

Key Messages of the Joint Customs Consultative Committee

Date of Meeting: 2 July 2020 Time: 13:00 – 15:00

Location: Teams meeting

Agenda

1. Welcome and Introductions
2. Minutes, matters arising, action points from last meeting
3. Update on customer services at NCH
4. HMRC EU Transition update
5. Delivery of CDS Update
6. BPDG 2025 Vision Update
7. AOB

1. Welcome and introductions

The Meeting was chaired by Bill Williamson (BW)

BW Read out apologies from Anne De Courcy from AICES who is retiring in July. Thanked Anne who represented AICES for some time, a friend and colleague and wished her well in her retirement.

Welcomed and congratulated Amanda Francis in her role as AICES new CEO. Amanda will pass on thanks and best wishes to Anne.

PS Apologised to industry for missing some reps with invites to industry catchup this morning as had an issue with his contacts folder.

2. Minutes, matters arising, action points from last meeting

BW Confirmed all action points closed, read out the response from Ian Wilkins for AP3 as that had just been closed today.

3. Update on customer services at NCH Alison Doyle (AD)

HMRC

Customs Business as Usual & Leading Operations through Covid-19.



From March 20 this year we mobilised 97% of staff to work from home. We have seen a reduction of 37% in business as across the board. As we have started emerging, businesses have started to re-open. Additionally, in the retail sector and others that reduction has gone to 10% of our volume demand.

Policy easements, mostly notable around normal wet stamps and signatures that we moved to predominantly digital service with the agreement of EU Commission, this was brokered through our policy colleagues and has enabled us to mobilise and get workforce in the home environment.

In good place business-wise, operational delivery within service level standards. Operation not tested in what would be classed as 'business as usual' because the volume demand isn't back to those pre Covid-19 levels.

Still operating from a business continuity perspective. Confident we will be able to manage with policy easements that still remain and with resources working at home.

There have been challenges in managing cross border transactions.

We have seen a reduction in authorisations therefore we are not getting any customs authorisations applications.

EORI is steady, growing slightly with 2200 applications per week. Think this is largely the non-VAT registered population.

VAT registered were auto controlled enrolled for Day 1 No Deal planning in January.

Financials and accounting, this week has increased back to pre Covid-19 levels. We are not sure if this is due to duty deferrals going back to direct debit situation, so we are monitoring this. Also, slightly higher in flexible accounting service; possibly cash flow problems or other matters, again we are monitoring.

Operation Planning & Preparations for EU Transition

Well underway with planning, distance learning programme in place, scaling up operations and is working well. As HMRC scale up further and bring more staff on board the programme might be tested.

Sufficient capability within this programme to start thinking about authorisations and registrations, so we are ready to be able to bring new customers to that arena when the applications arrive.

We have an EU transition programme in customer service group who work closely with programme colleagues in policy. C&BD are working through with what NI Protocol will need for the operational business and how we will get all that in place.

There are still some unknowns, have split the next 6 months into two tranches:

1. Next 3 months takes up to September.
2. Final lead up to 31 December.

Plan is to scale from 500 – 3,500 staff and potentially more with NI protocol, with overlay challenge where we are with Covid-19 confidence levels remain that we will be on track to deliver this operationally.

Want to retain digital services and have requested this. Policy colleagues working through that to understand EU Commission perspective when reaching end of transition period. Some potential issues with preference certificates and stamping, this emerged last day or so, if policy colleagues can support and get agreement on our behalf.

Doyle, Alison (BT&C) alison.doyle@hmrc.gov.uk

Industry

HR Can the digital service continue beyond the short term?

MA C18'S have been received in post by some businesses, is anyone in the office to process them, will this be taken into account? Is HMRC considering levying late penalties?

AD (BT & C) C18's managed in Belfast office who do have staff coming into the office will take this away and respond). **AP4**

PS John Evans has agreed digital stamps can be put onto NCTS documents when systems in full back. Just to be aware they need to apply for permission to do this.

4. HMRC EU Transition update

SB Updated the main JCCC group on the approach HMRC is taking to engagement on EU transition.

- JCCC EU Transition Sub Group is the main HMRC forum for discussing customs EU transition issues.
- Now meeting every 2 weeks on a Monday as there are so many issues to discuss.
- This forum will bring together all the HMRC EU transition issues and keep an overview of them. It's not necessarily the forum for detailed technical discussion but we will aim to sign post where there is opportunity for other engagement and where other engagements are taking place.
- Border Protocol & Delivery Group (BPDG) will also be present at these meetings.

