

Minutes of the Joint Customs Consultative Committee

Date of Meeting: 19 November 2018

Location: Business Centre, Ruskin Square, Croydon

Agenda

1. Introductions and Apologies
2. Minutes, Matters Arising and Action Points
3. Improving the effectiveness of JCCC sub groups, update, governance and service standards
4. HMG and Business readiness for EU Exit
5. Delivery of CDS: Update
6. Break
7. EU Exit proposals for Postponed Accounting, passengers and parcels
8. World Trade Organisation, Trade Facilitation Committee
9. Any Other Business
- 9.1 Trader Authorisation Guidance

1. Introductions

The Meeting was chaired by Bill Williamson (BW) (Director Customs and International).

A minutes silence was held in memory of Mike Josypenko (Institute of Export).

BW welcomed new members, introductions were made and BW opened the meeting.



2. Minutes, matters arising

2.1 Minutes July 2018

The minutes of the last meeting were agreed.

2.2 Matters Arising and Action Points

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

Industry advised they wish to follow up HMRC's response to AP3 as they are concerned there is a divergence with the EU data model in the UCC. It was agreed to take this off-line.

AP1 HMRC (Ian Wilkins) to discuss interpretation of UCC data model off-line with industry (BIFA).

In response to AP5, industry asked for a further update on HMRC's approach to inventory linking, including its potential role in RoRo and also on UCC changes to temporary storage that impact on Approved Depositories. PMcS felt the JCCC agenda could have included an update on inventory linking and the work of the Border Delivery Group. Industry were still waiting for slides from Heather Jones presentation to the EU exit sub-group.

It was agreed to pick up these issues within the Customs Future Vision working group.

AP2 HMRC (MS) to include inventory linking on the agenda for the Customs Future Vision working group.

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

Review of the Year 2018

CD referred to the draft JCCC Review of the Year paper and requested industry comments are sent to the Secretariat so the document can be finalised and published with the minutes (Please see **Annexe C**).

AP3 Industry to provide comments on JCCC Review of the Year to the Secretariat.

Sub-group update

The sub group update was circulated with the agenda and is at **Annexe D**.

CD updated the Committee on some changes at Chair and Secretariat level arising from internal restructuring:



Customs Future Vision Group

The first meeting of the Customs Future Vision working group will be held on 17 January, chaired by Megan Shaw.

AEO Group

The AEO Group Chair has transferred from Mike Howe to Megan Shaw. CD explained the AEO group had raised an action for HMRC to clarify at the full JCCC. Industry had expressed concern about confusing messages around 'trusted trader' from different government sources and asked for a definition of 'AEO' and 'Trusted Trader', and the distinction between the two.

CD explained Authorised Economic Operator (AEO) is a defined scheme, based on World Customs Organisation (WCO) SAFE guidelines and UCC legislation, whereby businesses that meet defined criteria are entitled to legally-defined benefits.

'Trusted Trader' is a generic concept that is used to describe defined schemes such as AEO. CFSP is another form of 'trusted trader' scheme, again with set criteria and specific parameters and benefits.

Under a Facilitated Customs Arrangement, HMRC is designing a further 'trusted trader' scheme to access the correct tariff upfront (without the need to engage with the repayment mechanism) in a way that seeks to make it as straightforward as possible for businesses to interact with it. Pre-authorisation to pay the lower tariff will be separate to AEO and other existing authorisations and for a different purpose. Where possible it will build on the requirements for existing authorisations with added elements required for the FCA.

CD recommended individual businesses look very carefully at the variety of defined schemes, and identify which one(s) are most appropriate to their business model and activity, and how they would benefit from becoming part of that defined scheme.

HL asked for BF view. DH said, whilst a formal definition from a BF perspective can be provided, the clarification given by CD explained the concept of a trusted trader.

ARe asked about Mutual Recognition. CD said standards for AEO are internationally recognised. Mutual Recognition is an important AEO objective and benefit. The UK will continue to apply these conditions and standards so UK AEOs can be recognised in 3rd countries.

BW summarised that 'trusted trader' is an important global concept that is key to our Customs Vision and intended to be helpful to business. It was agreed a clear definition will be added to the minutes.

