

Minutes of the Joint Customs Consultative Committee

Date of Meeting: 20 March 2018

Location: 1st Floor Conference Room, Ruskin Square, Croydon

Agenda

1. Introductions and Apologies
2. Minutes, Matters Arising and Action Points
3. 2018 Strategic Objectives
4. HMG and Business readiness for EU Exit
5. Delivery of CDS: Update
6. Break
7. Service delivery: NCH Customer Contact Strategy
8. Improving the effectiveness of JCCC sub-group, update, governance and service standards
9. Any Other Business
- 9(a) Review and Appeal Changes

Annexes

- A – List of Attendees
- B – Action Point Update
- C – Sub-group Update
- D JCCC Review of the Year 2017

1. Introductions

The Meeting was chaired by BW (Director Customs).

Apologies;

Arne Mielken British Association of Ship Suppliers (BASS)
Adrian Jones British Business General Aviation Authority (BBGA)
Rod Mackenzie Road Haulage Association (RHA)
Gary Tanner UK Aerospace Industry Customs Group (UKAICG)
Laura Lucking HMRC
Tessa Robins HMRC
Colin Davis HMRC
Tim Morris HMRC
Kim Nicholas HMRC

BW introduced:

Nick Clifford
David Mourning

HMRC
HMRC

2. Minutes, matters arising

2.1 Minutes November 2017

The minutes for the last meeting were agreed.

2.2 Ongoing Action Points

APs Carried forward from July meeting:

AP1 Industry members to feed in, via the Industry Chair, feedback on i-forms.

AP2 HMRC (TRo) to provide an update on i-forms at the next meeting.

BW updated HMRC is moving this forward. Work has commenced with technical and delivery partners to develop requirements and specification for an AEO authorisation i-form. BW asked industry for any feedback on areas of improvement with other i-forms. PM replied feedback is underway. PM asked if plans include moving all forms to CDS. An action point was taken to feed in to the next CDS Programme Board.

[new] AP 1 Industry (PM) to raise i-forms at the next CDS Programme Board.

HL enquired if there is a list of forms moving onto the CDS platform? An AP was taken to investigate and update.

[new] AP2 HMRC (Secretariat) to update on forms which are going onto CDS

BW summarised this area has received a lot of senior attention and whilst this AP is discharged, HMRC will come back with regular updates.

AP4 Industry to signal interest in AEO working group to the Secretariat.

BW explained there has been a lot of work and thinking around setting up an AEO working group. Whilst it has been established there is a demand, clarity around what this group will cover is still needed. Also important is establishing where the group sits in terms of governance so it can report back to the full JCCC. PM felt the Products and Processes sub –group is the best area. BW said a starting point is to establish the scope and objectives of the group. JCCC agreed that the group would be set up as a non-permanent ‘task and deliver’ mechanism which would be disbanded once it has delivered its objectives. Action point was taken for industry to offer proposals for the scope, composition and governance of the group.

[New] AP3 Industry (MA) to submit a paper with proposals for an AEO working group.

TR queried the value of AEO authorisation to a truck in the RORO environment, adding this will be raised in the Brexit sub-group.

GT asked about progress on work to ensure draft CIPs are sent to industry for comment before they are finalised and published on GOV.UK.

BW apologised and acknowledged the importance members place on CIPs and the need for a smoother process.

All other action points from the last meeting were discharged. Please see **Annex B**.

3. Strategic Objectives 2018

BW introduced the paper “Review of the JCCC Year 2017” circulated with the minutes and attached at Annexe D. BW explained, looking at activities and priorities for the coming year, the aim is to keep the main, plenary group focussed around a smaller number of strategic items:

1. Delivery of CDS.
2. HMG and business readiness for EU Exit.
3. Service Delivery: standards and performance (including development of a Service Delivery Model for EU Exit)
4. E-Commerce: facilitation and compliance.
5. Improving the effectiveness of JCCC sub-groups.

BW acknowledged there will be new areas of concern and highlighted a focus for 2018 is to work with industry on improvements to the sub-groups to ensure they continue to add value. BW welcomed trade input.

