

# Minutes

Date of Meeting	11 <sup>th</sup> February 2016		
Group Name	Joint Customs Consultative Committee – Customs Change Group		
Chair: HMRC Lead	Philippa Evans (PE)		
Trade Representatives attending	Gary Tanner (GT)	UKAICG	
	Michael Alexander (MA)	FSPA	
	Alan Long (AL)	MCP PLC	
	Barbara Scott (BS)	CPG	
	Howard Levene (HL)	ACITA	
	Gordon Tutt (GT)	AFSS	
	Lorenzo Rossetti (LR)	Grosvenor International Systems	
	Andrew Miller (AM)	AOCC	
	Richard Stapleton (RS)	CNS	
	Robert Windsor (RW)	BIFA	
	Susan Morley (SM)	CILT	
HMRC attendees	Ian Wilkins (IW)	Head of Business Transformation and Customs Services	
	Daniel Foster (DF)	JCCC CCG Secretariat	
	Colin Davis (CD)	Customs Declaration Service Programme	
	Sue Bohannon (SB)	UCC Team	
	Caroline Wilkins (CW)	Product & Process Project Lead UCC	
	Dave Morgan (DM)	MASP Implementation Stream	
	Mark Ellis (ME)	Trade Statistics	
Border Force Attendees	Darren Hart (DH)	Senior Freight Targeting Manager	
Apologies	Peter MacSwiney, Carol Kunderan, Peter Cullum, Don Armour, Andrew Walker, Arne Mielken, Joe O'Connor, Paul Wrighting, Matthew Bradley, John Carlin, David Rudd, Micah Kent		

## 1 Welcome, new members and apologies

PE welcomed all to the meeting and introduced DF as the new group secretariat having taken over from John Nightingale.

## 2 Minutes of the 12<sup>th</sup> meeting of the CCG and Action Points outstanding

PE asked the group if they all agreed with the minutes from the last meeting. The group confirmed their agreement.

PE updated the group on the action points from the last meeting.

**AP 12/1 Trade to keep HMRC informed of developments and key discussions concerning the UCC developments** – PE confirmed that this AP remained ongoing and asked the group if there were any issues to discuss or feedback. No issues were forthcoming. **AP ongoing as AP13/1.**

**AP12/3 Trade and HMRC to consider and offer views with regards to Surveillance data requirements and the impact on self-assessment applications** – PE advised that we are in the process of feeding back to the Commission regarding some minor changes. PE asked for feedback from the trade members and advised that any examples of disruption would be useful. **AP ongoing as AP 13/2.**

**AP12/4 HMRC to update and circulate matrix on UCC implementation** – PE confirmed that the Matrix had been re-issued and that this AP had been discharged.

**AP12/5 Creation of Data Workshop to be further considered by HMRC. The request from trade would be dependent on resourcing and planned delivery of UCC and MASP changes** – DF advised that he had liaised with John Nightingale regarding the progress of this AP. DF advised the group that the last action was the circulation of the data tables and asked the trade members if they had any concerns with their content.

GT explained that for changes required for UCC, the trade are concerned about when these changes are likely to be introduced and whether they are mandatory within the transition period. GT explained that it is changes outside of CDS that are of most concern.

LR advised that he is keen to have a meeting to bottom out the details around non CDS changes, particularly around data elements so the software house can adjust accordingly.

PE asked for trade members to send through specific areas of interest to DF for a data workshop agenda.

PE explained that this would also allow us to ensure the appropriate policy owners are in attendance.

DF asked that the agenda items be sent through to him by 1<sup>st</sup> March. GT advised that he had previously sent through some issues to IW and asked that these are included in the agenda. **AP ongoing as 13/3.**

**AP12/6 IW to consider outcomes of CPG meeting and share issues where possible** – IW gave an update following the CPG meeting and advised that the Commission had committed to a 12 month period following implementation for discussion and feedback. AP discharged.

**AP12/7 Obtain details of key MEPs and circulate to the group** – PE confirmed that Julie Bayliss had actioned this and the AP had been discharged.

**AP12/8 Circulate revised data tables once received and quality assured** – PE confirmed that the latest version of the DA and IA data tables were in the Official Journal.

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2015:343:TOC>

DM advised that it is now a question of what we do with the information now. DM explained that the tables shouldn't require much more change so it is now a case of analysing the information to hand. AP discharged.

**AP12/9 Trade to consider future actions to encourage AEO uptake and report** – PE asked if there was anything further we can do to encourage AEO take up.

LR advised that most of their clients will be using Special Procedures and have been encouraged for some time to ensure that they meet the AEO criteria.

CW advised that there had been a surge of applications in December but this has tailed off since then.

