

Minutes of the Joint Customs Consultative Committee

Date of Meeting: 10 November 2020

Location: Teams Dial in

Agenda

1. Introductions and Apologies
2. Minutes, Matters Arising and Action Points
3. EU Transition Update
4. CDS update and TSS presentation
5. NCH update
6. AOB

Annexes

A – List of Attendees

1. Introductions

The Meeting was chaired by Bill Williamson

Co- chaired by Sally Beggs

Apologies;

Name:	Organisation:
Lynsay Neil	HMRC

Chair introduced:

Name:	Organisation:
Gareth McLean	HMRC

2. Minutes, matters arising

2.1 Minutes 2 July 2020

The minutes for the last meeting were agreed and have been published on Gov.UK https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/911389/JCCC_minutes_-_2_July_2020.pdf

2.2 Ongoing Action Points

APs Carried forward from July meeting:

AP 4: 2 July 2020

<p>C18'S have been received in post by some businesses, is anyone in the office to process them, will this be taken into account?</p> <p>Is HMRC considering levying late penalties?</p>	<p>AD (BT &C) C18's managed in Belfast office who do have staff coming into the office will take this away and respond.</p> <p>Interest charges were postponed during the COVID situation, especially where there was risk of financial difficulty.</p>
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3. Agenda Item

HMRC EU Transition update

Sally Beggs

Regular forum to discuss transition is the EU Transition JCCC group, running every 2 weeks for over 6 months supplemented with deep dives, reading rooms and drop in sessions after each JCCC meeting to discuss any questions regarding the intermediaries grant scheme. Keen to make use of JCCC agendas and suggested items for future meetings include:

- Tariffs maybe possible to bring in DIT colleague
- Transit

Recap on main issues since 2 July 20

Publication of Border Operating model in July bringing together in one place all the border process requirements across all Government Departments. Updated version was published on the 8th October 20, now available on Gov.UK <https://www.gov.uk/government/publications/the-border-operating-model>

Policy comms for 1 January border import controls will be brought in in stages for GB to EU trade to give business more time to prepare.

From 1 January most importers bringing in none controlled goods into GB from the EU will be able to defer submitting information and payment of customs duties to HMRC for up to 6 months from the date of the import.

Safety and security declarations on imports are waived for 6 months from the 1 January 2021 and businesses taking advantage of staged import controls will be required to keep records of their imports and submit this information via a supplementary declaration within 6 months of import and pay the required duty by duty deferment account.



In order to make the supplementary declaration the trader will require an authorisation for the simplified declaration process or need to appoint an agent who has the relevant authorisation before the first supplementary declaration is due.

To support this, we have changed the representation rules so UK established traders importing goods into GB can ask an agent to act for them in a direct capacity for the simplified declarations procedures without the agent becoming jointly liable.

The new application forms for DDA approval are now available online at the following links (a Government Gateway account is needed to complete the online forms):

<https://www.tax.service.gov.uk/submissions/new-form/apply-duty-deferment-account>

Published new Gov.UK content on all of the above on the 16 October. HMRC are also making it easier for businesses to get a duty deferment account so most business will be able to use duty deferment without needing to obtain a customs comprehensive guarantee (CCG) providing the business has no history of non-compliance and is solvent.

Two new guarantee waivers to be introduced which business can apply for when they apply for a duty deferment account this has been published on Gov.Uk on the 29 October 20.

<https://www.tax.service.gov.uk/submissions/new-form/apply-guarantee-waiver>

Postponed VAT accounting will be available from the 1st January 2021 which allows the import VAT to be accounted for on the VAT return rather than at the point of import and confers a cash flow advantage. Postponed VAT accounting will be mandatory for businesses using staged import declarations.

<https://www.gov.uk/government/publications/revenue-and-customs-brief-15-2020-vat-conclusion-of-review-of-import-vat-deducted-as-input-tax-by-non-owners>

More guidance on postponed VAT accounting is being worked on and will use the JCCC working guidance group to road test the draft guidance.
Encouraging business to get an intermediary as part of our readiness messaging.

Additional funding in July worth £50 million which brings the total up to £84 million for the Customs Intermediary Grant Scheme. Positive response and latest stats. Last week 243 new applications and £37 million of funding applied for.

