



Minutes of the Customs Products & Processes Joint Customs Consultative Committee Sub Group

Date of Meeting: 25 August 2017.

Location: Alexander House Southend

1. Introductions:

The Meeting was chaired by KS. A list of members is at Annex A.

2. Minutes from 20 April 2017:

Agenda item 8 request clarification by LR to expand on the points made, will be added to next minutes. The minutes for the meeting were then accepted.

3. Outstanding action points from 20 April 2017 meeting:

AP05 11.01.2017 LG to provide guidance on parts moved to a repair facility for ships and aircraft outside the UK and inform Dave Morgan's team. Transit was solution that was proposed. Any issues you can come back on this

AP07 20.04.2017 KS to bring trade Brexit consultation requirement to the full JCCC.
PMcS: Round table meeting minutes to circulate

AP08 20.04.2017 JL to pass to Aaron Dunne ArM's proposal for an early exports workshop between HMRC and the trade about hypothetical situations around Brexit. PMcS to take this to Brexit subgroup

AP09 20.04.2017 KR to look at Air Level 2 simplification. AM Attend Air level 2 – electronic transport document went through draft documents, applied for and approval by date set for May 1 2018. Issued to Member States, the UK is not currently on board. Transit simplification replaces level 2 simplifications guide and application process, copy of application to be forwarded to KS. GT Air simplification transition arrangement new requirements, level of concerns for domestic goods as a potential risk as this will not only impact on the inter-European movements. KS MW to capture, there is an extra level of concern for domestic goods. AR Transitional period to move approval to 2019? No it will be 2018, meeting next week with BT Ops to raise issues around the risk of temporary storage

AP10 20.04.2017 JMcC to look at CCG guidelines regarding reference amounts. Put suggestion forward how to calculate reference amount for comprehensive guarantee for temporary storage. DB Transit does not give value assurance regarding guarantee. AM Carriers from member states, temporary storage / warehouse process, will feed back to JMcC and update on next meeting.

AP11 20.04.2017 SMoi to provide DiT meeting minutes.

AP12 20.04.2017 KS to ask LG when the End Use and TORO guidance can be used. LG End Use and TORO guidance has been issued and gone live. Closed.

AP13 20.04.2018 CD to discuss with gov.uk the reasons for delays in publishing information. Ongoing issue with publication through gov.uk, current engagement ongoing, delays in publishing continuing outstanding issue. Quality review process to be used. Email to be sent to traders, distribution list to be updated. Anyone who wants to be on list requires



CIP prior to them going live on gov.uk. TR JCCC action point to specify any issues with CIP to be prioritised before publishing on gov.uk. Also to give clarity on what is needed and when it is needed. GT Live service pages which should be giving updates to traders has outstanding issues, goes beyond individual subgroups. KS Noticeable work in progress to be resolved. JMcC CCG questionnaire live on gov.uk

4. Update on Brexit:

TR Update on process rather than policy to make sure we are working on the same page with the government engagement strategy around Brexit. Publications on Customs Future Partnership paper followed by a paper on Northern Ireland - some positives from the government thinking about interim period explicit in that paper. At the moment, you are expected to attend a series of regional round table events organised on industry specific to talk about the paper. This is to get initial feedback on any concerns and what needs to be looked at next. A high level process due to continue throughout September to be followed up by regional round tables. At the end of that process, everything captured and fed into policy thinking, followed up by a white paper (a more detailed policy document on what the UK is anticipating on Customs). This will come out during autumn as a pre-cursor to the Customs Duty Bill which will underpin the future of the customs regime. This will go through parliamentary process during autumn. Lots of opportunities to engage, feedback and challenge which trade can get involve in. AR Are these round table invites specific at company level or association level? TR Not sure, the list of invites can be flagged as an issue with the JCCC subgroup. Logistics round table is on 6th September.

PMcS Port Operators round table meeting. Clear from the papers that what we've been saying has been listened to. People who were participating were those involved in the movement of goods. Talks were around item level of declaration of X- EU goods, as a matter of policy this was not ideal, this is now on the table for discussion. Also talk about deal duty opportunity; UK setting its own duty after Brexit. This was a positive meeting. KS If we start talking about future trade agreement, by definition this will give a lower duty rate. This is where the issue is.

