

Minutes

Date of Meeting	24 th May 2016		
Group Name	Joint Customs Consultative Committee – Customs Change Group		
Chair: HMRC Lead	Ian Wilkins	(IW)	Head of Business Transformation and Customs Services
Trade Representatives attending	Gary Tanner	(GT)	UKAICG
	Michael Alexander	(MA)	FSPA
	Howard Levene	(HL)	ACTA
	Gordon Tutt	(GT)	AFSS
	Andrew Miller	(AM)	AOCC
	Robert Windsor	(RW)	BIFA
	Susan Morley	(SM)	CILT
	Joe O'Connor	(JO)	AICES
	Nick Weaver	(NW)	BT
HMRC attendees	Philippa Evans	(PE)	UCC Implementation Programme Manager
	Dave Morgan	(DM)	MASP/ UCC Policy Lead
	Daniel Foster	(DF)	JCCC CCG Secretariat
	Colin Davis	(CD)	CP&P Policy Owner
	Caroline Wilkins	(CW)	Product & Process Project Lead UCC
	Trisha Nain	(TN)	Customs Declaration Service Programme
	Julie Bayliss	(JB)	UCC Implementation Team
	Steve Casey	(SC)	Stakeholder Engagement Lead
	Richard Batterham	(RB)	Head of Analysis & Policy
Border Force Attendees	Erica Hodgson	(EH)	Senior Business Analyst
	Stevan Jones	(SJ)	Air Freight Targeting Capability
Apologies	Alan Long, Barbara Scott, Lorenzo Rosetti, Richard Stapleton, Peter MacSwiney, Carol Kunderan, Peter Cullum, Don Armour, Andrew Walker, Arne Mielken, Paul Wrighting, Matthew Bradley, John Carlin, David Rudd, Micah Kent		

1 Welcome, new members and apologies

IW Welcomed all to the meeting.

2 Minutes of the 13th meeting of the CCG and Action Points outstanding

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

AP 13/1 Trade to keep HMRC informed of developments and key discussions concerning the UCC developments – IW confirmed that this AP remained ongoing and asked the group if there were any issues to discuss or feedback.

PE advised that a CIP was previously issued seeking details of issues surrounding the UCC legislation and proposals for change. PE confirmed that nothing further had been received from the trade and that the window for submission was now coming to an end.

IW advised that from Commission meetings he had recently attended, guarantees and reference amounts were of particular interest for change with other Member States (MS).

RW advised that previously it was considered that reference amount would be an issue mainly for larger traders, but RW stressed that it would also have an effect on smaller traders.

RW advised that there is currently an issue regarding transit where Spanish authorities are rigorously enforcing the requirement to use an ISO 17712 security seal and are refusing to accept the use of the more secure electronic seals which has resulted in fines for traders.

IW suggested that this particular issue is taken up by the JCCC Transit Sub Committee and advised that we will move this across internally.

PE reminded the group that not all suggestions for change would be taken forward to the Commission. PE explained that we would need to review and prioritise the proposals for impact and also consider which changes are likely to be supported by other MS.

IW asked PE to work with the trade when reviewing the proposed changes to ensure we take forward both HMRC and Trade priorities for consideration. **AP ongoing as AP14/1.**

AP 13/2 Trade and HMRC to consider and offer views with regards to Surveillance data requirements and the impact on self-assessment applications – IW advised that he had not received any views on surveillance data since the last meeting.

IW advised the group of the situation surrounding surveillance data and explained that the Commission would be seeking an expanded data set for all commodity codes not just free circulation. IW asked for feedback or concerns. **AP ongoing as AP 14/2.**

CD advised that the P&P Subgroup are planning to set up a working group for a self-assessment pilot in the UK. CD advised that the group will include trade representatives and other relevant parties and is planned to commence in the summer.

CD advised that the pilot must satisfy OLAF and DG Budget data requirements which are required for different purposes.

JO queried the immediacy of the data provision to the Commission. CW advised that the information is captured from CHIEF and transmitted via the Surveillance Data System within 24 hours of processing the declaration.

The Self-Assessment system will remove the need for the supplementary declaration which will result in the Commission needing to draw the additional information from another source, we therefore need to consider whether the Commission will be happy with this approach.

Discussions need to be held with the Commission to consider pairing data requirements from Pre Entry/ Safety and Security and the Surveillance Data requirements.

RB asked that TSu could be included in this workshop from a Trade Statistic perspective.

AP 14/3 Trade members interested in taking part in Self-Assessment Working Group to contact Colin Davis.

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 – DF thanked the trade for their feedback and advised that having reviewed the queries it appeared that the data workshop would fit better with the P&P subgroup but with DF in attendance from a data policy perspective.

