

Minutes

Date of Meeting	30 th September 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	Howard Levene	(HL)	ACTA
	Gordon Tutt	(GT)	AFSS
	Peter MacSwiney	(PM)	ASM
	Susan Morley	(SM)	CILT
	Lorenzo Rosetti	(LR)	Grosvenor
	Ronan Quigley	(RQ)	BCC
HMRC attendees	Philippa Evans	(PE)	UCC Implementation Programme Manager
	Dave Morgan	(DM)	MASP/ UCC Policy Lead
	Daniel Foster	(DF)	JCCC CCG Secretariat
	Caroline Wilkins	(CW)	Product & Process Project Lead UCC
	Clare Ashby	(CA)	MASP Implementation Manager
	Martin Mills	(MM)	Customs Transformation
	Nick Luxton	(NL)	Stakeholder Engagement
	David Peters	(DP)	Trade Statistics
Border Force Attendees	Darren Hart	(DH)	Senior Freight Targeting Manager
Apologies	Nick Weaver, Joe O'Connor, Robert Windsor, Andrew Miller, Michael Alexander, Gary Tanner, Alan Long, Barbara Scott, , Richard Stapleton, Carol Kunderan, Peter Cullum, Don Armour, Andrew Walker, Arne Mielken, Paul Wrighting, Matthew Bradley, John Carlin, David Rudd, Micah Kent, Colin Davis, Trisha Nain, Julie Bayliss, Steve Casey, Richard Batterham		

1 Welcome, new members and apologies

IW welcomed all to the 15th meeting of the JCCC Customs Change Group.

IW advised the group that a new JCCC Brexit subgroup is being formed which will be paired with the Customs Change Group. The groups will continue to meet separately but will be held in the same location and on the same day due to the overlap in trade membership and likely overlap in conversation.

IW confirmed that he will attend both groups to provide a link between the two.

PM advised that he is due to meet with Bill Williamson to review the current JCCC subgroups and terms of reference and agree a sensible approach to future subgroups. PM advised that the outcome of this review will be made available before the next full JCCC.

2 Minutes of the 14th meeting of the CCG and Action Points outstanding

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

AP 14/1 Trade to keep HMRC informed of developments and key discussions concerning the UCC developments.

IW explained that this task was initially to be undertaken to review those less favorable areas of the UCC during an EU agreed review period following implementation. IW explained that although this work continues it has now shifted somewhat and the focus is now to consider what areas of the UCC we would retain post Brexit.

DM advised that work is underway to calculate the cost burden of UCC on the trade and explained that he would welcome feedback on any areas of UCC that are burdensome. DM advised that details as to why they are burdensome to the trade and how much they are likely to cost the trade would be appreciated.

AP to continue as AP 15/1.

PM queried the AEO reauthorisation process triggered by a Customs comprehensive guarantee application. IW explained that while we remain a part of the EU, where authorisations come to a natural end we must seek to reauthorise them.

IW explained that we are aiming to make the UK an appealing choice for trade and so where we can strip out unnecessary burdens from the customs process we will do, particularly those that attract large costs to business.

IW advised that there is a view that 80-90% of the UCC is acceptable to the trade and can be maintained. However the 10-20% that we were unable to avoid during the UCC negotiations can now be considered more closely under Brexit.

DM explained that despite being out of Purdah which hampered our conversations around UCC implementation, we still need to be careful about what messages are issued around our intentions with UCC legislation particularly in light of Brexit.

HL suggested that it appears to be small issues that are hampering trade and not just restricted to the larger headline issues.

PM advised that they have experienced issues with how some other member states are interpreting and implementing some aspects of the legislation; particularly around the use of power of attorney and representatives.

CW advised that our stance in the UK hasn't changed and consideration is still given to whether there is an active role in the declaration and whether the trader is operating/ established within the EU. CW explained that if these conditions are not met then the default decision is indirect representative.

PM queried whether a letter of authorisation is sufficient to enable you to act as a direct or indirect representative.

AP 15/2 Caroline Wilkins to clarify and confirm whether letter of authorisation is sufficient to enable a direct/ indirect representative.

GT advised that from a software perspective there are some aspects of the UCC that the software providers would like to avoid i.e. POUS.

GT went on to advise that they would however like a UK REX scheme.

