

Minutes of the JCCC Duty Liability Working-Group meeting

Date of Meeting: Wednesday 23 October 2013

Location: Room 15:18-15:19 Alexander House 11:00-14:30

Attendees:

Phil Challen (PC)
Lorenzo Rossetti (LR)
Linda Stone (LS)
Emma Ormond (EO)
Gavin Roberts (GR)
Walter Anzer (RW)
Andy Miller (AM)
Mike Galloway (MG)
Corinne Nabavi (CN)

Valerie Smith (VS) (Chair)
Jan Pond (JP)
Nicky Shelley (NS)
Hazel Batter (HB)
Ken Sherlock (KS)
David Harris (DH)
Christine Stibbards (CS)
Lisa Cureton-Burgess (LCB) (Minutes)

Apologies:

Apologies were received in advance from:

John Carlin
Mike Hodge
Bob Ellison
Robert Windsor
Simon Thewlis
Ken Gower
Keith Aldred

Introductions were made around the table.

Previous minutes – action points

The minutes of the previous meeting of March 27 were agreed.

Action Points:

AP no.	Action Raised	Action Taken	Owner	Status
1	To send update to members when the Commission provide clarification about when the new GSP Regulation will apply	This has been covered in my updated presentation	NS	Discharged
2	Email Commission Services for clarification regarding Swiss non acceptance of EUR1 with Turkish Origin.	<p>The last update I received from the Commission was as follows:</p> <p>Concerning your question (an issue whereby Switzerland are not accepting EUR1 with Turkish Origin (a long term supplier declaration is held) for tariff codes under 1704, 1806 and 2106) the PEM sector is dealing with this problem the EU is facing. We are waiting for new development soon (October at most).</p> <p>Please be aware that the Commission will inform the delegates of the CCC-ORI as soon as we have concrete information. Further update from the Commission received in November advising they have met with the Swiss regarding this issue and are now consolidating their findings. The commission will give an update at the next Origin meeting on the 19-20 December.</p>	NS	Discharged

Future of JCCC DLWG

VS updated the members regarding the future of the DLWG meeting. She said that a joint Customs/Trade review had taken place by the main JCCC and that some changes had been put forward. The aim of the proposal is to drive a strategic, shared agenda. The existing sub-groups of Customs Change and International Trade Operating Systems will continue in their current format. It was proposed that the sub-groups covering Duty Liabilities, Transit, Import and Export; and Special Procedures be combined to form a new Customs Product and Processes sub-group. **GR** said that members valued the DLWG meeting and expressed strong views to keep it separate. This strong opposition has resulted in a change of heart. The JCCC DLWG will continue and the next meeting is set for 5 March.

Anti-Dumping Duty

CS gave an update on the Ceramic Tableware measure explaining that this is now definitive for 5 years. The definitive duty rate is lower than the provisional rate and NIDAC are dealing with the related repayments. Due to the large number of repayments due NIDAC has requested traders to lodge repayment claims.

MG raised a query about Solar Panels regarding problems obtaining correct certification for Undertakings. **(AP) CS** will look into this matter with BIS.

WA informed us that investigations regarding Sweetcorn & Mandarins were on-going so no result to date. **GR** asked about footwear and to explain the OJ information published in C295 of 11.10.13. **CS** said the Commission wanted current contact details of interested parties that were involved in the original investigation, so that they could be sent the results of MET assessments carried out by the Commission to correct the ECJ findings. **(AP) CS** agreed to send any footwear results published in the OJ to the JCCC DLWG members.

Tariff Preference

NS updated the meeting regarding the latest position on the EU's New GSP Scheme, EPA & Free Trade Agreement Negotiations. An update presentation was distributed prior the meeting. **CN** asked about Ukraine **NS** said that the EU-Ukraine DCFTA negotiations were concluded on 22 December 2011 and the Association Agreement (AA) including DCFTA was initialled in 2012. Ukraine hopes to sign the Association Agreement (including the DCFTA) at the Eastern Partnership Summit in Vilnius in November. The EU's Foreign Affairs Council agreed conclusions in December 2012 that indicated signature was possible if Ukraine demonstrated progress in three areas: elections; selective justice; implementing Association Agenda reforms. EU Foreign Ministers will opine ahead of the Vilnius Summit.

