

Minutes of the JCCC Duty Liability

Sub-Group meeting

Date of Meeting: 27 August 2020

Teams

13:30-15:00

Attendees

TRADE

Gavin Roberts (GR)
Howard Levene (HL)
Barbara Scott (BS)
Paul Whiting (PW)
Keith Aldred (KA)
Barbara Scott (BS)
Michael Alexander (MA)
Walter Anzer (WA)
Gavin Roberts (GR)
Steve Barlett (SB)
Corinne Nabavi (CN)
Pawel Jarza (PJ)

HMRC

Hazel Batter (HB) (**chair**)
Lisa Cureton-Burgess (LCB) (**minutes**)
Steve Lamprell (SL)
Maria Millard (MM)
Sue Hill (SH)
Kate Wood (KW)
Mark Grace (MG)

Apologies: Ian Worth

Minutes of Last Meeting

The minutes of the previous meeting of February 2020 were agreed.

Update on Previous Action Points

AP	Action Raised	Action Taken	Owner	Status
1	Singapore Agreement) SL to enquire if an electronic signature is acceptable as per BS' query.	SL confirmed that it must be a wet signature, manual is not acceptable.	SL	Discharged
2	(Turkish ATR requirements and non-preference certificates) SL to Update group when information received back from Turkey	SL said that it may be due to trade defence measures but there has been no legislative chance as far as the EU are concerned. GR said that Turkey have added extra taxes on certain goods from China which might be why they want the extra forms.	SL	Discharged

Minutes of the JCCC Duty Liability

Sub-Group meeting

Date of Meeting: 27 August 2020

Teams

13:30-15:00

MAIN AGENDA

ORIGIN

REX

SL said that the UK are looking at not adopting REX but this is still being discussed. For NI the EU still think the UK will use REX and GSP to keep the transition as smooth as possible.

CN said if the UK and the EU agree an FTA very late and companies in the UK are first time importers how would they set up in time?

SL said that we are looking more at using EORI.

GSP

SL said that the UK are keeping GSP the same for now, but this will depend on the talks with the EU.

MA said that GSP is unilateral so doesn't concern the EU

SL said that although it is a unilateral preference, due to established supply chains, goods travel through and are distributed via EU countries.

MA When will the GSP regulations outlined in the Taxation (Cross-Border Trade) Act 2018 be published?

SL-October 2020

GR Where do we stand with origin regarding goods from EU to UK after 1/1/21 if we reach a deal last minute?

SL a decision would have to be signed off at Government level. If goods are in transit, then goods would come over under the original arrangement unless it was otherwise agreed in the implemental period.

VALUATION

Prior sales

MA asked can a prior sale be declared as the value for duty?

HB- The Taxation (Cross-border Trade) Act 2018 Part 1 section 16 (2) says: "The general rule is that the value of the goods is the transaction value of the goods when

Minutes of the JCCC Duty Liability

Sub-Group meeting

Date of Meeting: 27 August 2020

Teams

13:30-15:00

sold for export to the United Kingdom.” The UK will therefore continue to use the last sale for export, and earlier sales will not be permitted. Our current policy approach will continue and no change to on our current position.

BS why should it be kept when we trade are so against it?

HL could we raise this on the 2025 project?

HB Yes that it an option.

Royalties

BS What guidance will the UK issue on royalties and licence fees?

HB- We are in the process of reworking notice 252 at the moment, this is to make it easier to read, find the information you are looking for, and update where we can for the end of TP. We have no immediate plans to issue additional guidance, however we will look at the royalties and licence fees section as part of that work.

Transfer Pricing

MA asked Post Brexit, what is HMRC’s position on transfer pricing and customs valuation? Will detailed guidance be published before Brexit?

HB- We do not intend to create detailed guidance currently. Our position on transfer pricing for valuation remains the same, transactions must be made at arm’s length, evidenced that the price is arrived at as if the parties are not related, and not be influenced by any related persons

GENERAL

Protective Claims

Will HMRC allow protective claims to be submitted (as it did prior to April 2016)?

HB-Debt policy team have confirmed that there are currently no plans to revert to the policy position pre-April 2016. The approach taken under the UCC will continue. If you want to discuss further, this would be better raised through the JCCC group that covers debt matters so that a discussion with policy leads can be had – or alternatively through the UK transition JCCC. We will talk about query handling for end of transition more generally later

UK Global Tariff

Minutes of the JCCC Duty Liability

Sub-Group meeting

Date of Meeting: 27 August 2020

Teams

13:30-15:00

HB - The UK Global Tariff will apply to goods imported into the UK on 1 January 2021 and thereafter unless an exception such as a preferential arrangement, e.g. under a free trade agreement, or a tariff suspension applies. This tariff will not apply to goods coming from developing countries that benefit under GSP or to countries with which the UK has negotiated a Free Trade Agreement. The Northern Ireland / Ireland Protocol in the Withdrawal Agreement provides for certain specific arrangements as regards to Northern Ireland.

As currently published, the UKGT sets out the standard import customs duty rates against commodities but does not yet contain the additional measures such as preferential rates, suspensions or trade remedies. For this reason, the commodity codes have been left at 8 digits, except for where there is a duty differential that needed to be reflected.