PM said industry is content with the permanent sub-group structure but feels more use could be made of flexible ‘task and deliver’ working group mechanisms for addressing specific issues or new areas. These would be in addition to the permanent sub-group arrangements. BW referred to the proposed AEO working group as an example of this new approach, delivering improvements for 2018.

PM felt a reference to trade facilitation needs to be included. PM added there is lack of industry understanding about border infrastructure together with future responsibilities in customs. Clarity around the involvement of BF and BEIS is also needed with clear communication routes to and from these areas. SM added whilst there may be questions coming from industry, sometimes communication needs to start from within government. AR felt any audience should include those who do not operate international trade. PM said he thought responsibility for communication should sit within the cross – border group. BW confirmed communications are being developed to ensure outreach to EU trading only businesses to help them understand where and how they engage around EU Exit. HMRC had and would

continue to engage extensively with UK industry trading with the RoW. GR expressed concern around a potential void as we leave the EU and felt the JCCC, perhaps in the Customs Change group, could take greater responsibility for informing and advising. BS asked if future contact will be with HMT rather than the EU Commission. BW said these comments will be incorporated into future thinking around customs procedures and how they will operate.

BW summarised that JCCC's strategic agenda for 2017 had been overtaken by external events. However, JCCC had responded dynamically to those events and worked in close partnership to understand the implications. BW re-iterated the importance of the JCCC maintaining a strategic focus, in line with the Customs Vision 20/20. BW highlighted the important role that a customs - trade partnership plays in supporting compliance and driving out fraud.

4. HMG and Business Readiness for EU Exit

HMRC outlined the agreement reached between the UK and European Commission negotiating teams for an implementation period to the end of December 2020 and, subject to ratification, written into the Withdrawal Agreement. It was anticipated this would be endorsed by the March European Council later that week. Negotiations are still ongoing with further details to be provided in due course.

Industry broadly welcomed the expectation that this implementation period would follow the status quo, including for trade and customs processes. HMRC thanked industry for their comments on the Taxation (Cross-border Trade) Bill (previously known as the Customs Bill) which is due for more detailed discussion at the Brexit sub –group (CBG) meeting on 4 April. The CBG will also discuss plans for secondary legislation.

HMRC

- Continuing desire to consult and engage with business where possible.
- Welcome comments from industry, including views about the proposed agenda for CBG.

Industry

- Keen to know more about how to engage across other Government Departments on EU Exit issues. Queried if there will be any change in requirements beyond HMRC e.g. need for veterinary checks
- Concern about rules and controls for physical movement of goods and whether UK remains a member of the EU Customs Union.
- Concern from March 2019 the UK will no longer be invited to discussions with other Member States in the EU Commission.

- Concern about UK customs legislation not following the UCC (not just the wording but the effect in some cases). This will be discussed at the CBG.
- Queried whether the UCC changes need to be implemented during transition.
- Concern about the position of the UK if there is any dispute.

BW summarised there is recognition of the challenge that running with two possible future customs models presents. BW said whilst the UK will no longer be an EU Member State from March 2019, it may be invited by the EU Commission into Council discussions with other Members States. UK Customs are very keen to secure such an invitation.

5. Delivery of CDS: update

SJ gave a presentation on CDS development progress including the latest migration and software releases timetable and communications campaign.

PM enquired about outreach from the Border Systems Programme. SJ updated that her role now includes the communications and stakeholder engagement lead for BSP and assured there are plans to engage with industry. SJ requested industry continue to feed in comments.

MA asked about the steps importers or exporters should be taking, explaining the software used may be changing. SJ reassured there are engagements with software developers. SM enquired about communication around data elements. PM advised a “how to” guide is being put together. SJ agreed to share information on data elements so this can be incorporated into the guide.

AP4 HMRC (SJ) to share data elements information to include in industry CDS guide.

MJ commented communications need to be pitched at the correct level.

DBu suggested early communication, adding knowledge levels in the road haulage industry can be low, especially around dealings with Europe.

