



Minutes of the CP&P/BP&D Joint Customs Consultative Committee Sub Group

Date of Meeting: 20 May 2020

Location: Microsoft Teams Videoconference

1. Introductions

The Meeting was chaired by CD & JE. As the meeting was held via teleconference CD introduced members from Border Force and HMRC.

2. Sign off Minutes from 14th January 2020 meeting

The minutes were agreed and signed off.

3. Update on Action Points from January 2020 meeting

AP73 – Trade to inform secretariat should they wish to join the NILP's working group

Members have notified their interest. Closed.

AP74 – HMRC (JH) to resend email to PM regarding CW application process.

JH had a meeting with LR and PM regarding the CW application process and is happy with the way its progressing. PM and LR were in agreement. Closed.

AP75 – HMRC Secretariat to disseminate organigram of BP&D to the group.

This was issued with the minutes of last meeting. Closed.

AP76 – Trade to provide feedback to secretariat on authorisation streamlining user story spreadsheet.

No feedback received. NFA. Closed.

AP77 – HMRC to provide more info on whether authorised consignee/consignors (ACs) with TS need to be inventory linked.

JE informed the group that ACs with a TS facility should have the facility inventory linked. The inventory system must provide an audit trail of goods removed from the warehouse.

PM was in agreement that ACs with TS should have that facility inventory linked.

LR had concerns around the increased use of transit post Transition Period; there may be an issue with ordinary traders applying for AC under NCTS as they may not be aware that they will have to have TS linked to an inventory. LR questioned whether operating a customs warehouse might reduce the issue.



JE was conscious that the conversation was drifting into post exit discussion so wrapped up the discussion by stating that more policy thinking is required on what the inventory system should look like and which functionalities should be applied. However, ultimately, those operating AC and TS should have that TS managed by inventory.

AP closed.

AP78 – HMRC (CD) to provide further info on funding.

CD explained that there was an announcement in February for additional funding of £26m for intermediaries which would run to end of the Transition Period. Further work is being done to support the sector and we are expecting an announcement within the next week to support intermediaries and the NI sector.

LR added that the coverage of the training grant is wider than just intermediaries, there are many proper importers and exporters using the grant to train themselves to submit declarations and use intermediaries in the right way. LR asked whether this would be covered in announcement.

CD advised that he couldn't provide further detail at this stage.

AP79 – Trade to send any further queries concerns regarding Colin Rice's QA session to secretariat.

No further queries raised. Closed.

AP80 – HMRC Workshop to be set up in relation to Colin Rice EU Exit QA session.

Workshop carried out and findings very useful. Closed.

AP81 – HMRC (JH) to provide response on discharge of IP materials.

Response provided to members by FO – Closed.

AP82 – Trade to provide examples of service level issues with IP & CCG teams.

Examples have been provided, Colin's Team are investigating. Closed.

AP83 – Trade to inform secretariat if interested in participating in CW workshop.

Members have notified their interest. Closed.

AP84 – HMRC to send out guidance stating that we are standing down the NOP's project.

JE advised that work on this was put aside due to Covid 19 and EU Exit work taking precedence. John's team to ensure the guidance is published **NEW AP89**.

AP85 – HMRC (JE) to disseminate ICS2 delivery docs to group if possible.

JE made apologies for not having a delivery document to share. He explained that due to current IT challenges and key personal being dragged onto other projects, we were unable to provide technical details at present.



AM questioned whether the UK might use a different system to ICS2.

JE explained that it is his understanding that ICS2 is still part of our future plans, certainly with regards to NI. JE advised that he would get a firm policy decision as to what the UK's plans are with regards to ICS2. **NEW AP90**

PM stressed that careful consideration should be given to safety and security. PM to provide a note on the S&S meeting he attended **NEW AP91**

AP86 – PJ to send further information and examples regarding incorrect CPC codes.

Discussions with PJ ongoing. Closed

AP87 – HMRC secretariat to chase VAT colleagues for an answer in relation to incoterms and the offsetting of VAT.