HMRC continue to have engagement with border locations in relation to policy requirement and post transition requirements for pre-lodgement and temporary storage models for customs controls. Prioritising RoRo where space is limited finalising with each port which will use the pre-lodgement model and therefore using GVMS for customs controls from July identifying which category ports fall into which will determine processes and liability requirements for each

- Category 1 no space available for checks
- Category 2 limited space for some checks and other checks inland
- Category 3 all checks can be carried out at the port

Engagement on transit with those who will offer transit function post transition. Also working with CSP's on how the staging in of import controls will work at inventory linked ports so there is a workable process for ensuring goods imported by traders using deferred declarations between January and July can be released from the inventory system without a link to declaration.

Passenger – duty free rules announced on the 11 September
Please see link to guidance: <https://www.gov.uk/duty-free-goods>

HMRC webinars are starting soon and three topics

- How to make customs declarations
- Business responsibilities when using intermediaries
- Staged customs controls

To date three letters have been issued to VAT registered traders

8 videos on HMRC You tube now available please see link below.

- <https://www.youtube.com/playlist?list=PL8EcnheDt1zgewSxxQGs7I9OGDC2KxYT0>
- Link to short information videos: <https://www.gov.uk/guidance/help-and-support-if-your-business-trades-with-the-eu>
- Link to handy decision trees on importing and exporting processes: <https://www.gov.uk/government/publications/how-to-import-and-export-goods-between-great-britain-and-the-eu-from-1-january-2021>
- Link to our step by step guide to importing: <https://www.gov.uk/prepare-to-import-to-great-britain-from-january-2021>
- Link to our step by step guide to exporting: <https://www.gov.uk/prepare-to-export-from-great-britain-from-january-2021>

PMc –Action point 3 has been closed and the team still do not know what the situation is with the downloadable tariff for software house from January 2021.

Tariff is critical information for everybody and need to know when will it be ready? And would like certainty.

DIT have not been able to be contacted regarding the tariff – who is the contact?

BW – we will take comments away and obtain details

PMc -The concern is the entire tariff is not available.

BS- We would like to speak to DIT when we will know what the full tariff will look like but what the rates will be not all codes are in there, also quotas, anti-dumping and is vital to businesses.

BW – We will note BS concerns and if this can be sent to SB and team and will ensure this is put through to the policy team engaged with DIT on these areas. We will have a conversation with DIT and the contacts to provide.

SB – If it is worthwhile to have discussions on Tariff's we can bring this into the EU transition JCCC

HL – We have been asking this question, no formal update on tariff so something as soon as possible would be helpful

RB- Are the above issues about the free trade deal will there be any timelines regarding the trade deals

BW – it is related but difficult with timelines as it is a political process. The Government will decide on negotiation strategy. There is a legal process to reach the end of the December deadline; but, again, political processes normally can, by mutual agreement, flex the timing and pace of the the legal process.

Questions from trade	
Can it be confirmed that Meursing codes will not be included in the UKGT, but will be	HMRC will look into this and provide a response as soon as possible.



required for GOODS AT RISK moving into NI - how and what Meursing code will be used? (DH)	
Question on the form for applying for CCG from an EU only importer - they have asked how they complete the relevant boxes in the form with regard to person with customs responsibility having customs experience and also qualifications when they have not dealt with 'customs' as such before being an EU only importer? (Katie – IMTA)	Being dealt with under the EU Transition JCCC.
Are there any more sessions with EU member states available to be shared?(Katie IMTA)	SB – There is a series and will provide future events at the next EU transition JCCC

PMc –We require a deep dive on transit as there is a lot of confusion on S&S relating to transit, some guidance on the transit fall back, lack of understanding of S&S between GB – NI when moving goods through the UK as a land bridge from other European countries whether an EXs is required?

BW- we will commit to tabling transit as an agenda item at a future the EU Transition JCCC.

BS Action Points from VAT still outstanding GM to follow up.

4. Agenda Item

CDS update

Susan Roberts

The current status is that we are running dual CHIEF and CDS at this point in time. To meet the NI protocol CDS is the focus for Northern Ireland.

CDS is capable of being compliant with the legal obligations of the NI Protocol with the ability to run dual tariff functionality and it is UCC compliant. We fully assessed the use of CHIEF as the primary customs platform and concluded that the changes required to it for compliance with the Protocol were unable to be made by December 2020. CHIEF will be the primary system for GB for January 2021. we have continued to scale CHIEF so that it can manage phased controls which will come in from January through to July 2021.

To date there have been 15 releases into CDS and the last one has been the main key release for Northern Ireland requirements.

