

Minutes of the Joint Customs Consultative Committee

Date of Meeting: 28 July 2017

Location: 1st Floor Conference Room, Euston Tower, London

Agenda

1. Introductions and Apologies
2. Minutes, Matters Arising and Action Points
3. Fulfillment House Due Diligence Scheme
4. JCCC Sub-group Update
5. EU Exit Update
6. Self Assessment
- 9 Any Other Business

Annexes

- A – List of Attendees
- B – Action Point Update
- C – Sub-group Update

1. Introductions

The Meeting was chaired by BW (Director Customs).

The chairman welcomed new members to the JCCC:

Pavel Jazra	BIFA
Katrina Walsh	IMTA
Mark England	UKMPG

2. Minutes, matters arising

2.1 Minutes March 2017

The minutes for the last meeting were agreed.

2.2 Ongoing Action Points

AP3 Industry members to submit views on AEO i-forms to IW via the Industry Chair.

Whilst this AP was discharged, industry has wider concerns around i-forms. It was decided industry members will feed in, via the Industry Chair, details of significant issues with i-forms to help HMRC build up a picture of areas for improvement.

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

An update will be provided at the next meeting.

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

AP 5 HMRC (TRo) to investigate loss of LCP and export simplifications/EIDR replacing CSE

AP Discharged. Issue picked up directly between HMRC's Export Policy teams and AICES. JG confirmed clarification has been provided but thought the relevant CIP may need updating.

[new] AP3 HMRC TRo to investigate if CIP11 (2016) for Export Simplifications needs updating.

PM raised the issue of CIPs in general, and reminded officials to circulate drafts to JCCC Industry members before issue. PM also asked HMRC to check these were going to the right people. TRo added the process is already being looked at and requested details of the right contact points.

[new] AP4 Industry members who are not on the CIP distribution list to register on informationpapers.customs@hmrc.gsi.gov.uk

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

3. Fulfilment House Due Diligence Scheme (FHDDS)

BW introduced Martin Jones (MJ) & Patrick Wilson (PW) from the Indirect Tax Projects Team. MJ thanked the JCCC for the invitation to update on the Fulfilment House Due Diligence Scheme. MJ explained primary legislation for this scheme is due to be introduced in the next Finance Bill, which will be after the summer recess. Secondary will be consulted on in the autumn and laid early in the new year.

PW explained that the scheme will require a new online registration system, which will go live on 1 April 2018. HMRC has been mapping out customer journeys and is in the early stages of developing a prototype.

Some JCCC members will be invited to provide feed back on the new system but HMRC would welcome additional JCCC volunteers – please register your interest with the JCCC secretariat.

AP5 Industry, via Secretariat, to advise interest in FHDDS workshops.

DR asked about the post Brexit situation with current scheme members who are outside the EU. PW acknowledged and said the immediate priority is to address any fraud.

GT asked whether the new registration scheme form prototype is an i-form. PW confirmed it is, adding that user- testing should identify any issues with this method of capturing data.

PM felt the earlier consultation process went well but queried the efficacy of the scheme. MJ explained the scheme will be underpinned by penalties and sanctions, and is part of a package of measures (along with changes to the joint and several liability rules) to tackle on-line fraud.

BW summarised this is a medium to long-term project aimed at addressing any potential organised criminal activity.

4. Sub - group update

BW explained an update from the JCCC sub-groups will be circulated 4 weeks before each meeting. This will give an opportunity for Industry to raise questions and individual chairs to attend the full JCCC if necessary.

AP6 HMRC (Secretariat) to circulate Sub- group update 4 weeks prior to JCCC.

HMRC TRo gave a verbal update from the Duty Liabilities Working Group. The written sub-group update is at **Annex C**.

5. EU Exit update

HMRC gave a presentation on EU Exit work to date that can be publicly shared, thanking Industry for their useful contributions on priority issues.

HMRC

- Outlined the UK negotiating objectives.
- Continue to work very closely with stakeholders and across government.
- Priorities are to mitigate impact on UK economy and business whilst supporting UK businesses to trade internationally, ensure the safety of our borders and collect the revenue that is due.
- The Government has announced a key ambition is to have as frictionless as possible EU Exit.
- The Ireland border is recognised as a priority area.