LR advised that there was an element of rejection of applications where only a part of the application had been reviewed. This leads to the application being resubmitted and then rejected again for alternate issues that had not been picked up the first time. LR suggested the application should be reviewed in its entirety before being rejected. LR added that this was not just limited to AEO applications.

It was raised that there were currently issues obtaining a blank printable version of the Customs Warehouse form. PE advised that HMRC was aware of this and was dealing with the situation. PE offered to chase this up.

SM explained that the level of information required to support AEO authorisation is immense and may cause issues with the limitations of an electronic application process. The supplementary information quantities required even for small companies is massive.

Concerns were raised that even where a trader has opted for email communications; authorisation rejection notifications are still received by post, which in some cases can take up to two weeks.

CW advised that there is currently an AP on the JCCC CP&P sub group to identify a solution to counter the delay caused by post.

AM asked whether authorisations will have to be reassessed if changes are made to a business that fall within the scope of UCC.

CW advised that if the changes made to the business affect the conditions of the AEO authorisation then reassessment would be required. CW advised that a list of changes that will prompt UCC authorisation is available in the guidance manual.

**AP 13/4 – CW to issue the link to the Guidance Manual.**

CW highlighted that you do not need to apply for an AEO authorisation to be eligible for a waiver as long as you meet the AEO criteria. CW stressed that the level of checks and supporting information is greater for AEO than it is for a waiver, but that AEO carries additional benefits.

CW explained that there is a separate application form for AEO and for waivers.

**AP 13/5 - PE to speak with Andrea Head to seek a presentation for the next sub group meeting.**

**AP12/10 SD to ask MASP colleagues to consider trade representation on the Project Board** – DM advised that there has only been one project board meeting so far with the second meeting in the next couple of weeks. DM suggested that the project board firm up the structure and scope and will seek engagement from trade members at the appropriate time. DM went on to advise that the current MASP projects underway are not trade facing. **AP ongoing as AP 13/6.**

**AP12/11 PE to send out the draft TDA as soon as possible, inviting comments.** – PE advised that the draft TDA was circulated. However, this has also moved on and the version that has now been sent to

European Parliament and Council for clearance was attached to the meeting invitation. PE asked if anyone had any feedback. No feedback was forthcoming. AP discharged.

**AP12/12 Trade Stats presentation notes to be sent out with Minutes** – Presentation notes attached to the previous meeting minutes. AP discharged.

### 3 UCC Updates

#### 3.1. UCC Implementation Including Prototype Update

CW advised that there are a number of upcoming deadlines. The next round of Gov.uk detailed guides are due to be published on the 29<sup>th</sup> February and will cover: Customs Warehouses, Inward/Outward Processing, Temporary Admissions, End Use and SIVA.

The remainder of Gov.uk pages are due to be published in March.

The word version of the Guidance Manual will be available at the end of February and circulated to the JCCC ahead of the publication on Gov.uk.

Public Notices have a deadline of 14<sup>th</sup> March.

Tariff final CPC notes will go to the tariff editor by 15<sup>th</sup> February and a consolidated email will go out soon after.

Transition letters will be issued to everyone with an authorisation who will be impacted by the UCC changes on the 1<sup>st</sup> May 2016. The letters will detail the changes and will be sent out to approximately 12,000 traders between the beginning of March and end of April.

CW advised that an HTML document has been created containing the UCC Q&A log. The log contains all of the Q&A's to date and will be added to as more are received. The HTML format is easier to navigate compared to a word document. The document is being finalised this week and will be circulated shortly.

The trade queried whether there are going to be any further public notices and why the notice numbers do not match the previous sequence.

CW advised that we are currently going through the process of aligning our communications with One Government at The Border so there will be some changes to what is published. Public notices about the more complex procedures will remain but some of the simpler topics will be phased out.

The public notices that remain will be renamed Gov.uk Detailed Guides.

#### **AP 13/7 – CW to circulate Gov.uk Detailed Guides that cover UCC.**

#### 3.2. DA & IA Update

PE advised that the DA and IA had been published in the Official Journal on the 29<sup>th</sup> December 2015.

The DA and IA can be found in OJL343 or by following the link below.

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2015:343:TOC>

PE advised that we are currently reviewing some minor amendments and cross referencing issues in a corrigendum issued by the Commission. PE stressed that the corrigendum only covers editorial changes and should be released before 1<sup>st</sup> May.

With regard to major structural changes to the DA and IA, feedback from the trade is requested but we will have to consider and prioritise those changes that we can take forward.

IW advised that we are looking at cost and burden of changes and any hard numbers available to support a case at Commission level would be appreciated. Any such data would be treated as commercial in confidence.

IW asked for any information to be made available to him where possible and confirmed he is happy to discuss where necessary.

