

Minutes of the JCCC Duty Liability Sub-Group meeting

Date of Meeting: 13 February 2020

Location: Room 15.18-19

Alexander House

Southend on Sea.

Attendees:

Hazel Batter (HB) (*Chair*)

Lisa Cureton-Burgess (LCB) (*Minutes*)

Steve Lamprell (SL)

Beth Earwicker (BE)

John Mitchell (JM)

Dave Knight (DK)

Ian Worth (IW)

Gavin Roberts (GR)

Howard Levene (HL)

Lorenzo Rossetti (LR)

Ronnie Bennett (RB)

Barbara Scott (BS)

Ronnie Quigley (RQ)

Apologies:

Apologies were received in advance from,

Corinne Nabavi

Emma Ormond

Jessica Dickinson

Walter Anzer

Keith Aldred

Michael Alexander

Previous minutes – Action points

Action Points:

AP	Action Raised	Action Taken	Owner	Status
1	To considered definition of Proper sales and see if it fits in with the work being done by the commission on the guidance and recognise the exit point.	Updated in the meeting	HB	Discharged
2	To raise transfer pricing definition at the next Brussels meeting	Updated in the meeting	HB	Discharged
3	Circulate guidelines on origin on fish	Guidance circulated	SL	Discharged
4	Importers knowledge guidance- check the guidance and circulate.	Guidance circulated	SL	Discharged
5	To check if GSP accumulation from EU countries to the UK will not be allowed		SL	Ongoing
6	2309 pet food update	Supplied update to members	BE	Discharged

Action point from last meeting regarding the definition of “Proper Sales” **JM** advised that the simple answer was that it was any sale that met the terms of Article 128 but would appreciate clarification as to context of the query and the term ‘proper sale’ as it is not a technical/legislative valuation term.

LR said it arose during a conversation with someone from the Commission. **LR** said he was happy to go back to them and clarify his question.

Action point from last meeting regarding Transfer Pricing **JM** recalled that this was a question raised by Michael Alexander with reference to the Hamamatsu case.

The subject was not discussed at the last CCC Valuation Sector meeting in Brussels as there was a case in Germany which centred around the legal issues and we are awaiting the result of that case before proceeding further.

Agenda

Use of Freight bandings

MG explained that HMRC intend to withdraw freight bandings but would appreciate the group's view on impacts and issues. Freight bandings were locally introduced some time ago. Essentially, they are a way to calculate duty and/or the import VAT adjustment for the EU and/or UK inland freight element of the transportation costs, where these costs are not separately or clearly identified in the commercial documents at the time of importation. HMRC assess that the arrangements are no longer appropriate and believe importers should have systems in place to determine the correct freight adjustments for their importations without the need to defer to freight bandings.

HL will contact the Automotive Industry to gauge their opinion on the proposal. For further discussion at the next meeting.

Ecommerce/BVI

BS raised a question around certainty for Importers in declaring their values correctly. The discussion quickly moved on to Binding Valuation Information (BVI). **HB** asked the group for their opinions on the value of BVIs for UK PLC and highlighted that DiT were putting this question to ETAG in the coming days. **BS** had already sent some comments to the Commission in answer to their own questionnaire on the subject last summer. **BS** felt that the issue was more about UK businesses having somewhere to go to discuss and agree on the correct valuation treatment of the goods where a customer has doubt about a future import. **BS** referred to the requirement for German importers to get an agreement with their local customs officer on how they will value goods when there is no suitable Method 1 value

Valuation Guidance

JM explained that although we were in a transitional period the Commission had already withdrawn our use from Circa (the Commission website for working documents, decisions etc.) so we had no access to updates to the guidance. It was likely, but not certain, that we would not be invited to further meetings of the Committee. At the last CCC Valuation Sector meeting last October there was a presentation by the Trade Contact Group (TCG). They had routinely been copied into the guidance and had met with the Commission that morning to participate in their own forum. They explained that in their view the guidance lacked detail on Sale for Export, Goods in Warehouse and Royalties – what's in or out? The TCG are to provide their own input to the Commission for consideration. Their views coincided with ours and we were awaiting the next version with interest. **HL** will share any information he receives from the TCG via his own contacts with the group.

Origin

SL informed the group that he will no longer be going to the CCG Origin meetings in Brussels but instead now attending the WCO. The last meeting was focussed on the planning of the Harmonized Preference rules of Origin.

CN raised a query on the free circulation with Turkey. **SL** said there had been a few cases where importers were being asked for non-preference certificates of origin for Turkey. He said they require evidence of origin of goods, but the ATR does not stipulate that. **SL** has contacted colleagues in Turkish customs for more information and is waiting on a reply. **SL** will provide an update in due course.

BS queried the Singapore agreement. In the agreement it states that you must have a statement of origin or invoice declaration or be an approved exporter. **BS** said that in Singapore they do not understand what an approved exporter is and that the requirement for an original wet signature, is impossible to obtain. **BS** queried whether an electronic signature would be therefore be sufficient, otherwise Singapore can't be an approved exporter? **AP SL** to check this.

ADD

CS gave the group an update on new and current products with ADD/CVD. The full list was distributed to members.

CS informed the group that during the Transition Period all measures still apply. After this time, they will be cut back. DiT (Department for International Trade) will advise of which goods will continue with ADD/CVD and which ones will be disregarded.

Tariff

DK said that they are still engaging with the EU and are still receiving the TARIC files and information.

Regarding CDS and quota, **DK** advised that we are looking to conclude our work with the programme by the end of March. Go live date will depend on conformance testing with the EU.

DK advised on the public consultation for the UK Global Tariff. This will feed into conversations on the best use of the Tariff to achieve economic and political objectives.

LR asked how long will it be until we can get the new Tariff? **HB** said that the consultation closes on 5/3 and we are expecting an update soon after that point.

RS asked about the latest progress on the delivery of CDS. **DK** advised that current timelines indicate that declarations will cease to be accepted on CHIEF at the end of September 2020 by which time traders will have migrated onto CDS.

Classification

BE informed members that as the Classification teams no longer have the same level of access to CIRCA BC, it will be more difficult to obtain information from the Commission expert groups. Additionally, our classification teams are no longer attending any meetings in Brussels. **BE** confirmed that we are still receiving BTI suspension notices but not with the full details on why the goods are being suspended. This means that we are unable to see the reasonings behind the suspension.

BE said that after the 31/12/20 UK issued BTI`s will no longer be valid throughout the EU but the UK will still honour them until the end of their validity. If a binding decision is required, you will need to re-apply from 1/1/2021

AOB

BS asked, regarding retrospective duty liability, whether the UK will be collecting and refunding duty post 31/12/20 for periods before this date?

HB said that it is not clear whether our future relationship with the EU will be based simply on the Withdrawal Agreement or negotiations with the EU on that relationship that are taking place up until 31st December 2020.

Meeting closed 14:00

Next Meeting:

25/06/2020

Reference	Action Point(s)	Owner
Origin	(Singapore Agreement) To enquire if an electronic signature is acceptable as per BS' query.	SL
Origin	(Turkish ATR requirements and non-preference certificates) Update group when information received back from Turkey	SL