CN also enquired as to when the sugar Myanmar report will be published by the Commission **(AP) HB** will find out.

WA informed the group that a UK investigation was ongoing regarding companies importing canned tuna from Ghana. He explained that goods were not being released until the paperwork has been checked by the authorities. So far five countries have been warned by DG Mare about non-compliance with the IUU rules and there is a risk that all of them could be banned from exporting to the EU early next year.

USFTA (US/EU Free Trade Agreement)

The EU-US trade negotiations sometimes referred to as the Transatlantic Trade and Investment Partnership were launched in June and have now entered their second round.

Negotiations continue. EU Member States agreed a negotiating mandate in early June and the deal was launched by leaders at the G8 Lough Erne Summit the following week.

Washington hosted the first negotiating round in July. Good progress was made and the early October second round looks to agree on approaches and scope for the talks. Agreement could pave the way for the first exchange of offers during the third round in December.

TTIP remains as a top UK Government priority due to its potential to bring a step change to the UK economy. An ambitious deal stands to bring £10 billion a year to the UK, with benefits spanning all areas of the UK capability. The UK government is working closely with the EU and talking with the US and other EU Member States during this process.

To maximise benefits for the UK, business and government need to work together to determine our priorities and how we can best achieve them. The timescale is ambitious. Officials are aiming for agreement within 18-24 months. BIS have already received submissions from many different sectors. HMRC and BIS continue to work together on this issue.

UCC

HB said that the European Parliament have examined the text and agreement has now been reached on essentially the final text. It is still subject to final change while it is further examined by lawyer's linguists to ensure that the versions to be published in each of the community languages are consistent. Proposal for a Regulation of the European Parliament and Council laying down the UCC is available on the European Parliament website there is a link in CIP 13(38).

The UCC provides for the continuation of the Valuation earlier sales provision rather than including it as a specific provision within the UCC itself. The political agreement reached between the European Parliament, Council and Commission was that the UCC should include a provision to allow an implementing act detailing the exact rules, so we have the ability to continue with the prior sales arrangements. The Commission have been left in no doubt that both European Council and European

Parliament feel its continuation is important. **HB** said that her team have been working with HMRC colleagues to draw together a draft of the Implementing Act Provision that the UK would want to see.

VS said that we will ask that Pete Starling to attend the next JCCC DLWG Meeting in March if he is available. He may well be engaged in the negotiations in Brussels

Classification

Split Consignment Facility (SCF)

DH spoke about SCF he said the intention is to facilitate the import of e.g. a car production assembly line, power station etc, where it's not feasible to import the whole in one consignment (GIR 2a, Unassembled), the facility is not intended for regular imports of unassembled goods.

SCF covers goods of Chapter 84 & 85, and headings;
8608 – Railway or tramway track fixtures & fittings; Mechanical (inc. electromechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts.

8805 – Aircraft launching gear; deck-arrestor or similar gear; ground flying trainers; parts.

8905 – Light-vessels, fire floats, dredgers, floating cranes, and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms.

8907 – Other floating structures (For example, rafts, tanks, coffee-dams, landing stages, buoys and beacons.

Volume 1 of the tariff, Additional Note 3 to Section XVI, and Additional Note 2 to Section XVII.

Based on national guidelines, Classification is to the code covering the whole product. If you want to use the facility application is required to HMRC. The total related imports must be completed in a reasonable time. **DH** said that this facility has not been used very much in recent years but remains an available option. He said that the guidance is out of date but we aim to have it updated by the end of the year.

Classification of monitors

DH gave an update on developments with the classification of monitors saying that Council Regulation (EU) No 953/2013 introduces amendments to subheading 8528 59. It will be implemented from 25 October 2013;

8528 51 – Other Monitors:

“Of a kind solely or principally used in an ADP system of heading 8471”

8528 59 – Other
(Duty suspension codes introduced).

Flat Panel Displays able to display signals from ADP machines with an acceptable level of functionality.