**AP 13/8 – Trade members to provide IW with hard figures on the cost/ burden of changes implemented under UCC.**

PE advised that a CIP will be issued in March requesting feedback from Trade on any required structural changes to the IA and DA. PE confirmed that she doesn't expect the Commission to look at structural changes until after 1<sup>st</sup> May.

IW advised that the Commission have agreed and committed to a 12 month period of discussion for UCC feedback and structural changes.

CW asked the trade to consider scale of impact of preparation for an AEO application now that more traders will require the authorisation.

**3.3. Transitional Delegated Act updates**

PE advised that the TDA was currently being reviewed but no objections are expected. We will know by the 18<sup>th</sup> February when the review period ends. The Commission want to publish the TDA by the end of February with any editorial changes.

PE explained that the admin element of the TDA runs until the 1<sup>st</sup> May 2019 and is required for authorisations. The IT element of the TDA covers the rollout of the various IT solutions to support the UCC and runs up to 2020.

An element of cross referencing is required to align CDS & MASP and ensure the implementation and changes required are all timed appropriately.

IW advised that discussions are taking place on how to best place ourselves for UCC amidst major geographical changes with Building Our Future. IW advised that consideration is being given to centralising processing to ensure a fast turnaround on applications throughout the major location rationalisation.

BS raised concerns around centralisation as previous centralisation to Leeds and Nottingham caused processing to slow. BS explained that she has concerns that further centralisation may impact the system further.

IW explained that we would be seeking to centrally process and validate electronic applications to filter out the simple applications that can be processed quickly and then issue the more complex applications requiring further attention to the appropriate work area.

SM asked if there is a specific error that leads to rejection of a number applications that the trade members can look out for to increase the success rate.

**AP 13/9 CP&P Sub Group to liaise with representatives from the Leeds and Nottingham teams to identify common errors on applications and feed back to the trade.**

CW suggested that the simplest errors she has identified are:

- Application not sent through to the correct Member State.
- Application not sent through with an EORI number.

GT advised that software houses were involved in a digital taxation workshop last year.

IW advised that HMRC was kicking off a 'Making Tax Digital' Programme'. IW explained that at the moment the Programme was mainly Direct Tax focused but that it is key that we engage with this Programme to ensure we are aligned internationally with digital progression.

IW also explained that we have the Customs Transformation Programme that will run alongside. IW advised that work is already underway to ensure Customs features in the digital plan going forward.

#### **4 Introduction of release of exporter details facility on uktradeinfo.com**

ME gave a presentation on the introduction of an exporter details facility on uktradeinfo.com.

Discussion on the proposals for the new facility have been ongoing for a number of years including consultation with JCCC members in 2014.

The new facility will go live on the 8<sup>th</sup> April 2016 and will follow the format of the importer details facility and will be searchable.

There will be some suppression of the data including:

1. Data hidden in the national interest, such as that related to goods of strategic or defence interests
2. Data where only a few exporters are involved and individual businesses could otherwise be identified or deduced
3. Where an exporter has decided to opt-out of the facility.

Details cannot be removed retrospectively. Once the data has been made available, it cannot be removed. Exporters who apply immediately will never have their details shown. Otherwise, export data from 1st January 2016 will be made available.

The opt-out rules for Importers Details are also changing from 8<sup>th</sup> April to bring them into line with the exporter details rules. Anyone who applies for opt-out from Importer Details immediately will have their details excluded from 1<sup>st</sup> February 2016.

Publicity will be made widely available via normal channels including a Revenue & Customs Brief, uktradeinfo announcement and through the JCCC.

MA asked what the driver was behind the new facility.

ME explained that this was supported by the Prime Minister and was designed to aid growth by providing the data to match exporters with markets and develop business.

#### **5 Customs Declaration Service**

CD advised that there has been a lot of activity since September when he last attended the JCCC.

CD advised that Tariff service has received a bid for tender and is currently progressing through business evaluation & proving for contract.

CD advised that CDS has only recently on-boarded a supplier from Monday this week and will be starting the evaluation & proving and hoping to make a recommendation in April 2016.

CD advised that the current timetable is to launch a test in February 2017, followed by live delivery in October 2017. CD advised this timetable is currently being reviewed and a revised end-to-end plan is due to be presented to the April Programme Board.

IW explained that during testing, the trade will need to be involved.

RW advised that the trade were invited to provide aspirations for the new system at the start of the Programme and asked how many of these aspirations have been included.

CD explained that he can't say at this stage and explained that any such aspirations may be included in the initial phase or may be held off for a subsequent release of improvements.

## 6 MASP Update

DM advised that the latest revision has been received this week and the Commission have included some additional projects. There is an initial review period up to 23<sup>rd</sup> February but DM explained that there should be no surprises in it.

DM advised that the 2017/18 projects appear to be stable but there may be some pressure during 2019/20.