- Keen to involve industry in proposals as work progresses.

Industry:

- Requested an organogram to explain high level areas of responsibility across government.
- Requested definitive dates and parameters.
- Highlighted the full impact has not filtered through to all industry.
- Unsure which bits of the UCC will be kept.
- Support the drive towards AEO.
- Hopes for a light touch on guarantees.
- Hopes for simple, clear legislation and to contribute to drafting where possible.
- Raised awareness of financial impacts especially on SME's.
- Concerned about level of skill and average age of Customs Officer

BW summarised the ambition for openness and detailed conversations shortly. BW added BF are embedded in Customs Policy teams. Over 100 new people are learning about Customs, building capability and a platform designed to support EU exit.

6. Self- Assessment

TRo gave an update on Self- Assessment.

TRo explained the Self-Assessment Working group was set up to explore options for self-assessment under the terms of the UCC. This had focussed on two areas:

1. Reducing data sets at the border.
2. Potential use of technical solutions (e.g. CORE) to allow commercial systems to interface with CDS.

TRo explained that these ideas were currently with the Customs Change team. DH added BF continue to see the benefits of receiving CORE (supply chain) data.

As a proof of concept BF hope CORE data will demonstrate how trade data can be used to enrich pre-arrival data in AFTC which will help to improve targeting capability, reducing the impact on legitimate trade and improving border security. The vision is that by demonstrating CORE data in AFTC facilitates legitimate trade, more companies will subscribe.

BF are working with AFTC developers to establish whether CORE data can be accepted in a format that is cost effective and useful. BF is also exploring whether it can adapt AFTC Sea Containers to accept CORE data and match it to manifest data. A small group of industry partners has signed up to providing CORE data and if the concept is proven, BF hope there will be much wider support going forward. BF does not have a date set for delivery but is estimating a time frame of at least 6 months. PM said Industry fully support the provision of data to BF. GAT thought, in principle, this should follow the same type of concept for CFSP goods. HL explained the pipeline provides advance information so that when goods arrive they are ready for release. There are already a lot of companies interested and waiting for AFTC to develop links.

PM felt Self-Assessment should be considered as part of One Government at the Border (OGATB).

BW summarised all sources of data including CORE are being looked at together with impacts of the UCC and the implications of Brexit. BW added a Single Window approach is not a quick and easy solution.

7. AOB

7.1 Terms of Residency (ToR) process

PM raised issues around ToR, highlighting Industry disappointment that a meeting in the NCH had to be cancelled due to Purdah. PM said SD, whilst unable to attend the JCCC had particular concerns for members of BAR. MF said Customs and BF are very helpful, but for those moving home there needs to be a clearer process. TRo apologised for the implementation issues with the new ToR process – this was largely due to significant under-estimation of the number of ToR applications. TRo explained that a productive meeting had taken place between BAR and HMRC, and HMRC was looking to make some amendments to the current process. Work is continuing with the NCH to address backlogs and volumes. TRo highlighted the historical high level of non-compliance in this area, stressing the importance of allocating resources correctly to respond on a properly risk – based approach. HMRC remains committed to retaining a pre-lodgement approach. Also being looked at is:

- The quality of the form.
- Guidance notes.
- Extending the definition for returned goods relief.

PM thanked TRo for the update and said whilst industry support the principle, given the busy summer period, they have concerns about the operability of the system. PM enquired if there is a forum for discussing ToR issues. TRo explained that CJ from the NCH had agreed to act as the HMRC single point of contact for issues with the ToR process; CJ would be working closely with customs policy colleagues to ensure a joined-up approach.

BW summarised the short –term priority is to see numbers reducing and improvements so that we are giving a good service to our customers.

7.2 EU services post Brexit

AM enquired about the post Brexit position and potentially losing services provided by the European Commission such as the Market Access Database and the EU Export Helpdesk. BW replied that cross-government work to identify all services provided by the Commission is underway. LL agreed to investigate the two services highlighted:

AP 7 HMRC (LL) to explore whether there will continue to be access to services provided by the European Commission post Brexit.

7.3 Membership

PM updated on new member requests advising these continue to be explored on a case-by-case basis. PM reminded the group that individuals are not appropriate for membership. BW advised terms of reference and membership criteria are detailed on the JCCC pages of GOV.UK.