AP4 HMRC to add clear definition of AEO and Trusted Trader to minutes (please see highlighted text above).

Governance and Improvements

PMcS felt there is good conversation at full and sub-group meetings but the need for a stronger focus on delivery. PMcS said the AEO task and deliver group is a good



example of a group focused on business process improvements. There was agreement to tighten up communication from the sub-groups by inviting sub-group chairs to the main JCCC, on an exception basis, although HL cautioned that sub-group updates should not divert the main JCCC from addressing the key strategic issues.

BW highlighted the strategic objectives going forward into the agenda for 2019 include Customs Future Vision and the aim, within the new working group is to bring together industry and other government agencies, including the Future Borders Group, to take a strategic, long term view of how the UK will operate customs and its borders.

BW reminded the process for sub –group reporting will ensure topics will be brought back to the main JCCC.

BW summarised, given the challenging environment in 2018, the amount of engagement with trade has been high and when able to do so, HMRC has worked with Industry in line with JCCC strategic objectives.

4. HMG and Business Readiness for EU Exit: Update

HMRC updated on recent developments.

- Draft agreement on the UK's withdrawal from the European Union agreed in Cabinet and announced by Prime Minister.
- The EU will hold a summit to discuss the deal on 25 November, with a vote in Parliament expected to follow.
- While the government remains confident of reaching a deal, planning continues across different scenarios and for all possible outcomes.
- HMG are committed to ensuring engagement with port locations and are aware of the need to adapt (particularly in RORO locations) and the time required.
- A Partnership Pack has been published, designed to help businesses if the UK leaves the European Union without a deal. The pack was developed with the Border Delivery Group and other government departments, such as Defra and Department for International Trade. It covers customs, excise, VAT and regulatory changes, and provides information specifically for audiences such as traders, specialist industries, transporters, and other operators at the UK border.
- Working with BDG, HMRC continues to engage on a new Partnership pack which will start providing detail.
- HMRC shortly to launch processes for the training grant scheme. This will allow customs intermediaries and traders who complete, or intend to complete, customs declarations to apply for funding for training and IT. This will help to increase capacity in preparation for the UK leaving the EU.

Industry

- Asked when grants to build intermediary capacity go live.



- Expressed concern that previous comments about the legislation have been ignored.
- Requested a post D1ND Trade/Customs review of the legislation.
- Sought more guidance across the piece and a commitment from HM Government to provide this.
- Asked about continuing to use ECS in the event of a deal.
- Expressed concern around Express Industry and Postal industry being joined together in Partnership Pack when they are fundamentally different,

BW summarised industry comments and confirmed that detailed questions will be considered by the EU Exit or other relevant sub-group.

It was agreed that specific concerns from AICES about engagement with HMRC and the Partnership Pack should be addressed bilaterally outside the meeting.

AP5 Industry feedback and questions to be remitted via the Secretariat to the EU Exit or other relevant sub-group.

5. Delivery of CDS: update

- Release One is well underway with a small pre-selected group of importers. First supplementary declarations relevant added into CDS in early September. Release Two is scheduled to commence from the end of November Dual-running continues and a decision was taken to move the Release Three (Exports) from January to March 19.
- Due to the size and complexity of bringing CHIEF users over to CDS the focus is very much around a controlled migration process and not delivering a “big bang”.
- There have been some test issues and we have worked closely with delivery partners to resolve these.
- Since July 2018, HMRC has produced a variety of Customs Declaration Service products and given regular updates on delivery plans and information to help business make the transition from CHIEF to CDS.
- GOV.UK is the central hub for latest information and guidance on what is needed to prepare for CDS. Please see <https://www.gov.uk/guidance/how-hmrc-will-introduce-the-customs-declaration-service>
- A news-style article with the same guidance was drafted and published in various trade publications.
- In October an e-mail was sent to current CHIEF users with a checklist of what to do before moving to CDS and a similar letter was posted in November.
- Latest plans are to migrate the 135 importers who are part of managed migration by March 2019.
- Plans also involve supporting a further 135 high volume exporters, including freight forwarders, once exports functionality is made available as part of Release 3.