DF advised that the EU Customs Data Model is due to be released at the end of the month and may inform the work of a prospective data subgroup.

CD advised that work is underway to provide detailed CPC data requirements for publication around October/ November 2016. CD explained that a discussion with trade would follow to aid readiness and support any changes to trade systems.

The trade reported that currently there is good dialogue between CDS teams and software developers which is of great benefit.

AP14/4 Colin Davis and Daniel Foster to agree a way forward for Trade data readiness workshop and make arrangements within the P&P Subgroup area.

DM advised that he had liaised with Clare Ashby with reference to Trade attendance at the MASP project board. DM explained that Clare had taken over his previous role in MASP Implementation and was considering the creation of a Trade group which will feed into the MASP project board. DM suggested that consideration could be given to including this with the P&P Data readiness workshop.

RB asked that TSu could be included in this workshop from a Trade Statistic perspective.

AP 13/4 CW to issue the link to the Guidance Manual to trade members – IW confirmed that this had been circulated and has been included below. AP discharged.

<https://www.gov.uk/hmrc-internal-manuals/customs-authorisation-and-approval>

AP 13/5 PE to speak with Andrea Head to seek a guarantees presentation for the next sub group meeting – IW confirmed that a guarantees update had been included as item no. 6 on the agenda. AP discharged.

AP 13/6 DM to engage with trade members regarding attendance at the MASP Project Board meeting once structure and scope have been agreed – DM referred to his earlier update. AP discharged.

AP 13/7 CW to circulate Gov.uk Detailed Guides that cover UCC – DF advised that CW had provided a spreadsheet of the detailed guides which can be found below. AP discharged.



Gov UK Detailed
Guides

AP 13/8 Trade members to provide IW with hard figures on the cost/ burden of changes implemented under UCC - IW advised that he had not received any burden figures from the trade so far. IW advised that we are keen to present the reduction in burden brought about by the UCC with the availability of waivers etc. IW explained that this is a difficult task without the information to forecast the potential costs and burdens.

MA advised that we are not likely to see the real impact on traders before the guarantees and reassessment process begins and therefore will not get a true picture of burden until much later.

DM explained that there is an appreciation for the difficulty in supplying meaningful data for something that it yet to happen but that it is imperative that we consider the potential burden early.

PE advised that once areas of potential cost and burden are identified, some brief questions may be issued to the trade to request examples of costs for their business area. **AP ongoing as AP 14/5.**

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 – IW advised that these AP's were transferred to the P&P Subgroup. AP discharged.

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 – IW advised that these AP's were transferred to the P&P Subgroup. AP discharged.

3 UCC Updates

PE advised that the UCC went live on the 1st May and that although some issues were reported in other MS; implementation went pretty smoothly in the UK.

PE advised that the Customs Expert Group in Brussels is currently publishing guidance to support understanding of the legislation and have created a website with all the links to the guidance. The link to the website can be found below:

http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/ucc/index_en.htm

PE emphasised that the guidance is not legally binding on MS or the trade but is designed to make life easier. PE advised that the guidance is a living document and will be updated as required.

IW advised that if there is a difference between the UK published guidance and the EU guidance, the Trade should follow the UK guidance but notify HMRC of the discrepancy so that we can review it.

PE advised that Customs Decisions guidance is now being created and will be published in the future.

PE asked that any issues with the guidance are emailed to the ucc-masp.implementation@hmrc.gsi.gov.uk email address so that we can present them to the Commission.

PE advised that the Commission have listed the simplistic change proposals to the IA and DA and are looking to agree them relatively quickly.

PE advised that any substantial changes will be discussed from July and aimed to be in place by the end of the year.

AP 14/6 Philippa Evans to share priorities for DA and IA change proposals with the trade to ensure trade priorities have been captured where possible.

CW advised that the internal guidance manuals have now been published on Gov.uk and a link can be found below:

<https://www.gov.uk/government/collections/import-and-export-manuals>

CW advised that a period of purdah begins Friday ahead of the EU referendum. Therefore anything not published by Friday on Gov.uk will be issued to the trade by email on Friday afternoon.

CD explained that the introduction of UCC from the 1st May has been challenging but that we have tried to minimise the changes made from the 1st May where possible. CD explained that there were some unavoidable changes that had to take place. CD emphasised the appreciation for the support and understanding of the trade during this period of change.

IW echoed this appreciation to the trade.

GT thanked CW for her efforts to resolve issues encountered following the 1st May.

RW explained that he felt the launch of the UCC had gone well in the UK, particularly in comparison to other MS.

MA asked whether there had been a corrigendum issued for the DA.

PE advised that a corrigendum had been published for the IA, DA and TDA but that these mainly covered minor changes.