IB Any round tables planned to include food and agricultural goods? TR Yes, Agri-foods round table is on 29th August, invites are sent out by treasury team. HMRC experts are not required to attend, limitations due to high level details. I do have authority to send invites. Please feel free to raise any concerns around invites, which can be looked into. More detail from these discussions will follow the publication of the white paper, then we will be able to arrange specific round table on this.

GT Bearing in mind the treasury is facilitating, do you get vision of our comments as we would like to share these with you as well? TR In principle, proposals that are sent through are shared as we are one government. With the volume of things going on, it's never a bad thing to copy someone else in. GT My plan was to copy out, is that the best option? TR Whenever there is feedback on any proposal, this is collated and sent through for checks, before it goes out and shared with the relevant stakeholders

KC Can you confirm which department is doing what and any overview or updates?

TR Difficult to provide a page with the responsibilities of different government departments to specific interest of the varied stakeholders involved in Brexit as an overhaul concept. The principle on customs is moving from an area influenced exclusively by the EU policy body, to a customs which replicates what we have with other taxes, which is where you have a policy partnership between revenue and customs authority, and the treasury as the principle policy makers. This is an established relationship with other taxes and the treasury



leading on strategic directions, with HMRC having the daily responsibility of enforcing those duties. In the longer term, we will be expected to shift to a more traditional partnership where treasury will have the strategic oversight and most of the daily administration will remain with HMRC, this should be in the next 5 years post Brexit. Customs is not just about tax, it also involves security, so it is a partnership with Border Force for overseeing the border and DIT responsible for negotiating a free trade agreement for the future model. The principle areas of responsibility will mirror what they are now.

PMcS Concerns around the Border Force ability and resource to approve new authorisations. A series of meetings were planned for May with Border Force and international trade/freight industries, now stalled due to change in leadership. Important that the Border Force engage with trade, that's the only forum Border Force has to talk about Brexit. TR Brexit team within Border Force has recently been set up. PMcS They were supposed to be issuing an invite for a meeting, but they haven't. AM Air Passenger Carrier Group meeting planned for September, invites sent to Border Force contact personnel. HL Have contacted Border Force through JCCC to set up a meeting to discuss self-assessment, but no response.

NEW AP14 KS Will go back to Tim Morris about these concerns regarding Border Force. They may view that these policies sit with HMRC so the appropriate route for contact may be with HMRC.

GT Concerns around the time it is taking with simplified procedures for new approvals with the software. Limited resources, but need to have a better way of managing this with the software that is currently been used. Can we propose a provisional approval around the current software issue? KS Aware of the concerns, particularly with new applications, and currently working on the issues with regards to reauthorisation to improve the process. The software currently being used fits with our wider business system, but we need to think outside the box as innovation matters with this. DB We have been looking at standard packages integrating with business commercial systems, have made recommendations that authorisations goes ahead without computer audit checks. Not looking to retest information we have already done, rather looking to tweak interface process. GT What has been implemented and introduced, is it fit for purpose? Is it meeting the requirements? That's what needs to be looked at for the future. HL Is there going to be a standard service test prior to going live? DB There used to be the standard series of tests, but we are not going back to that process. GT Should we run CFSP standard test with new applicant and then run this by you for overview and see if there is anything you want to add? DB If we take this forward with workshops then we will get BT Ops involved. PMcS There seems to be no published paper where new software introduced or changed. GT There needs to be a standard requirement of software which needs to be documented and not amended. DB This is owned by product and processing team.

NEW AP15 CW to co-ordinate meeting. GT to report to Kevin with responses from Ruth. DB further update on whether there is a standard test package for exports.

5. Update on Non-inventory Linked Ports (NILPs):

CW Looking to focus on traffic where inventory linking ports won't work for things such as Gas and Electric etc. We also need to ask how we plan for the arrival and presentation of these inventories. In regards to crown and diplomat goods what will the rules for these be? KF Introducing a new customs electronic application system, expected to go live on 2nd October. New system allows access to gateway before decision is made. It contains updates to the net pages as well as end user screens, however this cannot be seen as there are currently no URL's. Nothing different for the trade to do as the HMRC system will



be exactly the same. Only expecting 100 applications as the application only covers IP, OP, end use and TA. Training will commence in Leeds and Nottingham at the end of September.