- This means that HMRC expects exporters will be able to begin migration from CHIEF from March 2019.
- Whilst CHIEF users migrate to CDS, HMRC will continue to run CHIEF which is also being scaled to handle any potential volume of customs declaration that could result from EU-exit.

PMcS said migration has been quite positive and people are comfortable with the controlled migration approach. However, progress is slower than hoped. PMcS raised concern about digital ID and identity assurance adding industry confidence in the quality of products had been impacted.

GT said from a software perspective, technically there is a long way to go. GT raised concern on traders need for software, together with understanding of the tariff and declarations under the new UCC format. MA highlighted difficulties for business following government statements about exporting being easy. ARe felt there are potentially conflicting messages about CHIEF continuing and starting to use CDS. LB queried how widely GOV.UK is used. AM asked about Ship Suppliers and whether they can use CHIEF from March. HL asked about testing and whether it has tested a potential 300 million capacity level.

AR enquired if capacity can exceed the 300 million or if it is a limit.

HL asked about contingencies, particularly for those businesses who don't currently have UK based systems. It was agreed PMcS would take this issue to the next CDS programme board.

AP6 Industry (PMcS) to raise CDS contingencies at the next CDS Programme Board about the ability to make Customs Declarations in the UK, post EU Exit, and report back.

GT said a lot of businesses think imports and exports will be on the same system. PMcS stressed the importance of including Software Houses in consultations. SM said the export timetable was published and timelines fit in with the overall programme. SM said there is recognition of the need to go out to other stakeholders and update wider communication plans including ongoing discussions with CSPs including export dual-running.

PJ recorded thanks to the comms team for the helpful approach, GT endorsed these comments.

BW thanked industry for their comments and questions. Concerns around readiness, raised above, will be taken back to the CDS programme.

7. EU Exit Proposals for Postponed Accounting, Passengers and Parcels

BW introduced James McLennan (JMCL) who gave an overview of the key VAT issues around Parcels, Passengers and Import VAT and the challenges after EU exit. JMCL highlighted that the full legal text of the Withdrawal Agreement has been agreed in principle and that the longer term VAT arrangements are subject to negotiations.

Industry



- Questioned whether passengers will continue to be able to bring back VAT and Excise paid goods in unlimited amounts.
- Questioned the difference in approach between passengers and parcels.
- Questioned Postponed Accounting (PA) on D1ND and whether it will be available for imports from Third Countries.
- Asked about any plans to remove VAT Postponed Accounting from specific businesses if they are non-compliant.
- Questioned whether businesses need to be registered for VAT to take advantage of PA.
- Concern about small businesses that are not VAT registered.
- Asked about the rules for passengers that stop-over in the EU whilst en-route to the UK from RoW.
- Asked about any transitional arrangements required for the backstop.

BW summarised industry comments and asked that outstanding and further questions should be sent to JMCL via the Secretariat.

AP 7 Industry questions on Postponed Accounting, Passengers and Parcels to be sent in writing to JMCL via the Secretariat.

8. World Trade Organisation, Trade Facilitation Committee

BW referred to the consultation paper circulated with the notes and at **Annexe E**. BW highlighted the WTO legal requirement for the UK to establish a committee and the opportunity, as the the leading trade and customs consultation mechanism within government, to align this with the JCCC.

Industry members felt, whilst the JCCC lends itself to this Committee, the JCCC is a strategic body with its own governance and architecture. Industry raised concern about having enough time to cover both the business as usual agenda, and National Trade Facilitation Committee (NFTC) matters in one day. A separate and distinct group directly aligned with JCCC was proposed. This would not be a sub-group but would sit alongside JCCC. Buy-in from other government departments was considered key, along with investment and time.

BW agreed to take this forward and update the JCCC on progresses.

AP8 HMRC (BW) to take forward proposal to set up a separate NFTC group, aligned to JCCC, and report back.

