRC (CD) to investigate whether UCC figures in AP14 include authorisations for inland clearance.**

**8. AOB**

**8.1 Update on National Committee for Trade Facilitation (NCTF)**

Whilst there was insufficient time at the meeting for an update, HMRC have added the following:

A meeting about the purpose and remit of the NCTF was held in early May with cross government representatives.

Terms of Reference are being drafted ahead of convening the first meeting in mid-July.

**Date of next meeting:**

17<sup>th</sup> July 2019.

## **Annexe A - List of Attendees – May 2019**

### **Outside Organisation attendees**

	<b>Name</b>
Airline Operators for Cargo UK (AOCC)	JO
Association of International Courier and Express Services (AICES)	GJ
Association of Freight Software Suppliers (AFSS)	SB
Automated Customs and International Trade Association (ACITA)	DH
British Association of Exporters (BeXA)	CS
British Business General Aviation Authority (BBGA)	AJ
British Chamber of Commerce (BCC)	LS
British International Freight Association (BIFA)	PJ
British Retail Consortium	KC
Fresh Produce Consortium	ST
Chamber of Shipping (COS)	MW
Chartered Institute of Logistics and Transport (CILT)	SM
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	LW
HMRC	CD
HMRC	EP
HMRC	JCW
HMRC	SY
HMRC	SH
DIT	DB
DIT	RS
DIT	EB
BEIS	PB

<b>Summary of Action Points 31 May</b>		
AP-1	HMRC (JCW) to look at topics being discussed at the 10 <sup>th</sup> June event and clarify to industry if technical issues or business process will be included.	
AP-2	Industry to send nominations to join an inventory-linking working group via the Secretariat.	
AP-3	DIT to share contact for Tariff via the Secretariat.	
AP-4	HMRC (JCW) to circulate CDS declaration data elements via the Secretariat.	
AP-5	HMRC (JCW) to consider endorsing CDS data elements version prepared by BIFA and report back.	
AP-6	HMRC (JCW) to provide an update on CDS test environments	
AP-7	HMRC (JCW) to confirm CDS migration date.	
AP-8	HMRC (JCW) to provide details of the planned timeline to deliver functionality	
AP-9	HMRC (JCW) to provide a definition of CDS Go Live	
AP-10	HMRC (Secretariat) to liaise with DIT around re-issue of invitation to ETAG.	
AP-11	DIT to circulate (via the Secretariat), associated ETAG TORs	
AP-12	Secretariat to send contact details for sub and working group Secretariats to all members.	
AP-13	HMRC (CD) to report back progress on authorisation redesign work to either the CP&P sub-group or full JCCC.	
AP-14	HMRC (CD) to provide details of the number of UCC reassessments open at the end of May 2019.	
AP-15	HMRC (CD) to investigate whether UCC figures in AP14 include authorisations for inland clearance.	



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**Annexe B: 4th March action points**

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

## Annexe C subgroup update

### 2. JOINT CUSTOMS CONSULTATIVE COMMITTEE

**DATE OF MEETING:** 31 May 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](#)

<b>3. Name of Group / Type of Group</b>	<b>Contact</b>	<b>Last Meeting / Next Meeting</b>	<b>Decisions (including decisions from working groups and delivery groups)</b>	<b>Achievements</b>
<b>4. Customs AEO task &amp; deliver working group</b>	TBC TBC	22/10/18 TBC	<b><u>New Update 12/04/2019</u></b> Agreement to await EU exit outcome before the group reconvenes	
<b>5. Customs EU exit Group</b>	Lesley Woodruff	18/03/19 TBC	<b><u>Updates involved 18/03/2019:</u></b> <ul style="list-style-type: none"> <li>• Customs SIs ( TSP, managed transition, RoRo, VAT)</li> <li>• CDS &amp; system readiness update</li> <li>• Northern Ireland announcements</li> <li>• Discussed the Future of the sub-group</li> </ul>	
<b>6. Customs Duty Liability</b>	Valerie Smith Lisa Cureton-Burgess	11/02/19 13/06/2019	<b><u>No new update</u></b> Update will provided after next meeting	
<b>Customs Future Vision</b>	Corey Herbertson Paulette Coghiel	17/01/19 TBC	<b><u>No new update</u></b> Agreed aim to have progress report for main JCCC in Nov 2019.	
<b>Customs Product and Processes</b>	Tinu Fagbayi Deborah Hill	02/05/2019 09/09/2019	<b><u>New update 15/05/2019</u></b> <ul style="list-style-type: none"> <li>• What to do if discrepancies are found have been included in the Special Procedures guidance.</li> </ul>	

			<ul style="list-style-type: none"> <li>• HMRC to reopen work on the NILPs project – trade to advise if interested in being part of the group.</li> <li>• Discussion around requirement of NOPs, commitment from HMRC to get updated communication out to trade on this asap.</li> <li>• HMRC to set up working group around ICS 2 Phase 1. Trade to advise if interested in attending.</li> <li>• HMRC to investigate continuity of message put out about co storage vs common storage</li> <li>• HMRC to look into issues around Live Services availability</li> <li>• HMRC to escalate trade’s concerns around time taken to get CCG approval</li> </ul>	
<b>Customs Self - Assessment</b>	Theresa Goodwin	15/02/2019 Next – 17/05/2019	<p><b>Update</b> The Customs White Paper in 2017 made a commitment that “The government would look to reduce the time and costs of complying with customs administrative requirements through exploring the viability of unilateral measures, primarily in respect of imports, for example: simplifications for business, such as self-assessment to allow traders to calculate their own customs duties and aggregate their customs declarations”. The JCCC Self-Assessment sub-group continues to explore the scope for a self-assessment scheme that reduces administrative burdens by removing the need to submit customs declarations to HMRC and aggregates the payment of customs duty. The next meeting of the group will be scheduled for mid-May when it will consider a potential model for self-assessment presented by industry representatives. The secretariat maintains links with the AEO and Customs Future Vision sub-groups to ensure the work on self-assessment continues to align with HMRC’s wider strategic thinking.</p>	