MA thanked HMRC for support during the implementation.

RW advised that he had experienced some fragmentation of information received during the implementation period. RW explained that Jane McCain had issued an email with a series of links that really helped to pull all of the communications together.

IW suggested that we take this forward as a lesson learned and should consider this feedback going forward with the implementation of CDS.

CW explained that some of the communications may have been fragmented due to being hampered by a series of purdah periods around the date of implementation.

RB reminded the group that all CIPs are also published on HMRC's trade statistical website <https://www.uktradeinfo.com/CodesAndGuides/Pages/CustomsInformationPapers.aspx> which is not subject to Gov.uk publishing delays.

RW raised the issue of the 1152 and 1173 i-forms and explained that they have not been able to train people using the forms without an EORI number.

CW advised that complete and submit forms will be released going forward which will include a print preview and a save option.

IW advised that following a recent Enterprise Data Hub meeting (EDH) significant changes in the digital space will be seen in the next 12 – 18 months.

IW advised that he will continue to run with the same internal governance process for reauthorisations etc. moving forward under transition.

IW advised that there is still work to be done regarding National Clearance Hubs and how and where we process data.

RW queried whether there is a consistent master plan of how and when we will implement UCC alongside the timeline of other MS.

IW advised that there isn't because it is a particularly technically and logistically challenging delivery for the UK alone however we will seek to work on any identified issues on an point by point basis.

4 Customs Declaration Service

SC advised the group that the CDS programme is moving at pace. SC explained that a year ago the programme was categorised as amber/red for confidence in current and future delivery. The programme has now been reassessed and been categorised as green which is a positive sign of delivery.

SC explained that there is increased confidence in the delivery solution but has required some re-planning of the programme due to progression to the third place tender for the CDP component. Some time has been lost to evaluation of the first two options, both of which proved to be unsuccessful. The third place tender is currently moving through the evaluation stage and there is significant confidence that this will successfully progress to the contract stage.

SC advised that feedback has been received from the trade to request the avoidance of the final quarter of the year when planning implementation.

SC advised that the aim is to drop the new component into the architecture in February 2018 to handover to cutover and migration teams to work with CSP's. There will be a 10 month test phase starting in August 2017 which will overlap with the final quarter of the year but is not believed will impact on trade.

SC advised that the delivery of the programme is based on a scaled agile approach and is broken down into seven increments of ten weeks each. As the programme develops it will be continually assessed to ensure this is sufficient and if not, more increments will be added.

SC advised that increment one has already been completed and currently we are in the first two week sprint of increment two.

SC advised that the tariff component of the service was purchased on the 22nd March and is now being integrated with the rest of the infrastructure.

SC advised the group that he is keen to engage with the trade more frequently to keep them abreast of the changes.

SC explained that a series of collaborative events are planned to improve stakeholder engagement including some item specific events i.e. trade facing testing which is taking place on the 25th May.

SC advised that the next event will be on the 12th July. SC advised that the time between the two workshops is necessary due to the upcoming purdah period.

SC confirmed that an external testing strategy will be released after the workshop on the 25th May.

SC advised that the CSP liaison officers have now moved across from Local Compliance CITECH to transformation. SC confirmed that their role has not changed significantly but it was felt that their work had a better fit with stakeholder engagement than compliance.

IW advised that the CDP evaluation process will include a gap analysis exercise.

SC advised that an internal business readiness board will be set up but will require trade input, currently this is under consideration for how this will be achieved.

SC advised that the CDS programme teams and the business are working closely to ensure successful delivery.

HL asked if back of house services i.e. Stats and MSS are likely to be brought into CSP to make data more accessible.

SC advised that EMTP is the financial component of the infrastructure and that MSS data will sit within EDH. It has always been foreseen that you will be able to access your own data from within EDH.

SC explained that CDS will have two integration layers that will connect and service the various components and bring all of the information together.

JO queried what happens if the third tender is not successful in the evaluation stage.

SC advised that the fourth tender is still available for consideration if the third tender is not viable but at this stage we don't believe this will be necessary.

NW raised concerns regarding future investment in CSP's due to uncertainty of their involvement in the future with the implementation of the UCC and CDS.

NW advised that they need a picture of how they will look going forward so that they can begin planning the necessary changes.

IW advised that a review of the current relationship with CSP's will be necessary and that we will be seeking to enhance this relationship if possible.

IW confirmed that he foresees CSP's continuing to be a part of the Customs process.

5 MASP Update

DM advised that at the last meeting a brief update was given as the latest version of the MASP had only just been received. DM confirmed that now this has been reviewed and analysed, there are an additional 5 projects that have been introduced.

DM advised that there are 33 project fiche's which include some Non Functional Requirements (NFR) which are for information only.