CA advised that a detailed workshop was held this week to review MASP projects and explained that IT planning is likely to change considerably. CA explained that there is a question as to what is the minimum we can do as a member state while we await UK legislation.

CA emphasised that trade impact of any changes either before or after Brexit is a big consideration.

GT suggested that there may be post Brexit advantages with other projects. GT explained that there is a big desire from the trade to submit ICS data directly rather than via the carrier. Also self-assessment, EIDR and national simplifications are all positive nationally.

PM advised that the trade are favorable of ICS2 and believe it has some positives.

IW explained that the use of ICS2 will be subject to negotiation with the EU and that we may be told whether or not we are entitled to access the new system.

PM queried whether we will be entitled to use TARIC post Brexit.

PE advised that within the TARIC structure the 7th and 8th digits belong to the EU so whilst there is nothing to stop us using a similar structure and simply keeping the EU's digits, the Commission will continue to update and change that numbering system which may cause us some issues going forward. Taking this into account, alongside the potential confusion a drastic change might make, the UK will need to carefully consider what the most beneficial structure would be going forward.

AP 14/2 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 hoping to recommend some legislative amendments to the Commission that could minimise the difficulties this surveillance data would have on the intended Self-Assessment facilitation but these needed the approval of the Brexit team before they are submitted.

IW advised that there is a dependency on the relationship we have with OLAF post Brexit.

AP to continue as AP 15/3.

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

IW confirmed that a self-assessment working group had already been set up by Colin Davis and that some members had already attended the first meetings. Trade members who had attended reported that this was going well and that discussion had now moved to the new group and did not need to be discussed here. **AP closed.**

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.

DF advised that he was unaware of how this had progressed in the P&P subgroup area and that he would seek an update from Colin Davis.

GT advised that the software providers continue to have an appetite to have this workshop.

CW advised the group that work is currently underway to a review the data set requirements for UCC and to take into account Brexit. CW advised that this work is due to commence next week.

CW advised that details will be shared as soon as they are available.

CW to consider under Cutover and Migration work planning.

AP to continue as AP 15/4.

AP 14/5 Trade members to provide IW with hard figures on the cost/ burden of changes implemented under UCC.

IW advised that he would still welcome specific details where possible.

AP to continue as AP 15/5.

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.

PE advised that DA and IA changes have been collated and are currently awaiting authorisation by the Brexit team before they can be sent to the Commission for consideration. PE explained that ultimately the likelihood of change depends on how many member states are affected.

AP closed.

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

PE advised that this is not yet resolved and is still under discussion with operational teams. PE added that the aim is to hold authorisation applications received at the same time as the guarantee application and issue authorisations as soon as the application for guarantee has sufficiently progressed.

IW advised that he is aware of the situation and is happy to take trade queries if problems persist.

AP to continue as AP 15/6.

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.

CW advised that this is now being handled by Carol Dicker who took over CW's previous role. CW advised that user testing is underway by Gov.uk teams and that the biggest concerns are still around i-forms.

GT advised that concerns were previously raised at a meeting with Gov.uk, particularly around the only available format being HTML. GT advised that although the issues have not yet been resolved, they have been assured that they are working on the issues raised.

CW advised that there is currently a Gov.uk redesign project underway and advised that content will begin moving into the new structure.

CW to seek update for next meeting.

AP 15/7. – Caroline Wilkins to seek update on Gov.uk redesign project and ongoing work in relation to import/export pages and i-forms.

3 UCC Updates

PE advised that most of the UCC has been rolled out and where possible the remaining items will be delayed for as long as the transitional period will allow.

PE explained that we can't avoid all implementation whilst we remain a member state of the EU.

SM queried what changes are allowable without triggering a requirement to reauthorise.

PE advised that re-authorisations will not be required for changes other than a change to the legal entity.

AP 15/8 – Philippa Evans to speak to Carol Dicker to update and circulate the paper detailing what constitutes a change requiring reauthorisation.

PE advised that an implementation lessons learned activity was underway and requested feedback on what went well or not so well so that we can improve future Customs change delivery.

AP 15/9 – Trade members to submit comments to Philippa Evans in regard to aspects of the implementation that they considered went well or could have gone better, with any appropriate suggestions for how this could have been improved.