However, the tariff that will be in force as of 1/1/21 will include those additional measures that are more commonly reflected within the 9th and 10th digits, so the commodity codes will all move to a full 10 digits, as it currently utilised. There is, therefore, no need to change systems or submit any additional dummy digits in order to complete a declaration. We'll keep stakeholders informed of any changes to guidance.

MA asked do we still use box 37 which is the preference box, or will it be driven by the tariff code?

Action Point 1: HB to confirm and update the group

AOB

GR asked about advanced tariff rulings post 31/12/2020

HB- The European Commission have stated that any BTI decisions already issued by the UK will no longer be valid in the EU after the end of the transition period. HMRC is currently working on a UK system to accept and process Advanced Tariff Rulings (AtaR) formally known as BTIs. This is on track to be delivered by the end of the transition period. Further progress updates will be published on Gov.UK when available.

KA asked whether after we leave the EU whether the controlled goods list could include goods subject to ADD like ceramics of Chinese origin? He asked what other goods might be included?

Action Point 2: HB to send the latest information available to members.

Minutes of the JCCC Duty Liability

Sub-Group meeting

Date of Meeting: 27 August 2020

Teams

13:30-15:00

Action Update: Latest guidance/position on controlled goods is here:

<https://www.gov.uk/guidance/list-of-goods-imported-into-great-britain-from-the-eu-that-are-controlled>

We have asked DiT for any further information and will share with this groups as that becomes available. More generally and in case it is useful, the latest on ADD measures can be found here:

<https://www.gov.uk/guidance/trade-remedies-transition-policy#anti-dumping-and-anti-subsidy-trade-remedy-measures>

CN where will the Statutory Instruments (SIs) that will apply after 31/12/2020 be available to view?

Action Point 3: HB to send link to the latest information.

Action Update: Please find links to the latest EU exit SIs and TCBTA that we think you will be interested in, (this is not an exhaustive list) Links to draft notices made under the Customs Import and Export Regulations are also included.

Taxation (Cross-border Trade) Act 2018:

<https://www.legislation.gov.uk/ukpga/2018/22/contents/enacted>

The Customs (Import Duty)(EU Exit) Regulations 2018:

<https://www.legislation.gov.uk/uksi/2018/1248/contents/made>

Draft notices to be made under The Customs (Import Duty) (EU Exit) Regulations 2018:

<https://www.gov.uk/government/publications/draft-notices-to-be-made-under-the-customs-import-duty-eu-exit-regulations-2018>

The Customs (Export) (EU Exit) Regulations 2019:

<https://www.legislation.gov.uk/uksi/2019/108/contents/made>

Draft notices to be made under The Customs (Export) (EU Exit) Regulations 2019:

<https://www.gov.uk/government/publications/draft-notices-to-be-made-under-the-customs-export-eu-exit-regulations-2018>

The Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018:

<https://www.legislation.gov.uk/uksi/2018/1249/contents>

The Customs Transit Procedures (EU Exit) Regulations 2018:

<https://www.legislation.gov.uk/uksi/2018/1258/contents>

Minutes of the JCCC Duty Liability

Sub-Group meeting

Date of Meeting: 27 August 2020

Teams

13:30-15:00

The Customs (Temporary Storage Facilities Approval Conditions and Miscellaneous Amendments) (EU Exit) Regulations 2018:

<https://www.legislation.gov.uk/ukxi/2018/1247/contents>

The Customs (Contravention of a Relevant Rule) (Amendment) (EU Exit): Regulations 2018 <https://www.legislation.gov.uk/ukxi/2018/1260/contents>

The Customs Safety and Security Procedures (EU Exit) (No. 2) Regulations 2019:

<https://www.legislation.gov.uk/ukxi/2019/1219/contents/made>

The Cash Controls (Amendment) (EU Exit) Regulations 2019:

<https://www.legislation.gov.uk/ukxi/2019/712/contents/made>

The Intellectual Property (Copyright and Related Rights) (Amendment) (EU Exit): Regulations 2019 <https://www.legislation.gov.uk/ukxi/2019/605/contents/made>

The Customs (Economic Operators Registration and Identification) (Amendment) (EU Exit) Regulations 2019

<https://www.legislation.gov.uk/ukxi/2019/714/contents/made>

The Trade Remedies (Amendment) (EU Exit) (No. 2) Regulations 2020:

<https://www.legislation.gov.uk/ukxi/2020/730/contents/made>

The Mutual Assistance on Customs and Agricultural Matters (Revocation) (EU Exit) Regulations 2019: <https://www.legislation.gov.uk/ukxi/2019/426/contents/made>

The Customs (Revocation of Retained Direct EU Legislation, etc.) (EU Exit)

Regulations 2019: <https://www.legislation.gov.uk/ukxi/2019/698/contents/made>

Meeting closed 15:15

Next Meeting: TBC 24/09/20

Note: After 12 years as JCCC DL Secretariat Lisa Cureton-Burgess has stepped down and Kate Wood will be taking over this role.

Minutes of the JCCC Duty Liability

Sub-Group meeting

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Summary of Action Points

AP	Subject	Action Point(s)	Owner	Status
1	Preference & Declarations	Is box 37 for Preference still to be used or will it be driven by the tariff code?	HB	Open
2	Controlled Goods	To provide the latest information on controlled goods post 31/12/20	HB	Discharged
3	Legislation	Send link to the UK exit legislation, including the SI's	HB	Discharged