Classification of Monitors is influenced by the Kamino Judgment (C-376/07) and the related WTO Disputes panel report. Classification is based on an overall assessment of the objective characteristics and properties of each particular monitor,

DH explained that it's difficult to determine by technical characteristics the correct classification of products which can display, with an acceptable level of functionality, signals from both ADP's and other sources. Therefore, duty suspension codes will be introduced in 8528 59. Amendments at TARIC level will only be used until 31/12/2013.

Due to the temporary structure it won't be possible to issue BTIs until Jan 2014. Permanent amendments at CN level will be introduced from 1/1/2014.

We should have a clearer idea of what is covered by 8528 51/59 when a number of Regulations are voted on at the CCC in December.

The new structure will not cover Monitors combined with other apparatus such as Portable DVD players and digital photo frames; where existing regulations cover these goods, the codes will be amended.

New text for goods currently covered by 8528 59 40 20 (New code 8528 59 31 50) from 1 January 2014;

"Liquid crystal display colour video monitors, excluding those combined with other apparatus, having a DC input voltage of 7 V or more but not more than 30 V, with a diagonal measurement of the screen of 33,2 cm or less,
- without a housing, with back cover and mounting frame,
- or with a housing,
used for permanent incorporation or permanent mounting, during industrial assembly, into goods of Chapters 84 to 90 and 94 (1)"

Current text:

"Liquid crystal display colour video monitor having a DC input voltage of 7V or more but not more than 30V, with a diagonal measurement of the screen of 33,2 cm or less,

- either without housing, with back cover and mounting frame,
- or with a housing specially designed for mounting,
- suitable for the incorporation into goods of Chapters 84 to 90 and 94.

PC asked what the definition was of a Monitor for medical purposes. **DH** responded say that the Commission has drafted a Commission Regulation in respect of a medical monitor, which we understand they are likely to recommend is classified in

subheading 8528 59 31, which will apply from 1 January 2014. but be aware that their view may change.

The goods description describes the product as having;

- screen of 21 inches,
- resolution of 1200 x 1600 pixels,
- aspect ratio of 3:4,
- pixel pitch of 0,270mm,
- contrast ratio of 550:1.

The product has DVI-I, D-sub mini and USB interfaces, and conforms to DICOM standards, allowing the monitor to display images with the accuracy required for medical diagnostics.

The product is intended to be used for medical use, for example, for displaying radiographic images for clinical diagnostics."

Sector updates

VS asked if anyone had any questions regarding the sector reports which were circulated to group members. There was a query regarding the Classification Opinions covering a cup and a saucer (put up for retail sale in a paperboard box with a jar with instant coffee) in heading 69.12. **LH** has responded saying that the cup/saucer and jar of coffee have been classified separately. The ceramic cup and saucer have been classified to 6912.00 and the jar of coffee in 2101.00 in accordance with GIR 1. This is not a change of practice for the UK.

PC asked about the Re-examination of the "Classification of certain light-emitting diode (LED) lamps" (**AP**) **LH** to provide more details.

Electronic BTI Applications

VS said that many of our customers are already submitting their BTI applications electronically. This reduces the time it takes for the admin team to key in each form manually. The "e"application is tried and tested and is robust therefore we will be phasing out paper BTI's by April 2014. She said that increasing number of traders are using the electronic version and few have any problems even when a BTI has samples as the Gateway team will match them to the application. **VS** said that Dave Knight is leading on e-mandation of this service this and more information will come out soon.

Classification Helpline

VS Informed the members that the reduced helpline hours will be continuing, this is so we can concentrate on reducing the time limit on producing BTI's. She said that a review is being carried out on the future of the helpline at the moment and different options have already been considered, including closing of the service as we move to

a “Digital by Default” environment. We will keep members informed on the future of the helpline.

AOB

None

Meeting closed at 14:15

Date of next meeting: 5 March 2014, Parliament Street, Westminster.

Reference	Action point(s)	Owner
ADD	Contact BIS regarding problems obtaining correct certification for Undertakings.	CS
ADD	Send any footwear results published in the OJ to the JCCC members.	CS
Tariff Preference	Update group regarding the Ukraine Association Agreement.	NS
Tariff Preference	Enquired as to when the sugar Myanmar report will be published from the commission,	HB
Tariff Classification	Send information on items from the WCO meeting.	LH