.Date of next meeting:

The next JCCC meeting will be 20 November 2017.

Summary of Action Points	
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
AP3	HMRC TRo to investigate if CIP 11(2016) for Export Simplifications needs updating.
AP4	Industry members who are not on the CIP distribution list to register on informationpapers.customs@hmrc.gsi.gov.uk
AP5	Industry, via Secretariat, to advise interest in FHDDS workshops.
AP6	HMRC (Secretariat) to circulate Sub- group update 4 weeks prior to JCCC.
AP7	HMRC (LL) to explore whether there will continue to be access to services provided by the European Commission post Brexit.

Annex A - List of Attendees – July 2017

Outside Organisation attendees	Name
Airline Operators Committee for Cargo UK (AOCC)	JO
Association of International Courier and Express Services (AICES)	JG
Association of Freight Software Suppliers (AFSS)	GATt
Automated Customs and International Trade Association (ACITA)	DH
British Association of Ship Suppliers (BASS)	AM
British Chamber of Commerce (BCC)	PW
British International Freight Association (BIFA)	RW PJ
British Retail Consortium (BRC)	SJ
Customs Air Transport Industry Consultative Group (CATICG)	MF
Chamber of Shipping (COS)	TR
Community System Providers (CSPs)	PM
Chartered Institute of logistics & Transport (CILT)	SM
Customs Practitioners Group (CPG)/UK	BS
Warehousing Association (UKWA)	
Federation of Sport & Play Association (FSPA)	MA
Food & Drink Federation (FDF)	GR
Freight Transport Association (FTA)	AV
Institute of Export (IOE)	MJ
International Meat Trade Association (IMTA)	KW
Royal Mail	
Society of Motor Manufacturers & Traders (SMMT)	HL
Wine and Spirits Trade Association (WSTA)	DR
HMRC/OGD attendees	
HMRC	BW
HMRC	LL
HMRC	DP
HMRC	TR
HMRC	JB
HMRC	JS
HMRC	MJ
HMRC	PW
HMRC	SY
BF	DH
Apologies	
UK Major Ports Group (UKPMG)	PB
British Ports Association (BPA)	RB
Institute of Shipbrokers (ICS)	RH
British Association of Removers (BAR)	SD

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

NO.	ACTION POINT	UPDATE
Agenda Item 2 – Outstanding Action Points		
AP1	Industry Chair to provide details of EU only traders	Discharged
AP2	TRo to provide clarification on published export figures, to check if these are based on the owner of the goods or the agent.	Discharged
AP3	Industry members to submit views on AEO i-forms to IW via the Industry Chair.	Discharged
AP4	HMRC (IW) to facilitate discussion about i-forms between Industry Chair and GDS.	Discharged
AP5	HMRC (TRo) to investigate loss of LCP and export simplifications/EIDR replacing CSE	Discharged
AP6	HMRC (MAs) to include a list of the regimes with the highest numbers of legal issues in the minutes.	Discharged
AP7	HMRC (Secretariat) to include Brexit update and Self-Assessment working group in the sub-group update paper.	Discharged
AP8	HMRC (TRo) to provide an update on FH DD scheme at the next meeting	Discharged

Annexe C Sub Group Update

DATE OF MEETING: 28th July 2017
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;

NAME OF GROUP/TYPE OF GROUP	NEXT MEETING	CONTACT	UPDATE AND KEY ISSUES FROM RECENT MEETINGS
Customs Change	TBC	Ian Wilkins/ Daniel Foster	<p>Update reflects discussion at date of meeting 6th March 2017</p> <p>UCC update provided, trade advised that proposed IA changes were under discussion and were voted on in March/April. Trade advised that UK proposals for change to the IA have been taken into account for inclusion in new National Law.</p> <p>Border Force provided an update to trade on their ongoing stakeholder engagement work and the future relocation from Marsham atreet to a new site in Croyden.</p> <p>CDS programme update provided and trade were advised that the delivery of CDS had been restructured into three delivery trains to expedite delivery. Trade were advised that at a Trade stakeholder engagement meeting, feedback was received that the Programme feels more productive since the restructuring.</p> <p>MASP update to trade. Trade advised that in May 2016 we will see the first delivery of EOS and AEO. Trade were advised that REX was delivered in January 2017 for GSP certificates. Trade were advised that with reference to Customs Decisions, there have been changes to the</p>