The functionality for the dual tariff was placed into trade test on the 15th October, we have updated the functionality for the finance changes which went live on the 24 October 20 and have made good progress.

We are up against the challenge of limited time in respect of work for release due in December and period for testing.

We are aware that there are concerns of these compressed deadlines

In terms of migration to CDS which is a live service, we have commenced a controlled migrated of a CSP for imports and are now submitting both frontier and supplementary declarations.

Main focus is around NI trade and CDS programme team and CDIO are supporting the trader support system (TSS)

Questions from trade	Response
What is the fallback for NI trade to UK will, it be paper based? Just in case CDS& TSS does not come together (GR)	We are confident CDS will be ready and working but TSS is what we have as the fallback. Our focus is to ensure TSS is in place.
Lack of confidence how can we prove HMRC are on schedule (HL)	Tariffs are a challenge and we need to address this. CDS is one component of the model. We need to be clear how everything works together, deep dive discussions being held will help with the end to end view and how it all fits together.
CDS will not have been tested enough and is not ready, how confident are we? (AV)	CDS is a live service and its ability and functionality for 1 January 2021 is agreed and on track. We are focused on ensuring we have TSS stood up ready for the 1 January.

TSS overview

Frank Dunsmuir
Shanker Singham

The TSS was devised to deal with changes for the NI Protocol.

The core is a digital first service GB-NI journey and will deal with millions of declarations. Critical thing is people register on the Trader Support service (TSS) and the whole community need to register, hauliers, carriers etc. and if you are NI importer ensure your suppliers are registered.

A contact centre went live last week to help traders initially with registration and training going forward to December will help with other issues related to supporting customs declarations.

Will also provide education and advice through the Institute of Exports and International Trade.

Will not be raising non-standard documentation such as export health certificates and licences we will be advising what you need and signposting DEFRA and Agri-food.

NI – GB no additional process paperwork restrictions limited exceptions for goods subject to International trade treaties such as CITES, goods moving into duty suspension, export controls.

NI to/from Ireland no changes no paperwork

NI to /from the rest of the world NI will benefit from any UK free trade agreements, but there will be two regimes UK global tariff and European common external tariff for goods at risk.

GB- NI no export declarations but import declaration and safety and security declarations.



Will be using ENS safety and security declaration as the trigger to produce the simplified frontier declaration.

TSS will have a registration system and traders will provide master data to TSS once the goods have arrived in NI. TSS will do the supplementary declaration and they then require the import commodity codes from traders.

How will different routes be served?

Great Britain to Northern Ireland

Example: A construction company based in NI purchasing tools from a supplier in Wales
TSS digital-first service with support for declaration submission

Great Britain to Northern Ireland via Ireland (Transit)

Example: A clothing brand that brings materials in from Great Britain via Dublin
TSS service to support traders with transit documentation

Transit: Other routes

Example: A bike supplier that transfers products purchased from China from an ETSF in GB to NI

TSS working with existing intermediary market to understand how the TSS can help them support traders

Northern Ireland to and from the Rest of the World

Example: An art dealership based in NI buying and selling paintings from clients in the USA
TSS working with existing intermediary market to understand how the TSS can help them support traders

TSS declarations process for GB-NI direct route

Who's responsible for declaring Safety & Security declarations

Carrier

Who's responsible for Import declarations

Forwarders, or senders/receivers

How and when does it get lodged?

Shipment data is used to generate security declarations before goods move

Simplified frontier declaration¹ is generated by the TSS from the security declaration
After delivery, the TSS requests information to complete the supplementary declaration

A limited number of traders and goods (including controlled and excise goods) will need to provide additional data before goods movement, so a full declaration can be submitted.

As Northern Ireland is part of the UK, traders will still require a '**GB prefixed EORI**' when interacting with UK customs systems

Traders but may also require an '**XI prefixed EORI**'. **From 1 January 2021:**

Businesses in NI who move goods to GB

Businesses in NI who move goods outside the EU

Businesses in GB who need to make declarations in NI

Business from outside the EU who move goods into NI and do not already have an EU EORI

Will need an XI prefix EORI for:

Customs declarations when moving goods under transit



Submitting safety and security declarations
Accessing certain authorisations

Businesses that **register to TSS before November 23rd** will automatically receive XI EORI
Most businesses will be covered by auto enrolment for XI EORI. For those not allocated an EORI automatically, application takes 5-10 minutes: <https://www.gov.uk/eori>