9. AOB

9.1 Trader Authorisation Guidance

CD explained an issue which was raised in both the the AEO and CP&P sub-groups. Industry are seeking HMRC endorsement of trade guidance to support businesses through the process of applying for an authorisation, in particular AEO. BW welcomed what was an innovative idea to demonstrate collaboration between HMRC and the JCCC through jointly produced trade guidance. As there was a spectrum of



potential involvement from HMRC and a standing policy on 'external' endorsement, BW proposed that an illustrative draft of trade guidance be co-ordinated which would greatly assist HMRC in exploring the scope for its potential participation. AM volunteered to collate Industry responses.

AP9 Industry members to send draft guidance and information on application for authorisations to HMRC (AM). HMRC to provide AM with a contact.

9.2 Alternative Dispute Resolution (ADR)

BS enquired whether ADR can be applied to Customs cases, adding advice at the March meeting was that it will not. CD replied HMRC has been reviewing the use of ADR and has produced draft internal guidance. CD advised the objective to balance aligning with the rest of HMRC where possible, while recognising the unique circumstances of Customs.

BS asked if the guidance can be made public. CD agreed to investigate and report back.

AP10 HMRC (CD) to investigate whether ADR internal guidance can be shared with industry.

Date of next meeting:

TBA



Summary of Action Points	
AP1	HMRC (Ian Wilkins) to discuss UCC interpretation off-line with industry (BIFA).
AP2	HMRC (MS) to include inventory linking on the agenda for the Customs Future Vision working group.
AP3	Industry to provide comments on JCCC Review of the Year to the Secretariat.
AP4	HMRC to add clear definition of AEO and Trusted Trader to minutes.
AP5	AP5 Industry feedback and questions to be remitted via the Secretariat to the EU Exit or other relevant sub-group.
AP6	Industry (PMcS) to raise CDS contingencies at the next CDS Programme Board about the ability to make Customs Declarations in the UK, post EU Exit, and report back.
AP7	Industry questions on Postponed Accounting, Passengers and Parcels to be sent in writing to JMcL via the Secretariat.
AP8	HMRC (BW) to take forward proposal to set up a separate NFTC group, aligned to JCCC, and report back.
AP9	Industry members to send their guidance and information on application for authorisations to HMRC (AM). HMRC to provide AM with a contact.
AP10	AP9 HMRC (CD) to investigate whether ADR internal guidance can be shared with industry.



Annexe A - List of Attendees – November 2018

Outside Organisation attendees	Name
Airline Operators 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 Association of Exporters (BeXA)	SS
British Chamber of Commerce (BCC)	PW LS
British International Freight Association (BIFA)	PJ
Customs Air Transport Industry Consultative Group (CATICG)	MF
Chamber of Shipping (COS)	GS
Community System Providers (CSPs)	PMcS
Customs Practitioners Group (CPG)/UK Warehousing Association (UKWA)	BS
Federation of Sport & Play Association (FSPA)	MA
Food & Drink Federation (FDF)	GR
Freight Transport Association (FTA)	AV
Institute of Chartered Shipbrokers (ICS)	RH
Institute of Directors (IoD)	ARe
Institute of Export (IoE)	LB JI
International Meat Trade Association (IMTA)	KD
Society of Motor Manufacturers & Traders (SMMT)	HL
Wine and Spirits Trade Association (WSTA)	DR
HMRC/OGD attendees	
HMRC	BW
HMRC	OS
HMRC	CD
HMRC	TM
HMRC	SM
HMRC	JM
HMRC	AS
HMRC	SY
BF	DH
DIT	RD



**Annexe B - JCCC Meeting Action Points
From July**

Summary of Action Points		UPDATE
AP1	FBP (KW) to update industry with Future Borders Programme engagement plans.	Discharged
AP2	HMRC (PH) to share internal CDS training with industry.	Discharged
AP3	Industry (PJ) to provide details of CDS/UCC concerns in writing.	Discharged
AP4	HMRC (Secretariat) to circulate AEO sub-group agenda and minutes.	Discharged
AP5	HMRC (Secretariat) to circulate NILPs paper.	Discharged
AP6	HMRC (Secretariat) to routinely distribute notes by e-mail when approved.	Discharged



Review of JCCC Activities 2018

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.