PM advised that the trade are keen to see some changes with regard to temporary storage and are currently awaiting some feedback on their change requests.

CW advised that HMRC didn't want to make changes too soon to the 'go live' date. CW explained that there is no fundamental opposition but the changes do require impacting and testing before implementing.

DH advised that he is encouraging Heathrow Border Force teams to facilitate change to Border Force policy in discussion with HMRC policy rather than taking a unilateral approach.

AP 15/10 – Caroline Wilkins to speak to Diane Evans regarding Temporary Storage working group and change requests. Also to be reported into JCCC CP&P subgroup.

SM advised that she still receives calls as a consultant from people who have not heard about the UCC changes. SM reported that there are a huge number of people from across a range of trade types and sizes who despite the advertising and efforts of both HMRC and trade groups; have missed the announcement.

CA stressed that this should be noted in the lessons learned log as a consideration for future change announcements.

RQ highlighted that the issue of Brexit can cause some doubt with traders as to whether UCC still applies going forward.

4 Customs Declaration Service

CA advised that she holds the project manager role for the CDP element of CDS and advised that the next increment planning event would be held next week.

CA advised that the project roadmap document with a forward look at what is coming up will be updated at the October programme board. The roadmap document will include details of what early notice can be given to trade and will be released in due course.

IW advised that consideration is currently being given to declaration sequencing and agreeing at which point the various declaration types go into testing and go live.

IW stressed that HMRC and Trade readiness timelines need to be aligned for a smooth delivery.

CW advised that she is currently reviewing HMRC business readiness to bring this into line also.

A stakeholder forum will be held on the 14th October where the plan will be discussed and may be presented.

GT advised that the HMRC liaison between HMRC and AFSS members is second to none but explained that AFSS are still ignorant of the changes that will be required to back end systems.

GT explained that defined message specifications will be required to identify if it is possible to make the necessary changes in time.

GT confirmed that this is a key priority for AFSS and has been fed into the stakeholder group and programme board.

CA confirmed that this will be the next area of work following the onboarding of the CDP product.

GT stressed that they are unable to predict the amount of time required to make the necessary changes without knowing the extent of changes required.

DM advised that HMRC are keen to share the existing supplier specification as soon as possible when the product is onboard.

DM advised that we need to ramp up the pace at which we create and deliver the specifications and that this work will feature in the planning for the next 10 weeks of work.

IW advised that he now owns the CDP proposal and requested that PM, GT and any others liaise with him to ensure future alignment.

IW explained that there are a variety of scenarios for how Brexit arrangements could play out depending on the negotiations. IW emphasised that all options regarding our future relationship and engagement with the EU are under consideration.

5 MASP Update

DM advised that a meeting was held on Monday regarding the current in flight projects and those planned for transition. The meeting started the process of reviewing and prioritising those projects.

DM advised that he attended a meeting with the Commission where different approaches were discussed to avoiding the need for 28 different versions of the various programmes and the potential for collaboration between the member states.

DM advised that the Commission also suggested a stock take of all projects is required.

DM advised that the Commission are seeking for member states to respond with a reality check on MASP planning. DM advised that we have not yet had the official request but we are hoping to have received it before the next EECG meeting.

DM advised that the Commission are looking to discuss findings from this exercise at a Director level meeting in December.

DM sought feedback from the trade to be fed into the various trade contact meetings so that the feedback may be considered for inclusion in the UK response to the Commission.

GT asked if AFSS need to be concerned about AES with the prospect of Brexit and the current timeline.

DM explained that at this stage we cannot make assumptions regarding the timeline or the outcome of Brexit and therefore need to keep an eye on AES until we know more.

GT lodged a proposal that when changes are considered he would appreciate if a prefix for the year is included on the top of the MUCR.

DM advised that there are a number of MASP projects focused on making processes electronic but that are not to alter the process.

NL queried whether the REX hard deadline had changed. DM advised that it had not changed as far as he was aware and was in fact only a date by which time beneficiary countries can be brought online.

CW emphasised that REX doesn't change the preferential origin or good faith rules.

6 Border Force Update

DH advised that there are a number of security opportunities around Brexit with a large number of tobacco seizures involving mainland Europe.

DH stressed that there will not be a day one increase of resources so data analytics and targeting will be key to cope with increased demand.