PJ asked about timings for the import functionality, expressing concern for CFSP users migrating to CDS. SJ reassured plans are to continue running CHIEF

AR expressed concern around OMS plans to extend UCC transitional arrangements for exports and asked if the UK intends to adopt the same flexibility. BW asked if AICES has raised the matter with policy colleagues. AR confirmed this has been fed in. GT added software houses are still making UCC changes and may be unable or unwilling to adapt.

GR referred to a known issue with CFSP and type Y data elements. GT enquired if type Y&Z will be available under CDS. SJ agreed to take off-line and update.

AP 5 HMRC (SJ) to respond directly to Industry (GT) about type Y & Z data elements and CDS.

Agenda item 7 – Service delivery: NCH Customs Contact Strategy

BW introduced Nick Clifford and David Mourning who gave a presentation on the National Clearance Hub (NCH) contact strategy for customs business.

Nick advised the aim is to be more effective, easier to deal with and more efficient. Plans are to organise work around 3 main areas:

- Authorisations, Approvals and Registrations – covering all work that enables customers to operate in the customs arena. Includes AEO, CFSP, CW, EORI etc.
- Border movements – all work that is directly related to the movement of goods at the border. Includes Route 1, PTU, ToR etc.
- Accounting – all work that relates to collection of duties, taxes and management of accounts. Includes NDRC, FAS and C18 etc.

GR asked whether there will be any impact on existing routes to Large Business. NC replied there were no plans to change.

PM commented on the similarity with CDS/approval forms. NC advised whilst the update focussed on a planned direction of travel, CDS will present an opportunity to accelerate forms on a digital platform.

PM added he was impressed with the automated helpline but concerned about lack of awareness of this service.

GT asked for more detail about any analysis, adding trade doesn't have confidence in the current in-house management system for Route 1 enquiries. GT suggested there is greater visibility about the status of an application. NC replied work is needed to obtain a clearer picture, adding customs has not always had the necessary investment.

NC and DM concluded they welcomed feedback from industry and will continue to provide updates to the JCCC.

8. Improving the effectiveness of JCCC sub-groups: update, governance and service standards

The sub group update was circulated with the agenda and is at Annexe C. Due to time constraints, it was agreed to send a written update about planned improvements.

9. AOB

9.1 Changes to Review and Appeals

BW introduced AS and KR.

AS referred to the discussion paper sent with the agenda outlining changes to the internal process for formal departmental reviews of any customs decisions. Whilst industry will see no change externally, other than a change of address for submission of appeals, the aim is to provide a more streamlined and efficient service.

GR said Industry welcomed the change.

GT thought Alternative Disputes Resolution (ADR) is no longer applicable for International Trade. KR confirmed whilst ADR has been used there is no process for this under the UCC.

BW said the UK is under intense scrutiny from EU Auditors, adding customs does have the "Right to be Heard" process. MA commented ADR offered an ability to meet face to face.

9. 2 JCCC anniversary

BW noted that JCCC is approaching its 50th anniversary in 2019 and mused that it could be the oldest customs consultative partnership in the world! He proposed that JCCC mark the occasion.

Date of next meeting:

The next JCCC meeting will be 18 July 2018.

Summary of Action Points	
AP1	Industry (PM) to raise i-forms at the next CDS Programme Board.
AP2	HMRC (Secretariat) to update on forms which are going onto CDS
AP3	Industry (MA) to submit a paper with proposals for an AEO working group.
AP4	HMRC (SJ) to share data elements information to include in Industry CDS guide.
AP5	HMRC (SJ) to respond directly to Industry (GT) about type Y & Z data elements and CDS.