6. Proposed education plan

JC Issued an open invitation to form a small sub-group in order to work with test products and would also like to communicate on how different types of information best shared. Looking to start in September, volunteers can let KS know. Volunteers – HL, AR, GT, MR

NEW AP16 JC to send out form of works to KS. JC to send links of work done to include in minutes.

AOB:

Self assessment

DE Wasn't worth bringing everyone together until we had some positive news. Have come up with three possible solutions to go to Bill Williamson which are awaiting approval (Core & Aggregation). Looking to work with the transformation and Brexit teams as well as looking to reduce the volume of declarations. As soon as hear from Bill Williamson I will update the trade, no current timeline, but can arrange an email to be sent out or a meet up by mid-end of September. HL Will border force be coming to the table? DE Yes, will certainly have to. HL – Border force already have specification and budget. AR We cannot speak to border force, we do not know where they are at. And this only seems quantifiable for large business. German customs are interested in self-assessment. HL Perception is that it will only work for large business, however there is a way it would work for SMEs. PMcS How can we decide which consignments can flow seamlessly? DE We will have an update to give by mid-late September.

CSP

AM Concern in regards to resource and skill base for the changes and the technical support available for CSPLO. PMcS There are significant changes being made to the CSP systems and it is a concern in regards to CSPLO software and resources. TR CSPLO sits within customs transformation, will feed back to Kevin Franklyn. Customs is under pressure and acknowledges that expertise is limited, we are trying to rectify the gap, a lot of ongoing recruitment. AM Perhaps trade can assist customs with expertise. PMcS Agree with AM. PMcS HS codes transit declaration is an issue for air traffic.

NEW AP17 TR John Evans to convene a meeting with external stakeholders.

Email re outstanding issues

LG Had a look at Lorenzo's comments and looking to do a revised list. As soon as the list has been reflected upon, something will be published.

GT Would like to receive better notification when changes to CPC and validation rules are made. KS Conscious of this as trade facilitation is key, aware of the impacts on trade when changes are made, we try to give a maximum notification period. GT Validation up front to reduce errors on actual declarations on CDS. Have a downloadable based validation table to minimise errors. LG Special procedures declaration should only be done by direct representation in accordance with guidance from the EU commission. KC Being asked to sign power of attorney, some are refusing to clear unless we do so, is there any HMRC support on this? KS If you are going to be a direct rep you require the evidence available, or an indirect rep requires a 12 month renewal. There is no intention to routinely evidence representations. Anything out of the ordinary should cause you to take reasonable level of care when taking declaration by representation. HL HMRC seen to



have a soft touch approach in regards to representatives. KS Agents must take a reasonable approach to know what their traders would actually be trading in. PMcS A common sense approach should be taken. AH CDS plans to build a front end on the dashboard, the customer can set up relationships with agents and choose what the agent can do for the trader, should the agent accept. TF [Reads out UCC publication on special procedures]. AG There is no legislative basis for Direct representation, if special procedures are excluded for CFSP you should legally be able to choose between direct and indirect. DB [Quotes UCC article to counter AG's point on legal basis of Direct and Indirect representation]. KS We insist on Direct, cannot reference the law right now, but will get back to Adrian on the legitimacy of indirect representation. TR Where possible we are trying not to make big changes, but this does not mean we are not open to change. AM Could HMRC get back to trade on HMRC's position on article 84 along with the amendments suggested?

Next meeting:

18th January 2018 in Alexander House, Southend

New Action Points	
AP14	KS Will go back to Tim Morris about concerns regarding Border Force ability and resource to approve new authorisations
NEW AP15	CW to co-ordinate meeting around new approvals software. GT to report to Kevin with responses from Ruth. DB further update on whether there is a standard test package for exports.
NEW AP16	JC to send out education plan form of words to KS. JC to send links of work done to include in minutes.
NEW AP17	TR to get John Evans to convene a meeting with external stakeholders



Annex A – List of Members

Chair

Kevin Snow (KS) – HMRC

Secretariat

Adil Asghar (AA) – HMRC

Michele Adams-Collins (MAC) - HMRC

Trade

Acushnet Europe Limited – Mark Emerson (MEEm)