Questions from members	
Will TSS handle the rest of the world traffic It will be a struggle	This is supported by existing intermediaries and not something TSS will support directly.
What If intermediaries cannot use CDS?(PJ)	If TSS are the only ones who have CDS interfaces Jan 2021. Discussions being held with intermediaries to make system available and TSS will use the data provided to do the CDS declaration
To use a certain Special Procedures, you have been to be holder of the authorisation how are TSS going to deal with that? (PJ)	Focused on ensuring basic journey works on day 1 Those able to use Special procedures are in a better position. Support maybe limited to the CDS interface we have, and traders may have to use their own authorisations

5. Agenda Item

Update on NCH operations

Alison Doyle
Katharine Salter

Resources have been scaled up at our locations for customs operations and we now have five sites at Liverpool, Salford, Belfast Washington and Leeds

By the end of November there will be added capability and capacity across all of the customs products.

HMRC have upskilled and trained 2,700 additional staff across the range of processing and technical colleagues ranging from 4 weeks training to 24 weeks training.

There will be 3,200 staff trained on the front line by the end of November to deal with authorisations, registrations, border clearance, financials including our 24-hour clearance service and accounting functions which are repayments, all resources have been modelled against our forecast of what the demand will be up to December and beyond.

Regarding the service level agreement to clarify HMRC is not taking 120 days to process applications but are working towards 30 days in particular for CFSP, the new DDA waiver and the consignee/consignor applications.

As of today the 10th November we currently hold 70 CFSP applications since the DDA waiver was launched on the 29th October, 207 applications have been received and 63 applications for authorised consignee/consignor, the demand v's the resource we have trained is not there and are re-modelling as we may see an increase in demand and the need to have staff in place.



Working with compliance teams and policy areas and any issues identified are being discussed and worked through. Looking to bolster our customer support model which is a multi-channel approach, online enquiries, webinars, telephony.

The legal deadline of 120 days is not what we are intending to use and we are working towards 30 days, The caveat is when a site visit is required and are trying to deal with this in 60 days and trying to be as practical as possible in the current circumstances.

We have revisited the application for CFSP in response to feedback and the draft is a significantly reduced version compared to the original. There is also a new style authorisation letter being designed along with better guidance. We will be inviting a selection of JCCC members to test the new application form and want to get it out by the end of November.

New CFSP authorisations have picked up over the last few weeks and half of these are applications to support the making of supplementary declarations

Additional checks have been put in place so that applications are not rejected unnecessarily.

Questions from members	
Thanked for the improvements in place and process has sped up considerably. But who can members speak to if they have an issue with an authorisation application? (DH)	Alison Doyle (AD) advised she will be the person to send any queries about authorisation applications to: alison.doyle@hmrc.gov.uk
The C18 issue was regarding the business not receiving the C18 because the office is shut. The demand is due for payment, but no-one is there to receive the letter?(BS)	Ad advised that we have staff in the office in Belfast processing C18. We've had no delays or issues with process.

AV- Thanked the speakers for the session and the report has been transparent and it is good to hear data and additional numbers in staff.

BW – Good work at the NCH and thanked both Katharine and Alison attending. There were previous themes and topics earlier to be discussed and SB to consider for the EU Transition meetings.

PJ - There needs to be accessible guidance in respect of transit for inexperienced traders

AF – Reading rooms have been very useful and would be useful to be used across other HMRC engagements. There are concerns across the board regarding CDS and this should be recognised and escalated to ministers.

BW-Understands trade concerns and acknowledges requests for a walk through in a live environment. Can confirm CDS and TSS working together.

PMc – It was clear 18 months ago that there were concerns when HMRC wanted to turn CHIEF off in 2020 and have been working with all the industry and would be a challenge to get CDS at a stage for CHIEF to be turned off in 2021. Trade have asked what message is being escalated up to government. Focus is on technical readiness not business readiness. Far too few discussions about business readiness.



BW- Strength of JCCC is frankness and honesty of dialogue. Appreciate candid feedback about trade concerns on end to end TSS CDS viability, in particular business readiness; requirement to do more to increase trade confidence. Reiterate that all our effort is to ensure that TSS CDS is in place. Good discussions and serious issues raised and rightly raised. Thanked all trade colleagues for their measured feedback and genuine concerns that we will take back from the JCCC and reflect to the relevant areas within HMRC.

6. AOB

An item raised by trade in the run up to the JCCC meeting were that we bring back for discussion Self-Assessment/Combined Declarations it has been a topic addressed previously before.