The importance and strength of the HMRC partnership with industry is reflected in particular through the JCCC and its sub groups. Activity in 2018 reinforced HMRCs ongoing commitment to support UK trade, economic growth and UK prosperity. The JCCC is a unique forum where consultation in 2018, especially around Customs Declaration Service (CDS) and EU exit, has resulted in greater understanding of business needs and a strengthening of this partnership.

Strategic focus for 2018

With the aim to keep the main, plenary group focussed around a smaller number of items, the following were agreed as strategic objectives for 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.

Summary of activity in 2018

CDS and the wider Customs and Border Transformation programme

The Committee received regular updates on development progress together with migration software release timetables in the lead up to the launch of the new Customs Declaration Service (CDS) on 14 August.

HMRC explained their focus on delivering CDS in a planned and measured way, ensuring there is no disruption to customers. A phased implementation approach will bring thousands of businesses who are on the old CHIEF (Customs Handling of Import and Export Freight) onto the new system.

Industry expressed appreciation of the level and frequency of engagement by HMRC.

Preparing for EU exit

Whilst EU exit negotiations continued to constrain some discussions, HMRC's desire to consult and engage with business, where possible, continued with regular dialogue and updates.

Updates included:



- How HMRC is continuing to plan for all possible outcomes, including no deal.
- The agreement reached between the UK and European Commission negotiating teams for an implementation period to the end of December 2020.
- Preparing the Statute Book as the EU (Withdrawal) Act becomes law.
- The White Paper published by the Government on 12 July on the future relationship between the United Kingdom and the European Union which included the Facilitated Customs Arrangement (FCA).
- The Taxation (Cross-border Trade) Act which received Royal Assent in September.
- Plans for secondary legislation.
- Communication plans for businesses who do not operate in International trade and EU-only trading business to help them understand where and how they engage around EU Exit.
- The process for re-accession to the Common Transit Convention.

Improving the work of the sub – groups

The sub-groups exist to discuss in-depth technical and operational issues. During 2018 several of these groups have been re-shaped and re-focused. The task and deliver nature of working groups is demonstrated by the newly formed AEO group, which has already received a good reception from industry.

The Customs Change group was re-branded into the Customs Future Vision Group and the ITOSW group is now closed.

2018 also saw the introduction of new standardised processes including governance processes that should ensure more effective communication and resolution of issues within the JCCC network.

It was wholeheartedly agreed the EU Exit sub group will continue to play a major role in communications. It was also agreed the Duty Liability and Customs Products and Processes groups continue to add value.

The new Customs Future Vision Group will be a forum to consult on the post-EU exit customs model for the UK. This group will explore how new technologies and new models for border management can help deliver the Customs Vision.

Service delivery– current performance; future model.

One of the areas highlighted in 2017 was service standards. To improve the transparency of HMRC service delivery, data showing performance against service standards was shared with the JCCC. HMRC's Customer Service Group also informed the JCCC of their plans for a contact strategy to provide a more straight forward service for customers. Industry feedback around needs and wants of the customer was welcomed as a key part of this process along with opportunities for optimising current service and processes.

E-Commerce opportunities and compliance challenge



Updates on e-commerce were given to the Customs Product and Processes sub group including:

- Progress on the WCO framework of standards for e-commerce, which is scheduled to be completed in June 2019.
- Work with Indirect Tax, Border Force and trusted traders to access commercial trade data.

The proposed framework of standards is welcomed by both HMRC and Industry as part of the drive to tackle non-compliance while facilitating legitimate trade. Co-operation, as a key feature of the trusted trader concept, will assist in identifying, tracking and ensuring the provenance of goods as well as protecting society and facilitating legitimate trade.

The JCCC has also considered and discussed issues involving:

- The cross-government Border Delivery Group (BDG) Future Borders Programme.
- Border Force's change programme.
- Changes to Review and Appeals.
- The application and authorisation process for customs procedures.

Forward Look

There is a shared enthusiasm to look beyond EU Exit and take a strategic, long term view of the how the UK will operate customs and its borders. The Customs Future Vision group will focus on this, and aim to bring together Industry and other government agencies, including the Future Borders Group.