SB thanked members for their comments on the Draft Border Operating Model shared with them on 15 June which have been fed back to BPDG and acknowledged that we had received some quality feedback. The plan is to publish the model in the middle of July.

HMRC will design the fortnightly agendas around issues of most interest to members and will maintain this rhythm for as long as it is needed. For example:

- 29 June meeting covered Intrastat and an introduction to Staged Import Declarations.
- Special 2-hour meeting scheduled for Friday 10 July for detailed discussion on staging of imports.



HMRC is maintaining a master plan of engagement to try and avoid duplication and ensure it is coherent for stakeholders and HMRC teams. We took away an action to produce a forward look of meetings that we could share externally. **(AP5)**

NI Task & Finish Sub Group's first meeting has now taken place. On Friday 3 July the group has a Deep Dive to discuss tariff issues and goods at risk.

Beggs, Sally (CS&TD) sally.beggs1@hmrc.gov.uk

External Stakeholders Customs externalstakeholders.customs@hmrc.gov.uk

Industry

- **PS** Overall view is that we are asking more questions than are being answered.
- **HL** Is it just the one person issuing invites to these meetings? Want to make sure they have the right contact details.
- **AF** Finding it hard to understand how it all fits together and who to send to what meeting. Some meetings cover same territory, lot of duplication, would it be possible to have a grid of all the meetings? **(AP5)**
- **KS** Some smaller businesses have prepared well, it would be good to hear their voice. (**SB** happy to talk offline with **KS** to consider some ways to hear the voice of smaller businesses).
- **PS** Restricted access on shared draft documents, maybe re-introduce webinars.
- **HL** Issue of Draft Border Operating Model was very useful.
- **AR** Is there a lot more to be required at ministerial level? Are we now set and there's no further delay? Need for certainty. How much of this is entirely in the government's gift? This is complex. **(Forward Look)**
- Needs joining up NI trade with rest of GB trade, so businesses have the full picture. This is being asked for by businesses.
- **DH** Do you have a timetable?
- **LS** Offered to review communication products before they are published. Suggested a timeline would be helpful to aid planning. Need strong messaging that businesses need to start to get ready now.
- **ER** do not worry about overwhelming people as they are ready to start engaging on EU transition. Agree on sequencing, businesses need to deal with this and do it now.
- Concerns over GVMS is not limited to CSPs and border industry. NI businesses are also concerned.



5. Delivery of CDS Update

HMRC

Last major software release on CDS went into its live environment 3 May. This effectively completes the majority of the replacement IT platform for CHIEF.

- It is UCC compliant, can now process all declaration types.
- It is currently able to match the existing CHIEF performance in that it can handle 60 million customs declarations over a 12month period.
- It is integrated with the Enterprise Tax Management platform that is a new piece of technology required to do accounting processes for a range of taxes.
- The Interfaces with Defra for process of licence applications system & DIT to support tariff are in place.
- Customs platform is now built on a cloud base technology which is far more flexible.
- Further series of smaller releases since May these are educated because of low volume customs procedure codes that needed to be hoovered up in this final sweep.
- This completes the current CDS program and is now in process of being closed and replaced with the NI protocol that met for first time on 26 June.

Challenges: Migration Issues from CHIEF to CDS. The agreed baseline in Feb with industry needs to be looked at again and recalibrated as additional work to be done from now until December. This is due to NI Protocol and the Withdrawal Agreement.

- As the consequence to that will continue to dual run CHIEF and CDS.
- Original CDS was designed to enable system performance to cope with customs declaration for 60 million over a 12month period.
- To support NI Protocol by December, need to shift this to 80 million and eventually to get to a single platform need to start looking at dealing with 400 million.
- NI Protocol functional changes to enable dual tariff and to be linked to goods vehicle system (GVMS).
- Migrated 10 businesses, a small number but with over 2000 declarations, all successful and collected 21m of revenue.
- Have a stable test environment, since July last year this has been far more stable.
- Worked with the CDS subgroup on agreeing a baseline migration plan. That plan was laid out clearly and ready in February this year, this got interrupted with the NI Protocol. In terms of the migration path it is quite smooth.

Engagement: Permission only given in May and recognise there is a lot of catching up to be done. CDS, GVMS and other major programs developing plan being run by CT and is linked to critical milestones and things that need to be delivered.

The single owner of the plan is John Ellwood, co-designed these solutions in the plan.