JE set out that from a Customs point of view, there is little change with regards to incoterms and the offsetting of VAT. The issue is more related to VAT recovery. Advice from VAT policy is that import VAT is recoverable using the C79 as evidence and it is the person who has title of the goods at the point the goods cross border who is eligible to reclaim the VAT. The tax point occurs when the declaration and the goods brought inside the country are connected.

MA, PM, and BS had queries regarding the title of the goods, recovery of import VAT and the rationale behind the changes. PJ also queried whether the current stance would remain the same after the transition period.

BS advised that she did not get a proper response to her original query on this subject, despite meeting with the VAT policy Lead (Ishrat Ali). They need a firm response as to whether they are able to recover the VAT in order to develop their processes accordingly. The RCB brief was issued but there is no proper guidance on this issue as the RCB is not enough to make the position clear.

JE suggested that MA and others put their VAT questions to the secretariat **NEW AP92** and we would consider the correct forum for discussion, which is likely to be the JVCC as these are VAT recovery issues, not Customs. Sue Hill to contact the JVCC to find out who the secretariat is and whether they are meeting virtually. **NEW AP93.**

AP88 – HMRC to share guidance or business briefs in relation to offsetting of VAT.

Secretariat to share the relevant RCB as mentioned above **NEW AP94.**

4. Covid-19 Easements (JE)

JE welcomed feedback from the group as to whether the Covid-19 easements recently put in place were effective.

LR expressed the trade's appreciation as to how quickly the easement measures had been put in place. However, there is some confusion with regards to delayed payment on deferment accounts. Some have been deferred to the end of year whilst others are working on a month by month basis. There has also been a question as to whether duty relief on PPE can be extended to supplies to care homes?



JH advised that he had been involved in this work, running alongside EU advice and will take the question away to provide an answer. **NEW AP95.**

KS pointed out that the extension of VAT zero rating has already been extended on PPE supplied to care homes. The duty rate on PPE is already low and would only be applied above certain limits.

HL queried whether HMRC were imposing any health and safety controls on the movement of re-useable packaging. Section 5 of the recent Covid 19 health and safety guidance 'factory, plants and warehouses sets out rules regarding the cleaning of reusable delivery boxes; do HMRC have any view as to how the reusable boxes/packaging should be moved and cleaned?

JE stated that customs hadn't looked at this issue specifically and wouldn't impose controls on the movement of unsanitised packaging. However, it would be best practice for businesses to adhere to sanitary measures as we should all do our best to protect the officers handling the boxes where possible.

SG had concerns of the timing of easement communications as those sent late on a Friday weren't picked up until the following week. Trade reps concerned about the speed of communications on gov.uk. as some only found out about the change to the April duty deferment via JCCC contacts before the gov.uk alert announcement.

KS added that some internal communications weren't ideal either as she found out about the deferment change via LinkedIn.

JE thanked members for their feedback, which will be used by HMRC to improve in future.

5. Update on Authorisations Streamlining Programme (CD).

CD provided an update on the Authorisations Streamlining Programme. He set out that HMRC are looking to improve current processes, specifically those that cause issues for trade. We aim to produce clearer guidance to direct trade to the authorisations they need and streamlining the system so that multiple applications can be criteria checked just once. We are also revising our approach to pre authorisation visits, including AEO Customs Warehousing and Authorised Consignee/Consignor. We envisioned delivering a new digital service for key authorisations for Dec 2020. However, we will not be able to deliver this in time for Dec 2020 due to other more vital IT projects taking precedence.

CD invited comments on the paper that had been issued with regards to the new approach to pre authorisation visits.

PM advised that the response was positive. However, he queried what the criteria is to deploy the contingency set out in the paper. Specifically, how does it happen and who makes the decision? He suggested HMRC take a more joined up approach and that the contingency is invoked sooner rather than later.

CD agreed with PM as it is our aim to remove duplication where possible. HMRC will monitor our ability to manage the applications we are receiving, if the demand is too high then the contingency plan will be invoked. Businesses should already be preparing for Dec 2020, considering the authorisations that may help them and taking into account the time that takes, well ahead of December.



PM and HL stated that businesses were starting to prepare for December but Covid 19 restrictions have hindered this.

