



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

Date of Meeting: 29 July 2020

Location: Microsoft Teams Videoconference

## 1. Introductions

The Meeting was chaired by CD & JE. JE welcomed members to the meeting.

## 2. Sign off Minutes from 20<sup>th</sup> May 2020 meeting.

The minutes were agreed and signed off.

## 3. Update on Action Points from May 2020 meeting.

### **AP89 – JE to publish guidance confirming the standing down of NOP's project.**

JE explained that it isn't necessary to issue formal guidance in this instance as the project was only initiated informally.

LR advised that there was a CIP issued in 2016 regarding the NOP's project.

JE to review the CIP to determine whether anything further needs to be done on this matter, however it was agreed that the AP could remain closed.

### **AP90 – JE to provide members with update on the UK's ICS2 plans.**

JE informed the group that there are now clear instructions regarding the GB element of the ICS2 requirement and the position is very similar to that of the current ICS format. This information is now in the public domain and so the details can be viewed online. The NI position will be soon be published alongside other forthcoming NI information.

SG had concerns over mixed messages regarding whether safety & security declarations will be required.

JE confirmed that under the Staged Imports approach, safety and security declarations will not be required for 6 months on goods being imported from the EU. EIDR can be used for goods not on the 'controlled goods' list.

PS queried whether the UK would be pursuing ICS2 and whether we will be using it for NI and not GB. The concern is that businesses will not have ample time to prepare.

JE advised that at this time, HMRC have not made a decision to implement ICS2 in GB. If a decision to implement ICS2 in GB is taken HMRC will give trade as much notice as we can. The position for NI will be set out in future documentation.

***Following on from the meeting we can provide the following information taken from the BOM in relation to declarations;***



From January 2021: Traders importing standard goods, covering everything from clothes to electronics, will need to prepare for basic customs requirements, such as keeping sufficient records of imported goods. Traders will also need to consider how they account for and pay VAT on imported goods. **Traders will then have up to six months to complete customs declarations.** While tariffs will be payable where due on relevant goods, payments can be deferred until the customs declaration has been made. **UK Safety and Security declarations will not be required on imports for the first six months.**

**Standard customs declarations will be needed from this date for controlled goods and excise goods like alcohol and tobacco products.** There will also be physical checks at the point of destination or other approved premises on all high-risk live animals and plants, and a requirement to pre-notify for certain movements, but they will not be required to enter GB via a Border Control Post (BCP).

**Export declarations and UK exit Safety and Security declarations will be required for all goods.** Traders importing and exporting goods using the Common Transit Convention will need to follow all of the transit procedures- these will not be these will not be introduced in stages. The goods vehicle movement service (GVMS) will be introduced from January only for transit movements.

The BOM can be found at

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/908534/Border\\_Operating\\_Model.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/908534/Border_Operating_Model.pdf)

#### **AP91 – Trade to put their VAT questions in relation to incoterms to the secretariat.**

Questions have been submitted and have been passed to the JVCC secretariat to answer. **Closed.**

It was agreed that the action point can be closed at this meeting. However, an answer is still required from the JVCC.

If trade request further advice from the matter they are advised to submit a request for a clearance to the VAT Clearances team. Further info can be found using the link below;

<https://www.gov.uk/guidance/non-statutory-clearance-service-guidance>

SS expressed concerns that the current structure of businesses in relation to ownership and recovery of import VAT will negatively affect businesses financially. There is a significant commercial impact on UK businesses who may take their business elsewhere, out of the UK, as they don't want the hassle arising from the changes. It was advised that HMRC should review the measures as they could be detrimental to the economy.

#### **AP92 – SH to contact the JVCC to advise them of incoterms and recovery issue.**

As above, questions have been passed to the JVCC secretariat to answer. **Closed.**

#### **AP93 – Secretariat to share relevant VAT RCB.**

Disseminated to members with meeting agenda. **Closed.**

#### **AP94 – JH to provide a response as to whether duty relief on PPE can be extended to supplies to care homes.**



JH provided response which was disseminated with agenda. **Closed.**

**AP95 – Trade to contact secretariat with concerns regarding movements of reusable packaging.**

No further queries or concerns from trade. **Closed.**

**AP96 - JE to inform CDS team of issues raised.**

JE confirmed that he has liaised with CDS team and there is no substantive change to the policy.

Members requested that the wording could be confirmed in writing. After liaison with the CDS team (conducted after the meeting) the following text has been confirmed:

***‘Declaration Category I1C&F:***

*Enter a description of the goods which is specific enough to allow the unambiguous identification, classification and examination of goods.*

*The description has to be specific enough to support a debt to be raised in the event a supplementary declaration is not provided in conjunction with other data in the simplified declaration and the commercial records’.*

**AP97 – JH to circulate INF CIP to members.**

CIP circulated to members prior to meeting. **Closed.**

**AP98 – PJ to set out Notice 197 issue via email.**

PJ set out the issue via email. Work is being carried out to amend the guidance and we are working with Border Force to resolve the issue. **Closed.**

JE offered to revisit the issue at next meeting to review whether issue has improved.

**4. EIDR (how consignments will clear on CHIEF post transition period).**

AM queried how consignments will clear on CHIEF under EIDR on arrival to ports on 1<sup>st</sup> January 2021 and whether CHIEF will recognise the EORI number and allocate route 6 (release from customs) automatically?