DM advised that with the updated MASP there has been a shift of dates towards 2020.

DM advised that some projects have already been delivered behind the scenes including an AEO database change to support the AEO process. DM explained that this change was required shortly before the 1st May and was delivered smoothly.

DM advised that there are plans for an RFC change to be delivered next year which will replace KEL's. DM advised that these are the maintenance releases delivered every 6 months to upgrade the interoperable systems which share information with other MS.

DM advised that the Customs Decision System is still planned for implementation in October 2017.

DM advised that trader facing projects must be aligned with the relevant implementation in CDS.

6 Guarantees Update

CD provided the group with several slides for information on guarantees and explained that all guarantee information was now available.

CD confirmed that the Joint Contractual Liability (JCL), CCG1 and CCG2 were available. CD also confirmed that the CCG guidance was now available on Gov.uk

CD advised that re-assessment of AEO criteria including competence and compliance across all taxes should be relatively simple if the trader has been seen in recent years. If the trader hasn't been seen recently then this may be more rigorous.

CD advised that HMRC have 120 days to issue a decision which would be considered by the trader when making their application.

CW advised that the legislation for different processes i.e. IP/ CSP's each have different timescales for authorisation responses.

PE advised that if a Guarantee and an authorisation application are submitted at the same time then the guarantees application will be processed first and the dependent application will be held back until the response times are aligned.

MA advised that he has an email to say that CITEX have advised they will not accept a special procedures application until the guarantee is in place.

CW explained that the Special Procedures application will be processed up until the point where the decision is required and will remain pending until the guarantee is in place to satisfy the requirements of the application.

PE asked MA for details of this advice to be passed to her so that it can be investigated.

CW advised that the reference amount of any guarantee will remain the same regardless of the level of the guarantee and any waivers available, as the reference amount is the total value of the goods and the relevant duty applicable.

CW advised that the IP authorisation team and guarantees team work in close communication and share data to ensure appropriate processing of authorisations.

AP14/7 Philippa Evans to look into an issue surrounding applications being returned when no guarantee is already in place and report findings.

7 AFTC Presentation

SJ and EH gave a presentation to the group regarding Air Freight Targeting Capability. A copy of the presentation can be found below.



Border Force AFTC
Presentation

8 Stakeholder Engagement

SC advised that the stakeholder engagement team is actively recruiting staff to assist with the goals of the team. SC advised that the team liaise with a wide group of stakeholders in CDS, One Government at the border and MASP.

SC explained that the team primarily have a coordination role to ensure appropriate engagement and consistency of message within the various teams.

SC explained that stakeholder engagement takes place through a variety of channels including:

- Web based communications
- Email
- Trade Newsletters
- Social Media (Future channel)

SC confirmed that the Stakeholder Engagement team is always happy to take questions if required.

9 Any Other Business & Date of next meeting

CW advised that at the JCCC P&P Subgroup it was raised that there would be a redesign of the Gov.uk import/export pages.

The second phase of this redesign will include user testing.

CW asked for any feedback or concerns with the current format to be sent to her along with details of any volunteers interested in taking part in the user testing phase.

AP 14/8 Trade members to provide Caroline Wilkins with feedback or concerns on the current format of the Gov.uk import/ export pages and provide names of volunteers to take part in user testing after the redesign.

Next Meeting: IW suggested the next meeting would be taking place in early September.

Summary of Action Points:

Action Point	Details of Action Point	Current state of play	Responsibility
AP 14/1	Trade to keep HMRC informed of developments and key discussions concerning the UCC developments	Ongoing	Trade Members
AP 14/2	Trade and HMRC to consider and offer views with regards to Surveillance data requirements and the impact on self-assessment applications – Trade members to provide feedback and examples of disruption.	Ongoing	Trade Members
AP 14/3	Trade members interested in taking part in Self-Assessment Working Group to contact Colin Davis.	Ongoing	Trade Members
AP 14/4	Colin Davis and Daniel Foster to agree a way forward for Trade data readiness workshop and make arrangements within the P&P Subgroup area.	Ongoing	CD and DF

AP 14/5	Trade members to provide IW with hard figures on the cost/ burden of changes implemented under UCC.	Ongoing	Trade Members
AP 14/6	Philippa Evans to share priorities for DA and IA change proposals with the trade to ensure trade priorities have been captured where possible.	Ongoing	PE
AP 14/7	Philippa Evans to look into an issue surrounding applications being returned when no guarantee is already in place and report findings.	Ongoing	PE
AP 14/8	Trade members to provide Caroline Wilkins with feedback or concerns on the current format of the Gov.uk import/ export pages and provide names of volunteers to take part in user testing after the redesign.	Ongoing	Trade Members