DM went on to advise that the Safety and Security implementation may move from 2020 to 2022.

DM advised that there are half a dozen projects currently under transition, including:

- Customs Decisions – Where will activity be and how will it be done?
- Registered Exporters – January 2017 phased implementation with GSP certificates around until 2021. If trader is not registered then they won't be able to issue a certificate of origin.

DM advised that the Commission have set up a project group and that he hopes to receive an update at the next EECG Meeting.

DM advised that no changes will be made to CHIEF to allow it to interact with REX but that CDS will interface with REX.

DM advised that traders will potentially have two types of authorisations under CCC and UCC and that a workaround has been put into place for CHIEF to allow this.

DM advised that from May 2016 BTI will have to be declared so work is underway to make it easier for us to identify the BTI reference.

DM advised that they have managed to develop a good deal of flexibility with the Commission as to when the various changes can be implemented between now and 2020. We will have to decide the best timeline to run alongside implementation of CDS.

DM advised that we need to bear in mind that the timing of export changes may mean we are not using the same data set as other Member States. If we make changes early then we will be responsible for data conversion.

DM advised that we have made enquiries whether the Commission are responsible for data conversion during the 5 month window in 2019.

DM assured the group that we are reasonably confident that our current position will allow us to deliver to timeline.

DM advised that there had been some pushback from Member States regarding POUS and that it had been pushed back to 2019. DM explained that the scope of the project still needed to be worked out. Work is already underway regarding the electronic manifest and that it is not yet clear what it will deliver to us.

## 7 Pre CDS IT Changes and liaison with Trade

LR raised CIP26016 regarding CPC changes. LR explained that often CPC changes are seen as relatively simple but there are a lot of software systems that don't accommodate the change easily. LR raised concerns that the CIP's are released with no technical discussion with the trade which can cause significant issues.

LR asked for a technical working group to discuss change proposals before release.

**AP 13/10 – CP&P Subgroup to consider setting up a working group to review technical implications on trade of CIP's before they are released.**

## 8 Any Other Business & Date of next meeting

DH introduced himself and explained his role within Border Force. DH advised that he one of two senior freight targeting managers (the other, Mark Storti covering maritime) responsible for providing Border Force's targeting capability to both our own front line and that of partners. Within the air command, Border Force have an Air Freight Targeting Team at Heathrow Airport and a Fast Parcel one at East Midlands Airport. Border Force are developing a postal targeting capability.

DH advised that in addition to the above he along with Mark Storti is one of the two Service Managers (SM) on the Advanced Freight Targeting Capability (AFTC) our new integrated system. The SM role is basically to assure that the programme team deliver the product we need although it has recently been expanded to include responsibility to assure data flows.

DH went on to advise that he also represents the Border Force Intelligence Directorate within the One Government at the Border Programme.

DH explained that he would seek to attend future meetings and contribute where possible.

IW advised that under the DFT launch of the National Maritime Single Window, the FAL2 cargo report which was previously considered outside the scope is now being considered as mandatory. IW advised that DFT will be looking to discuss this with AL.

**Next Meeting: May 2016. Date to be confirmed.**

### Summary of Action Points:

Action Point	Details of Action Point	Current state of play	Responsibility
AP 13/1	Trade to keep HMRC informed of developments and key discussions concerning the UCC developments	Ongoing	Trade Members
AP 13/2	Trade and HMRC to consider and offer views with regards to Surveillance data requirements and the impact on self-assessment applications – Trade	Ongoing	Trade Members

	members to provide feedback and examples of disruption.		
AP 13/3	Creation of Data Workshop to be further considered by HMRC. The request from trade would be dependent on resourcing and planned delivery of UCC and MASP changes. Agenda items to be sent to DF by 1st March for consideration.	Ongoing	Trade Members
AP 13/4	CW to issue the link to the Guidance Manual to trade members.	Ongoing	CW
AP 13/5	PE to speak with Andrea Head to seek a guarantees presentation for the next sub group meeting.	Ongoing	PE
AP 13/6	DM to engage with trade members regarding attendance at the MASP Project Board meeting once structure and scope have been agreed.	Ongoing	DM
AP 13/7	CW to circulate Gov.uk Detailed Guides that cover UCC.	Ongoing	CW
AP 13/8	Trade members to provide IW with hard figures on the cost/ burden of changes implemented under UCC.	Ongoing	Trade Members
AP 13/9	CP&P Sub Group to liaise with representatives from the Leeds and Nottingham teams to identify common errors on applications and feed back to the trade.	Ongoing	CP&P Sub Group (Kevin Snow)
AP 13/10	CP&P Subgroup to consider setting up a working group to review technical implications on trade of CIP's before they are released.	Ongoing	CP&P Sub Group (Kevin Snow)