JE informed the group that he is not expecting there to be a requirement for a declaration on CHIEF, since the purpose of EIDR is to reduce that burden. HMRC are liaising with inventory providers to provide a mechanism to allow for this process.

LN confirmed that solutions have been put forward using similar mechanisms to TSP, whereby a ‘C’ status code could be used.

SG requested that all amendments to inventory systems be made consistent with one another.

JE explained that we would will try to make the systems consistent wherever possible, however this would be difficult to mandate.

LB stated that we are awaiting information regarding simplified declarations.



MW stipulated that this applies only to simplified EIDR, for qualifying goods during the phasing in period only.

## **5. Supplementary Declarations/changes to Union legislation.**

BS queried whether, due to the substantial changes within the UCC Delegated Regulations and Implementing Regulation, the UK were going to implement changes (for example, the length of period allowed for submitting supplementary declarations?

JE stated that the UK's current processes already conform with the changes to the UCC so no further action is necessary.

## **6. Authorisations/Special Procedures.**

BS had a technical question regarding the handling and discharging of IP goods and whether the cost of Customs duties should be added.

JH explained that it is likely that the procedure falls under article 86(1) of the UCC but will send an email to confirm this point. **NEW AP99**.

BS queried how businesses could avoid having go through the unnecessary and arduous CCG process in relation to IP.

CD explained that post transition, GB traders will not need to apply for a CCG when they apply for a Special Procedure. HMRC are currently developing a revised process to reflect the new legal position in GB. In the majority of cases authorisations will be granted without the need for a CCG and further information will only be requested where necessary.

LR queried whether the waiver for CCG's for deferment accounts is a wholesale change or whether the waiver only applies to trusted traders for a fixed period.

CD confirmed this is not a transitional measure but a steady state change. Further guidance is to be issued shortly. HMRC is working on the communications for existing holders of CCGs.

BS raised the question as to how to transfer IP goods from one trader to another in the UK from January 2021.

JH confirmed that the same process that applies now will apply after Jan 2021.

BS questioned whether there were any plans to restart AEO visits as some authorisation applications are on hold whilst they are awaiting visits.

CD explained in the current climate, new applications have been progressed as far as possible and HMRC have been applying desk-based checks to achieve this. HMRC are continuing to review their approach to compliance visits to ensure we are aligned with HMG policy on COVID-19. CD explained there are no immediate plans to recommence a full compliance visit programme but are looking at a introducing a targeted approach shortly as well as trialling alternative contact measures for customs warehouse applications. We are unable to issue a decision on AEOS and AEOF applications without a site visit but are progressing these applications as far as we can. We are procuring PPE to enable the



targeted approach to site visits to start. We will continue to keep the position under review and provide a further report to the AEO JCCC Sub Group on 27 August.

## **7. EU transition/ Border Operating Model (BOM) Update**

JE opened the floor for questions regarding the recently published BOM.

PS expressed concern at the requirement to pre lodge a declaration in country of destination, as well as the requirement to submit a safety and security declaration. PS also expressed concern at the complexity of the GVMS system.

JE explained that leaving the EU simply means that goods being exported to EU destinations will operate the same as Rest of World exports and that those systems will operate in exactly the same way as the ROW operating systems in effect at the moment. JE acknowledged there could be challenges at some locations and there is further work to do to prepare readiness.

LR stated that there is confusion as to what '6 months' means for deferred declarations as the BOM infers its only for imports into free circulation. LR requested clarification as to whether this has been restricted deliberately or whether it could be applied for imports going into a special procedure.

LR also requested clarification regarding changes to criteria for the intermediary grant and whether it is limited only to intermediaries and traders/exporters making their own declaration. Exporters using an intermediary should also be able to qualify for the training as they need to be educated enough to instruct an intermediary appropriately.

JE confirmed that the 6 months for deferred declarations starts from the date of importation of the goods. JE also advised that traders who want to use special procedures will need to be authorised and make declarations to the procedure.

Further information confirming the position of the intermediary grants can be found using the link below;

<https://www.customsintermediarygrant.co.uk/>

### **AOB.**

BS questioned whether there will be any changes to procedures for continental shelf movements and how we envisage reporting goods moving from mainland to UK CS.

JE advised that there are no major changes imminent. After the transition period we will have the ability to make our own legislation, subsequently, we can explore better ways of operating continental shelf movements in future.

CD highlighted that the BPDG have launched a consultation on 2025 UK border strategy. Closing date for the consultation is on 28<sup>th</sup> August 2020.

### **Next meeting 27 October 2020**

New Action Points	
AP99	JH to confirm in writing the procedure for handling/discharging IP goods.



**Index of abbreviated names:**

JE – John Evans (HMRC)  
CD – Colin Davis (HMRC)  
JH – Jim Holburn (HMRC)  
MW – Mike Walton (HMRC)  
SH – Sue Hill (HMRC)

AM – Alonso Mraberty (Sojitz Europe Plc)  
PS – Peter McSwiney (ASM)  
LR – Lorenzo Rosetti (KPMG)  
LN – Lynn Needs (MCP)  
BS – Barbara Scott (CPG)  
LB – Lee Bucktrout (MCA)  
SG – Samantha Gartside (Adidas Group)  
PJ – Pawel Jarza (BIFA)  
SS – Sandra Strong (BEXA)



HM Revenue  
& Customs