Annex A - List of Attendees – March 2018

Outside Organisation attendees	Name
Airline Operators Committee for Cargo UK (AOCC)	JO
Association of International Courier and Express Services (AICES)	AR
Association of Freight Software Suppliers (AFSS)	GT
Automated Customs and International Trade Association (ACITA)	DH
British International Freight Association (BIFA)	PJ
British Retail Consortium (BRC)	SJ
Chamber of Shipping (COS)	TR
Community System Providers (CSPs)	PM
Customs Practitioners Group (CPG)/UK	
Warehousing Association (UKWA)	BS
Federation of Sport & Play Association (FSPA)	MA
Food & Drink Federation (FDF)	GR
Road Haulage Association (RHA)	DBu
Society of Motor Manufacturers & Traders (SMMT)	HL
Wine and Spirits Trade Association (WSTA)	DR
HMRC/OGD attendees	
HMRC	BW
HMRC	JB
HMRC	SJ
HMRC	AS
HMRC	KR
HMRC	SJ
HMRC	DB
HMRC	ASu
HMRC	DH
HMRC	SY
BF	DH

**Annex B - JCCC Meeting Action Points
From November**

Summary of Action Points		UPDATE
AP1	HMRC (Secretariat) to investigate and update about NILPs.	Discharged
AP2	Industry nominations to the Import Fraud Working Group to the Secretariat.	Discharged
AP3	HMRC (TM) to investigate planned CHIEF outage and report back directly to AICES.	Discharged
AP4	Industry to signal interest in AEO working group to the Secretariat.	Discharged
AP5	HMRC (CD) to carry out a review of the sub – groups.	Carried forward
AP6	Industry to feed in concerns about future resources, service levels and standards via the Industry Chair.	Carried forward
AP7	Industry members to signal their interest in the 1 December CDS Stakeholder event via cdsinternal.comms@hmrc.gsi.gov.uk .	Discharged
AP8	Industry to comment on the FHDDS draft statutory instrument via indirecttax.projectteam@hmrc.gsi.gov.uk by 15 December 2017.	Discharged

Annexe C Sub Group Update

JOINT CUSTOMS CONSULTATIVE COMMITTEE

DATE OF MEETING: 20th March 2018

SUBJECT : Update on JCCC Sub Groups

The information table below provides key issues and updates from JCCC Sub Group/ Working Group meetings. The minutes from each Sub Group or Working Group meeting will continue to be posted onto the [HMRC website](#)

Definitions

- **JCCC Sub Group** - for projects / initiatives which are finite; and
- **JCCC Working Group** - for “perpetual” meetings;

JCCC Secretary, E-Mail – [JCCC Secretariat](#)

Name of Group / Type of Group	Next Meeting	Contact	Update and Key issues from recent meetings
Customs Brexit Group	04/04/2018	Steven Rae/ Aaron Dunne	<p>The last JCCC Customs Brexit Group meeting was held on 27th October 2017.</p> <p>The meeting centred around the following items:</p> <ol style="list-style-type: none"> 1. <i>Future Customs Arrangements: A Future Partnership Paper</i> (Summary of industry response) 2. Customs Bill White Paper 3. Inward Storage Relief Proposal (Proposal from trade) 4. AEO 5. Stakeholder Engagement Update <p>HM Treasury colleagues helpfully provided an update on the responses received from trade in regards to the <i>Future Customs Arrangements</i> paper; with a high-level summary of the key take-away messages.</p> <p>HM Treasury colleagues then introduced the Customs White Paper – which sets out the need for domestic Customs legislation. This item was opened up to trade to discuss.</p> <p>Trade representative from FSPA then put forward their proposal for a new customs facilitation, entitled ‘Inward Storage Relief’. – Agreed that the proposal would be looked at by the main JCCC.</p> <p>HMRC and HM Treasury colleagues then provided a brief update on the latest thinking/developments in regards to Authorised Economic Operator.</p> <p>A brief overview of HMRC/HM Treasury engagement plans were then provided to members; with feedback from trade on how best to develop.</p>
Customs Change		Graham Pepper	No meetings held.as on-going trade engagement is being managed through the CDS programme.