Themes which are on-going and will be brought back to the JCCC for further discussion in 2019:

- Customs Declaration Service
- HMRC and Business readiness for EU exit
- E-Commerce
- Customer Service
- Customs Future Vision

During 2018, with the introduction of CDS, and as preparations are made for leaving the EU, HMRC and Industry have reaffirmed the importance of the consultative approach that was started in 1969 and the importance of strengthening and building on that approach to meet today's challenges. These discussions have reinforced UK Customs commitment to the principles set out in its Customs Vision for 2020 and HMRC's ongoing commitment to support UK trade, economic growth and UK prosperity by facilitating legitimate trade, keeping costs on trade to a minimum and improving customer service, while delivering our functions to tackle the risks associated with international trade.

Annexe D Sub Group Update

2. JOINT CUSTOMS CONSULTATIVE COMMITTEE

DATE OF MEETING: 19th November 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	Last Meeting / Next Meeting	Decisions (including decisions from working groups and delivery groups)	Achievements
<p>Customs AEO task & deliver working group</p> <p>Chair: Mike Howe</p> <p>Secretariat: Wendy Conkey</p>	<p>22/10/18</p> <p>Next meeting Dec 2018 TBC</p>	<ul style="list-style-type: none">• Group were updated on work underway to improve AEO authorisations.• Industry to comment on updates to GOV.UK.• HMRC agreed to copy internal guidance to industry.• HMRC to consider standardising process for notifying audit visits.• Industry to provide details of in-house events they would like HMRC to attend.• HMRC to invite BF to subsequent meetings.• Members to comment on Chartered Institute of Logistics and Transport (CILT) paper.	



<p>Customs EU Exit Group</p> <p>Chair:</p> <p>Aaron Dunne</p> <p>Secretariat:</p> <p>Mustakin Ahmed</p> <p>Dasun Anda</p>	<p>12/07/18</p> <p>23/11/18</p>	<p>The last JCCC EU Exit Group meeting was held on 12th July.</p> <p>The meeting centred around the following items:</p> <ol style="list-style-type: none">1. Latest Developments2. Borders Delivery Group update3. Taxation (Cross-Border Trade) Bill4. Authorisation Improvements5. UCC and the Implementation Period6. Business Readiness & Stakeholder Engagement <p>HMRC colleagues provided a readout of the latest developments on:</p> <ul style="list-style-type: none">• The recent June European Council;• Common Transit Convention;• Ministerial Working Groups;• Chequers;• Facilitated Customs Arrangements and• Preparedness <p>Following this, there was an open discussion between members, particularly around the FCA.</p> <p>Borders Delivery Group (BDG) colleagues introduced themselves to JCCC EU Exit Group. They provided an overview of the work that Border Delivery Group undertake, with a particular focus on the Future Borders Programme.</p> <p>HMRC colleagues provided an update on Taxation (Cross-Border Trade) Bill including the TCBT status. There was also an update on Authorisation improvements highlighting that HMRC have taken on board the feedback for AEO process.</p>	
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		<p>HMRC colleagues also provided an update on the implementation of the UCC provisions during the Implementation Period and then a brief update for engagement plans going forward.</p> <p>There have been 2 ad-hoc meetings, on Self-Assessment considering the following issues:</p> <ul style="list-style-type: none"> • Timing of development • Longer aggregation or deferment • SA controls at the border • How will data be packaged, declared or notified? 	
<p>Customs Duty Liability</p> <p>Chair:</p> <p>Valerie Smith</p> <p>Secretariat:</p> <p>Lisa Cureton-Burgess</p>	<p>26/09/2018</p> <p>Next meeting Jan 19 TBC</p>	<p>Group reviewed updates on Valuation, Origin and Classification issues. No decisions were made.</p>	<p>The group were given a show and tell presentation on the new Digital improvement for Classification service. The presentation was very well received.</p>
<p>Customs Future Vision</p> <p>Chair:</p> <p>Aphrodite Spanou</p> <p>Secretariat:</p> <p>Bryan Kearney</p>	<p>Jan 2019 TBC</p>	<p>No meeting has taken place as yet. We have contacted JCCC members and roughly 15 have agreed to join this group.</p>	<p>N/A</p>
<p>Customs Product and Processes</p> <p>Chair:</p> <p>Tinu Fagbayi</p>	<p>30/10/18</p> <p>29/01/19</p>	<p>Update from July meeting:</p> <ul style="list-style-type: none"> • Updated TORs agreed and adopted. • Discussion around how best to ensure the applications process runs smoothly for both HMRC and businesses 	<p>Successful meeting around improving the application process for authorisations.</p>