- To identify and lift out of CHIEF into CDS - NI business and migrate those users, ROW could be a situation. Increased amount volume in CDS then CDS cannot cope, if we can't, want to avoid that, probably use CHIEF for EU & NI.
- Objective is to lift from CHIEF into CDS at same time to have all in one place.



- Managing traffic between GB/NI will have to submit customs declaration point them at CDS.
- Have a detailed CT engagement plan happy to share to members.
- Want to avoid running dual for sustained amount of time.
- Will share the detailed CT engagement plan which members welcomed.

Franklin, Kevin (Customs Transform) kevin.franklin@hmrc.gov.uk

Industry

- **HL** Is there a contingency in place for companies currently using CHIEF, ROW?
- **HL** Will ask members what they have to do and let HMRC know is this would help.
- **HL** Will there be any support available for businesses?
- **MA** When will the benefits be introduced?
- **LS** Want to avoid intermediaries staff having to use both systems. Those traders currently submitting and for row traffic into EU.
- **MA** When is the CDS data elements to be published?
- Can the list of future developments from day 1 be published?
- **DR** If a business trades with NI, do they need to migrate to CDS.
- **GR** Does HMRC have stats, know when running out of capacity? How many companies have been migrated? How does it take and is it working well?
- **PS** Will there be discussions on migrations for NI?
- **PS** and **JCCC** Wished Kevin all the best in his retirement and thanked him for how he has brought trade input into CDS Programme.
- **PS** Will there be discussions on migrations for NI?

6. BPDG 2025 Vision Update

BPDG 2025 UK Border Strategy Update

HMRC

What we are thinking in longer term.

- **Key Trends expect to see over 5 years**
Volume increases, advances in serious and some organised crime, customer expectations on speed of clearance, technology advances, impact of Covid-19.
- **We know from engagement with stakeholders that businesses and passengers have identified duplication of effort and a lack of clear HMG guidance as key issues**
Repeated data submissions are required, as well as multiple checks.
Multiple asks for visa documentation and interviews.
Opaque view of the status of goods during the clearance process.
Unclear direction to users.

- **Draft vision for the 2025 Border**
To have the world's most effective border that creates prosperity and enhances security for a global United Kingdom.
- **Draft mission for the 2025 Border**
To protect the public and encourage legitimate trade and travel for businesses and users.
- **We want to test our early thinking with you on what the 2025 border should aim to achieve and how that could be achieved**
Promote UK growth and prosperity by facilitating international trade for businesses of all sizes, while effectively collecting the revenue owed.
Detect, deter and disrupt serious and organized crime, terrorism and harm in order to protect the UK's people, businesses, health, and environment.
Facilitate the movement of people that benefits the UK, prevents abuse of the migration system, and safeguards vulnerable people.
Be resilient, adaptable and able to respond effectively to changing trends, threats and emergencies, while delivering value for money for taxpayer and users.
- **In draft we think the major cross-cutting transformational changes may look as follows**
Move as much away from the actual frontier as possible and appropriate.
Establish resilient 'ports of the future' at border crossing points.
Develop a single user-centric government approach at the border.
Bring together HMG's collection, assurance and use of border data.
Build the capability of the frontline staff and users of the border.
Shape the future development of borders worldwide.

A public consultation will be launched in mid-July, with further deep dives with sectors throughout late July and early August – members welcomed if they have capacity.

GW Future Border's (FB) perspective, an introduction on the technical side.

- Looking to work with BPDG in terms of developing technology and infrastructure, all that is behind the deliverables.
- Areas: platforms, data used at border, working with all departments with an interest, a view and who work directly at the border.
- Single trade window, single way of interacting with government.
- How to best use the data, to analyse how to combine inspections or interventions.
- See ways of making better use of information at the border and the trade environment.
- Supply chain, better understanding of what happens in advance -look at those processes, work with agencies, ports and industry.

Phillips, Hannah (Border Delivery Group) 2025borderstrategy@hmrc.gov.uk

Industry

- **PS** CSP are keen to engage and identify what forums are available.
- High interest to engage in this.
- **HL** Make sure self-assessment is on the radar.
- **DR** Are you talking to Nick Davies in HMRC about the "reducing Friction in International Trade" (RFIT) project?

HMRC

KF announced his retirement and that this was his last JCCC appearance.

BW thanked **KF** on behalf of the JCCC for his many years of involvement with the committee and his commitment to the Customs-Trade partnership and trade facilitation, including his tenure as a previous JCCC chair. This was echoed by industry colleagues.