Duty Liability	15 March 2018	Valerie Smith	Nothing new to report since the group last met on 11/10/17
ITOSW	None planned at this time	Denise Williams	No meetings held by common agreement. To arrange once there is key CDS information to discuss.
Customs Product and Processes	24 April 2018	Kevin Snow/Deborah Hill	<ul style="list-style-type: none"> • Changes to Payment Processing presented • Clarification given on End-Use guidance as a result of the Special Procedures Expert Group meeting <p>Meeting held on 19/02/18 between HMRC/trade to discuss authorisations issues.</p>
Import Fraud Strategy Working Group		Colin Davis	<ul style="list-style-type: none"> • Working group formed as part of the refresh of the Import Fraud Strategy included representatives from 7 trade groups. • 2 positive meetings held (on 12/12/17 and 12/02/18). • Feedback will contribute to educational, promote and prevent compliance work. • Strategy is being finalised using ideas and feedback from the group. • Group will next meet when the strategy is reviewed.



Joint Customs Consultative Committee

Review of JCCC Activities 2017

JCCC: An HMRC-sponsored forum which was established in 1969 to exchange views on and discuss proposed changes to customs procedures and documentation relating to the entry and clearance of goods.

Purpose of JCCC

The JCCC is not a decision-making group. It is a key platform for Industry and HMRC, as the UK Customs authority, to discuss customs matters. Within the JCCC framework there are a number of sub groups and working groups which are set up when required to discuss in-depth technical issues. These are regularly reviewed and disbanded when their purpose is achieved.

Summary of activity in 2017

The referendum changed the focus of discussions from the UCC pathway to EU exit. HMRC has worked in collaboration to agree how industry and government can work together to deliver the best outcome for UK and international traders. The Customs Brexit sub-group, set up in up in November 2016, has worked closely with industry and across government in 2017 to discuss the opportunities and challenges that EU exit generates.

Industry reports its appreciation for the level of consultation on EU exit during 2017, together with openness and detailed conversations on plans for HMRC support to UK business following the UK's departure from the EU on 29 March 2019 (though these conversations have necessarily been constrained at times by EU exit negotiations).

The Customs Declaration Service (CDS) has also been high on the agenda. Updates have been provided and this is on track to deliver by January 2019. CDS will support international trade once the UK leaves the EU. The decision to bring in a new declaration system was taken before the EU referendum but the service can be scaled to deal with how the UK's exit from the EU will impact on customs declarations at the border.

UK Customs' philosophy of partnership with business and customer focus has been an important issue discussed at the main JCCC during 2017 and industry has recorded thanks for extensive HMRC stakeholder engagement.

The JCCC sub-groups met to discuss more in-depth, technical issues. Examples of this partnership include industry acknowledgement of the good work of the Duty Liabilities sub-group and HMRC revising the timing of a CHIEF outage to mitigate Industry impact. The JCCC recognises the reporting from sub-groups has been mixed and will introduced a new standardised process in 2018.

There has been some frustration about the pace of progress in some areas where industry are looking to work with HMRC to develop further facilitations including Self-Assessment and improvements to authorisation processes. These issues continue to be progressed but within the constraints of the wider EU exit and transformation landscape.

Service Delivery

Service delivery has been discussed during 2017, with specific concerns raised by industry in relation to Transfer of Residence and digital technology for applications. Working closely with Industry and the National Clearance Hub, progress has been made on improving the new Transfer of Residence process.

The JCCC has also considered and discussed issues involving:

- ⤴ UCC.
- ⤴ Suspense regimes.
- ⤴ Delays in approval of AEO applications.
- ⤴ Issue of Customs Information papers (CIPs).
- ⤴ Web content, guidance and i-forms.
- ⤴ Legal cases.
- ⤴ Fulfilment House Due Diligence Scheme.
- ⤴ Import Fraud Strategy Refresh.
- ⤴ HMRC modernising and moving to Regional Centres.

Forward Look

Both industry and HMRC recognise the importance and value of UK Customs partnership with business. Themes which are on-going and will be brought back to the JCCC for further discussion in 2018:

- ⤴ CDS and the wider Customs and Border Transformation programme.
- ⤴ Preparing for EU exit.
- ⤴ Improving the work of the sub-groups.
- ⤴ Service Delivery – current performance; future model.
- ⤴ E-commerce – opportunities and compliance challenges.

UK Customs remains committed to the principles set out in its Customs Vision for 2020.

<p>The UK will be recognised as having the world's leading Customs authority for facilitating legitimate trade whilst protecting our society and growing our economy</p>
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