After discussions with **PMc** we concluded that today’s agenda needed to be focused on immediate priorities.

Both potential facilitations are medium to longer term but nevertheless important. We wanted to be able to gauge industry interest in coming back to Self-Assessment and Combined Declarations between now and the next meeting in February. If there is sufficient trade interest, we could offer a session at the Feb Main JCCC particularly on the value of those two facilitations for industry. We could prepare for this with some quantitative analysis of the value to industry and would welcome feedback/analysis from trade members.

HMT requested for members to send through any evidence and analysis supporting the benefits of SA/Combined Declarations to our HMT colleague Shauna.Kearns@hmtreasury.gov.uk

The first draft of the JCC Review of 2020 has now been circulated. It is a joint product between HMRC and our partnership with trade so we will give time for everyone to reflect on its content. We have already received feedback from some members so thank you for this and would like to encourage all members to reflect back their views and comments.

We will come back to this in the February meeting.

PMc- Informed that all the group would be in favour of the Self-Assessment being brought to the main JCCC meeting in February

PMc – The group felt strongly that the EU Transition JCCC is the only active JCCC Sub-group at present the other groups had lost the ability to deliver. Requested the EU Transition JCCC continue 6 months after Jan 2021.

PMc - Members would also like to have the Border Strategy 2025 for discussion on the next agenda.

Questions from trade	HMRC response
Will HMRC comment on the National audit report?(PMc)	Jim Harra (HMRC First Permanent Secretary) gave evidence on the NAO Report to the PAC on 23 November.
Can the notes and slides from the All stakeholder in particular the EU preparedness meeting. Can these be chased up and shared? (SM)	We will chase this up with BPDG.

Date of next meeting:

The next JCCC meeting will be 23 February 2021



Annex A - List of Attendees –

Outside Organisation attendees

Name

Outside Organisation attendees	Name
Airline Operators Committee for Cargo UK (AOCC)	John O'Shea/Andy Miller
Association of International Courier and Express Services (AICES)	Amanda Frances
Association of Freight Software Suppliers (AFSS)	Steve Bartlett
Automated Customs and International Trade Association (ACITA)	Des Hiscock
Agent Sector Management (ASM)	Peter Macswiney (Trade chair)
British Association of Exporters (BEXA)	Sandra Strong
British Association of Ship Suppliers (BASS)	Arne Mielken
British Association of Removers (BAR)	Stephen Denning
British Chamber of Commerce (BCC)	Liam Smyth
British International Freight Association (BIFA)	Pawel Jarza
British Ports association (BPA)	Richard Ballantyne
British Retail Consortium (BRC)	Sarah James
Chamber of Shipping (COS)	Tim Reardon
Chartered Institute of logistics & Transport (CILT)	Susan Morley
Chartered Institute of Taxation (CIT)	John Carlin
Customs Practitioners Group (CPG)/UK Warehousing Association (UKWA)	Barbara Scott
Federation of Sport & Play Association (FSPA)	Michael Alexander
Food & Drink Federation (FDF)	Gavin Roberts
Freight Transport Association (FTA)	Alex Veitch
Fresh Produce	Sian Thomas
Institute of Chartered shipping (ICS)	Robert Hill
Institute of Directors (IoD)	Allie Rension



Institute of Export (IOE)	Kevin Shakespeare/Stuart Irwin
International Meat Trade Association (IMTA)	Katie Doherty
Road Haulage Association (RHA)	Duncan Buchanan
Society of Motor Manufacturers & Traders (SMMT)	Howard Levene
UK Chamber of Shipping (UKCoS)	Gavin Simmonds
Wines and Spirits Trade Association (WSTA)	Kelly Moss

HMRC/OGD attendees

HMRC Attendees	Name
HMRC Chair	Bill Williamson
HMRC Co- chair	Sally Beggs
HMRC Secretariat	Susan Hill
HMRC co-secretariat	Karen McCrea
HMRC (NCH)	Alison Doyle
HMRC	Katharine Salter
HMRC (Customs Transformation)	Susan Roberts
HMRC	Darren Bradbury
HMRC	Gareth Mclean (observer)
HMRC	Julie Cooze (observer)
Other Government Departments	
Border Force	Doug McLellan
Border Force	David Huke
HMT	Maria Murray
HMT	Shauna Kearns
HMT	Olga Biinions
HMT	Charles Dearaujo
Fujitsu	Frank Dunsmuir
Fujitsu	Shanker Singham