			<p>Commission specifications with a view to how we meet the October 2017 implementation date.</p> <p>Trade were advised that a discussion is planned with the Commission at the end of March as a number of Member States have reported some difficulty meeting the deadline. Trade were advised that an alternative solution is being explored for use in a post Brexit situation.</p> <p>Trade were advised that the rest of MASP implementation will likely be pushed back and explained the Commission are currently seeking Member State priorities against the current plan.</p> <p>Trade advised that the the next amendment to the plan will be in June 2017.</p> <p>NILPS update provided and trade were advised that a letter was currently awaiting sign off before being issued to Frontier approval holders to advise of NILPS implementation in January 2019.</p>
Customs Product and Processes	25/8/17	Kevin Snow	<p>JCCC Product and Process sub group 20/4/17</p> <p>Meeting went ahead immediately before general election purdah commenced.</p> <p>Update on Brexit confirmed ongoing planning, staff recruitment for policy area under way. Trade keen to feed into Brexit planning as early as possible and advised to engage via stakeholder engagement teams.</p> <p>Discussion of CCG interaction with authorisations for Special procedures and reference amounts.</p> <p>Auto registration of traders to REX for CETA purposes has taken place.</p> <p>Possible reintroduction of CW supplementary declaration post Brexit.</p> <p>Update on TORO for end use.</p> <p>CIPs and GOV.UK</p> <p>Full minutes published on GOV.UK</p>

Duty Liabilities	13/9/17	Valerie Smith	<p>The group last met on 16/6/17. A range of issues were discussed including: Brexit – Aaron Dunne delivered a short presentation and Q&A session covering Brexit developments</p> <p>Tariff - VS advised the group about progress with development of the new Tariff data transmission. HMRC priorities for the development of a pre declaration duty calculator were also discussed.</p> <p>Valuation – John Mitchell gave a general update on discussions in the Customs Export Group.</p> <p>Origin – the usual update on progress with various trade agreements including the Vietnam Agreement; queries following the implementation of the Registered Exporter Scheme were discussed as well as Western Sahara following the EU Court judgment.</p> <p>Tariff Classification sector reports were circulated and a range of technical issues discussed. An update on the outcome of the recent EU BTI Seminar plus plans for the upgrade of EBTI 3 were also provided.</p>
International Trade Operating Systems Working Group (ITOSWG)	TBA	Maggie Kelly	<p>EDCS – problem fixes can now progress and have been prioritised with first tranche 13th August.</p> <p>Comms during outages – still a few issues with timely communication from the centre. Feedback being given and changes have been implemented. There is still some work to do but it is improving.</p> <p>GOV.UK website – publication during unplanned outages is still not quick enough. This has been escalated to higher level.</p>
Customs Brexit Group	05/9/2017 (TBC)	Steven Rae (steven.rae1@hmrc.gsi.gov.uk)	Update provided to the group on our recent Roundtables held in Belfast (22 nd /23 rd June). Each roundtable focused on a specific topic; Maritime Logistics, Cross-Border Logistics, Large Business &

		<p>Aaron Dunne aaron.dunne1@hmrc.gsi.gov.uk</p>	<p>Retail, and SMEs & Agriculture). HMRC learnt a lot from the sessions and will use the information gained to influence future policy development.</p> <p>Update provided on CDS programme and confirmed that previous statements on delivery date are correct, and that it is still aligned to HMRC's digital strategy. Information given to industry on future test periods. Industry should continue to submit items for discussion on CDS through either the JCCC Customs Change Group or at stakeholder engagements.</p> <p>Trade given brief update on RoRo policy development. Emphasis on HMRC needing to keep trade flowing after EU exit and are committed to continuing to discuss plans with stakeholders as they develop.</p> <p>Update provided on HMRC's stakeholder engagement plan going forward. A programme of engagement will become clear in due course, with continued engagement in areas such as Northern Ireland already planned.</p> <p>Request upon trade to provide information where possible, for example, for JCCC CBG representatives to complete a questionnaire that was forwarded to them prior to the meeting.</p>
--	--	--	---