LR stated that the global tariff issued yesterday would be a catalyst for businesses to prepare for the authorisations necessary to them. He queried how the authorisations would work if HMRC are unable to visit premises due to lockdown measures still being in place. HMRC should be switching to the contingency now as businesses will now be starting to apply.

CD advised that HMRC had issued guidance in respect of pre authorisation. Our compliance group are looking to review our approach to visits during June. We don't want Covid 19 to hinder businesses obtaining authorisations, as such, should the lockdown measures continue, we will revisit our current approach and process authorisations based on information we hold rather than visits.

PM stated that Covid 19 has allowed traders to streamline their own processes and become more efficient. An Ongoing monitoring of the processes by HMRC and trade would only be beneficial.

6. Movements of Re-usable packaging (JE).

JE set out trade concerns regarding the movement of reusable packages throughout EU borders. HMRC are considering whether we can amend the legislation to remove the burden of making declarations for reusable packaging. JE welcomed trade reps to contact the secretariat with any concerns they have regarding the movements of reusable packaging.

NEW AP96

7. CDS - Data Elements (LR/JE).

LR expressed concerns around the data elements requirements within CFSP declarations. The 'description of goods' data element now requires more detail, increasing the burden.

JE advised that we would require the description of goods to be detailed enough to apply a commodity code to the goods if necessary. The current quality of descriptions varies radically, we would appreciate particular sizes and makes of the goods.

PM and JE discussed the issues with CDS with regards to the lack of differentiation between NI and UK movements and also the fact that CDS would not be able to validate the description box. JE to email Kieran Franklin? regarding the CDS issues. **NEW AP97**

8. Authorisations (LR/CD).

Addressed under agenda item 5.

9. INF Forms (JH).

JH briefly introduced the new digital service to replace paper INF Forms 1,2,5 & 9. The new system is to be implemented on 1st June across all MS at same time. The system works as it is now just via the EU portal. CCMs are sending emails to contacts in LB to help with training



in the new systems. It is a fairly intuitive system, however CCMs will be there for backup. Guidance and a CIP are to be published, JH to circulate to members **NEW AP98**.

There is a dedicated email address for small companies. If they submit a paper form, communications will come back to point customers in the right direction. Paper forms submitted prior to 1st June will be processed as normal.

GR queried whether we are going to revert back to paper at the end of the year.

JH advised that we didn't have an immediate answer, only that at this moment INF will be electronic, given the fact we can't have paper documents stamped right now.

10. AOB

PJ raised an issue regarding Public Notice 197, as the guidance in the Notice appears unclear and at odds with what is happening in practice. There have been complaints from members regarding BF at the port of Liverpool, using a heavy-handed approach to unaccompanied goods moving without the documentation attached to them. PJ stated that the Notice is unhelpful as it says documents must travel with goods not that it must be attached to container. Clarification is required as to where the documentation should be attached as there is currently an overactive approach from BF in Liverpool.

DH thanked PJ for raising the issue and advised that BF would expect the ARC to accompany the goods or be with the driver. However, he would be happy to work through the issue and set out what is expected.

CD advised Excise colleagues would review guidance, whilst BF would investigate the matter from an operations perspective. CD asked PJ to set out the issue on email, so we can take the matter forward **NEWAP 99**.

Next meeting TBC

New Action Points	
AP89	JE to publish guidance confirming the standing down of NOP's project.
AP90	JE to provide members with firm policy decision with regard to the UK's plans ICS2 plans.
AP91	PM to provide a note on the S&S meeting he attended.
AP92	Trade to put their VAT questions in relation to incoterms to the secretariat.
AP93	SH to contact the JVCC to find out who the secretariat is and whether they are meeting virtually.
AP94	Secretariat to share relevant VAT RCB.
AP95	JH to provide a response as to whether duty relief on PPE can be extended to supplies to care homes
AP96	Trade to contact secretariat with concerns regarding movements of reusable packaging.
AP97	JE to email Kieran Franklin? regarding CDS issues.
AP98	JH to circulate INF CIP to members.
AP99	PJ to set out Notice 197 issue via email.



HM Revenue
& Customs