DH advised that AFTC has seen little progress since the presentation at the last JCCC CCG subgroup meeting due to competing IT priorities elsewhere within Border Force.

DH advised that Border Force is in the process of bolstering the equipment available to them with the addition of a new boat and RIBS being deployed on the Thames again. DH also advised that there is investment in increasing our overseas Border Force footprint.

GT requested early involvement in the design of any future data sets both with Customs and Border Force and especially with data definitions.

DH advised that they are currently looking to align Customs requirements with B5 partners (Canada, USA, Australia and New Zealand).

DH advised that he and Richard Sabatini are currently working on a mapping process.

PM asked DH for trade consultation prior to the finalisation of this work as currently they are unsighted.

DH advised that CSPIO's are involved and will seek to share findings with the trade as soon as possible.

7 Any Other Business & Date of next meeting

CW advised that a REX site has now been identified in Belfast to handle requests. CW advised that the address will be confirmed and shared in due course.

CW advised that the i-form is currently under development but there is a push for click and submit functionality.

CW advised that the form will be a very simple form and once completed the requestor will be issued with a UK Rex number, unless they are already an approved exporter in which case the number will be the same.

Once completed the trader can then use the statement of origin instead of GSP with some details required in box 44. CW confirmed that a CIP has already been issued with the specific details around this.

CW confirmed that the form and registration will be implemented from the 1st January 2017.

REX will not require compliance checks as with an approved exporter as this is a registration and not an authorisation.

CW confirmed that all relevant information will be available on Gov.uk and through CIP's.

CW updated the group on NILPS and explained that a number of meetings had taken place looking at the implications of Brexit and scope of the project.

CW advised that a large list of issues has been generated for consideration including RORO and land border handling and that the implementation timetable may change.

CW advised that there is buy in from the steering group that ports and airports dealing with 3rd country NILPS can go ahead as phase 1 with EU traffic following in due course.

CW advised that Brexit may lead to some additional exemptions, with particular consideration given to advanced information bearing in mind the reduced journey time to enable useful analysis of the information before arrival.

CW advised that exploration is underway with how CIE fits with CDS and the need for digital assistance for electronic submissions.

CW advised that consideration is currently being given to which forms can be moved to an electronic form from the current exemption list or whether we can refine the exemptions to limit them to private individuals and those who require additional assistance.

CW advised that once the analysis has been completed, we will communicate the findings to the trade. CW advised that this is likely to be in the next few weeks.

IW advised the group that there is now a new structure in place within HMRC with all Live Services staff moving to co-locate within the National Clearance Hub managed by Jonathon Holt.

Next Meeting: IW suggested the next meeting would take place in mid-January.

Summary of Action Points:

Action Point	Details of Action Point	Current state of play	Responsibility
AP 15/1	Trade to keep HMRC informed of developments and key discussions concerning the UCC developments	Ongoing	Trade Members
AP 15/2	Caroline Wilkins to clarify and confirm whether letter of authorisation is sufficient to enable a direct/ indirect representative.	Ongoing	Caroline Wilkins
AP 15/3	Trade and HMRC to consider and offer views with regards to Surveillance data requirements and the impact on self-assessment applications.	Ongoing	Trade Members
AP 15/4	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	Colin Davis and Dan Foster
AP 15/5	Trade members to provide Ian Wilkins with hard figures on the cost/ burden of changes implemented under UCC.	Ongoing	Trade Members
AP 15/6	Philippa Evans to look into an issue surrounding applications being returned when no guarantee is already in place and report findings.	Ongoing	Philippa Evans
AP 15/7	Caroline Wilkins to seek update on Gov.uk redesign project and ongoing work in relation to import/export pages and i-forms.	Ongoing	Caroline Wilkins
AP 15/8	Philippa Evans to speak to Carol Dicker to update and circulate the paper detailing what constitutes a change requiring reauthorisation.	Ongoing	Philippa Evans
AP 15/9	Trade members to submit comments to Philippa Evans in regard to aspects of the implementation that they considered went well or could have gone better, with any appropriate suggestions for how this could have been improved.	Ongoing	Trade Members
AP 15/10	Caroline Wilkins to speak to Diane Evans regarding Temporary Storage working group and change requests. Also to be reported into JCCC CP&P subgroup.	Ongoing	Caroline Wilkins