BW Gave notice to members of a Customs Vision coming soon to JCCC and it will be involved with BPDG and Future Borders.

7. AOB

Industry

PS Asked about when more information would be published about the additional grant funding for intermediaries? (**SB** agreed that Intermediaries would be on the agenda for a future EU Transition Group).

Date of next meeting: The JCCC meeting will be 10 November 2020 13:00 -15:00



Summary of Action Points	
AP1	Confirm minutes were issued to PS E-mail issued to PS confirming minutes shared. (Closed 30/03/20)
AP2	Contact SAWG to obtain an update on the group and relay back to members E-mail to all SAWG members issued on the 8 June 20, advising the group has been suspended until Jan 2021. (Closed 08/06/20)
AP3	Guidance within the Tariff volume 3 needs to be re-instated Volume 3 of the UCC Import Tariff is now correct and complete and has been passed to Gov.UK to be reloaded. In the meantime, all the information has been passed to software developers via the CDS External Readiness Teams. We are now working to complete the Export and Inventory Linking versions of Vol 3. (Closed 01/07/20)
AP4	C18'S have been received in post by some businesses, is anyone in the office to process them, will this be taken into account? Is HMRC considering levying late penalties? AD (BT & C) C18's managed in Belfast office who do have staff coming into the office will take this away and respond.
AP5	Finding it hard to understand how it all fits together and who to send to what meeting. Some meetings cover same territory, lot of duplication, would it be possible to have a grid of all the meetings? SB Will look at the master plan of engagement and agreed to take away an action to see whether we could produce a grid of meetings that we could share externally to help trade plan their engagement.



Annex A - List of Attendees –

Airline Operators Committee for Cargo UK (AOCC UK)	JO John Oshea
Association of International Courier and Express Services (AICES)	AF Amanda Francis
Association of Freight Software Supplies (AFSS)	SB Steve Bartlett
Automated Customs and International Trade Association (ACITA)	DH Des Hiscock
British Association of Exporters (BEXA)	SS Sandra Strong GL Gail Lesson
British Chambers of Commerce (BCC)	LS Liam Smyth AJ Anna Jerzewska
British International Freight Association (BIFA)	PJ Pawel Jarza
Customs Air Transport Industry Consultative Group (CATICG)	MF Martyn Fiddler
British Ports Association (BPA)	RB Richard Ballantyne
Chamber of Shipping (COS)	GS Gavin Simmonds
Chartered Institute of Logistics & Transport (CILT)	SM Susan Morley
Community Systems providers (CSPs) also Agency Sector Management (ASM)	PMA Peter Macswiney Industry Chair
Customs Practitioners Group (CPG)	BS Barbara Scott
Food and Drink Federation (FDF)	GR Gavin Roberts
Federation of Sport and Play Association (FSPA) (works for Samsung)	MA Michael Alexander
Freight Transport Association (FTA)	JL John Lucy
Fresh Produce Consortium (FPC)	ST Sian Thomas
Institute of Chartered Shipbrokers (ICS)	RH Robert Hill
Institute of Export (IOE)	IG Ian Gowers KS Kevin Shakespeare
International Meat Trade Association (IMTA)	KD Katie Doherty
Road Haulage Association (RHA)	DB Duncan Buchanan
Society of Motor Manufacturers and Traders (SMMT) **(Five lane consultancy)	HL Howard Levene
UK Chamber of Shipping (UKCoS)	GS Gavin Simmonds
UK Major Ports Group (UKMPG)	TM Tim Morris
UK Warehousing Association (UKWA)	BS Barbara Scott
Wine and Spirits Trade Association (WSTA)	DR David Richardson
Institute of Directors (IoD)	AR Allie Renison CC Claudia Catelin



HMRC Chair	BW Bill Williamson
HMRC Co Chair	SB Sally Beggs
HMRC Secretariat	KM Karen McCrea
HMRC Agenda Item	AD Alison Doyle
HMRC Agenda Item	KF Kevin Franklin
HMRC Observer	LN Lynsay Neil
HMRC Observer	AR Abimbola Rosiji
HMRC Observer	MW Mike Walton
HMRC Observer	PB Phil Bower
HMRC Observer	JE John Evans
HMRC Observer	DB Darren Bradbury
BPDG Agenda Item	HP Hannah Phillips
BPDG Agenda Item	GW Glen Wimbury
Border Force Observer	DH David Huke
HMT Observer	MM Maria Murray
HMT Observer	CM Carly McKenna