Agency Sector Management (ASM) – Peter MacSwiney (PMcS)

Airline Operators Committee for Cargo UK (AOCC) – Andy Miller (AM)

Association of Freight Software Suppliers (AFSS) – Gordon Tutt (GT)

Association of International Courier and Express Services (AICES) – Adrian Robson (AR)

Automated Customs & International Trade Association (ACITA) – Des Hiscock (DH)

Boots UK Ltd – Karen Coventry (KC)

British International Freight Association (BIFA) – Pawel Jarza (PJ)

British International Freight Association (BIFA) – Robert Windsor (RW)

British Ship Suppliers Association – Arne Mielken (ArM)

CCS-UK – Mark Bellis (MBe)

CCS-UK – Adrian Gunn (AG)

Chartered Institute of Taxation – John Carlin (JC)

CNS – Matt Bradley (MBr)

Crossflight Ltd – James Kelly (JK)

Customs Practitioners Group (CPG) – Alison Zaemba (AZ)

Customs Practitioners Group (CPG) – Barbara Scott (BS)

Descartes Systems Group – Howard Marsh (HM)

Descartes Systems Group – Martin Meacock (MM)

DHL – Steve Parker (SP)

DHL – Mark Redding (MR)

Dnata – Lawrence Cockburn (LC)

Dnata – Gary Morgan (GM)

Edrington – Carol Kunderan (CK)

Export Group for Aerospace, Defence and Dual-Use – Gary Charles (GC)

FDF – Gavin Roberts (GR)

Federation of Sport and Play Associations – Michael D Alexander (MA)

Felixstowe Dock & Railway Company (FDRC) – Rob Kirk (RK)

Felixstowe Dock & Railway Company (FDRC) – Jane Stanbridge (JS)

Ford Motor Company – Penny Todd (PT)

Global Customs Compliance Limited – James Lenaghan (JL)

Grosvenor – Lorenzo Rossetti (LR)

Institute of Chartered Shipbrokers – Robert Hill (RH)

International Meat Trade Association – Katie Doherty (KD)

International Meat Trade Association – Neil Stokes (NS)

Jabil – Ruth Maciver (RM)

Maritime Cargo Processing (MCP) – Alan Long (AL)

MSC UK Ltd – Vincent Kearney (VK)

Nissan – Steven Sandell (SS)

Orange – Bob Ellison (BE)

Pentant – Mark Phippen (MP)

Road Haulage Association – Duncan Buchanan (DB)

Scotch Whiskey Association – Andrew Billcliffe (AB)

Scotch Whiskey Association – Peter Clark (PC)

Scotch Whiskey Association – Siobhan MacLennan (SMa)



HM Revenue & Customs

Seafish – Ivan Bartolo (IB)
Society of Motor Manufacturers & Traders (SMMT) – Howard Levene (HL)
The Duty Specialists – Michael Galloway (MG)
UK Seafood Industry Alliance – Mike Short (MS)
Unipart – Don Makepeace (DM)
Velta International Ltd – Alonso Mrabety (AMr)

HMRC

Lee Barham (LB)
Hazel Batter (HB)
Darren Bradbury (DB)
Gill Castle (GC)
Joanne Cheetham (JC)
Dawn Clennett (DC)
Gail Coenen (GCoe)
Cathryn Collins (CC)
Colin Davis (CD)
Mark Ellis (ME)
Diane Evans (DE)
John Evans (JEv)
Kerry Fairless (KF)
Paul Frost (PF)
Lynne Goodwin (LG)
Andrea Head (AH)
Alison Heeney (AHe)
John Mitchell (JM)
Syed Moinuddin (SMoi)
Arnold Mtopa (AMt)
Robert Oxlade (RO)
David Peters (DP)
Lynne Rawlinson (LRa)
Sue Shanks (SSh)
Tessa Robins (TR)
Mike Walton (MW)
Caroline Wilkins (CW)

Other Government Departments

Border Force - David Huke (DH)

Apologies received for 25 August 2017 meeting

Acushnet Europe Limited – Mark Emerson (MEEm)
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