<p>Secretariat:</p> <p>Deborah Hill</p>		<p>– ad-hoc follow-on meeting arranged by HMRC to discuss this in more depth.</p> <ul style="list-style-type: none">• Concerns raised by trade around changes to procedures for Post Import Entry Amendments. HMRC committed to looking into operational issues and providing feedback at next JCCC sub-group meeting.• Following a discussion round EIDR and AEO, HMRC committed to communicating a definitive position on Notice of Presentation to the JCCC group, which has now been actioned.• Issues raised around EDCS and EMCS. HMRC recognised that communication with trade, when issues such as this arise, could be improved. Update on developments to be provided at next JCCC sub-group meeting. <p>Update from October meeting:</p> <ul style="list-style-type: none">• HMRC to issue a CIP to support trade on the action required when applying for additional customs authorisations.• Proposal was made for trade members of the JCCC to provide some guidance for traders making applications, which would be endorsed by HMRC. This will be discussed at the trade meeting of the main JCCC in November.• HMRC will publish a CIP on Re-assessment of all customs open-ended authorisations imminently. This is to remind those affected businesses to apply	<ul style="list-style-type: none">• Acknowledgement from trade of a successful authorisations meeting held between HMRC and trade, both committed to working out best way forward to ensure a smoother application process across the different authorisations for trade.
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		for their authorisation and CCG by 2 January 2019.	
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Annexe E

Establishing a UK National Trade Facilitation Committee: analysis and recommendation

Objective: The aim is to establish a basis for, a fully-fledged public-private cross-government standing committee on TF in line with international guidelines and the best practices of like-minded WTO members in order to ensure UK compliance with (and input into) WTO obligations under the TFA upon EU exit.

Background and rationale: The original mandate and rationale for a coordinating mechanism on trade facilitation remains the same as formulated in the 2009 joint BIS and HMRC Action Plan (“Simplifying Trade Across UK Borders”).

This rationale has even more relevance given the 2017 entry-into-force of the WTO TFA and the creation of the WTO TF Committee. The WTO has now begun discussions on TF issues on which an independently-seated UK will be expected to contribute substantively, and where the UK’s community of TF experts and trading history can underpin a unique and informed voice on a global stage.

Our exit from the EU and related proposals in the area of customs will require a coordinating body to ensure improvements to UK border processes and procedures, working with industry partners on where the bottle necks/issues exist.

Basic requirements and international guidelines: The WTO TFA obliges each WTO member upon entry-into-force to “*establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement.*” No further guidance on composition or structure is provided within the TFA.

In 2015, the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) updated its Recommendation No. 4 (National Trade Facilitation Bodies). The key elements of the Recommendation are that relevant bodies should *inter alia* (a) have “balanced” public and private sector participation – with the global average at 11 and 6 members respectively, (b) identify (and develop measures to address) the factors impacting the cost of trading with their country, and (c) provide a national focal point that actively participates in global experience-sharing on TF.

The most recent UNCTAD study¹ also suggest that an NTFC should ideally have a permanent secretariat with dedicated financial resources, develop/monitor a work plan, and meet at least once a quarter.

WTO Member States: Discussions with WTO TF delegates in Geneva and publicly available information (UNCTAD and WCO) suggest a relaxed approach in terms of the complexity, scope and meeting periodicity of other WTO Members’ NTFC bodies (see annexe A for more detail on specific country positions)

¹ *National Trade Facilitation Committees: Beyond Compliance with the WTO Trade Facilitation Agreement? UNCTAD, Geneva, 2017.*



State of play within HMG: Following the publication of the 2009 BIS/HMRC Action Plan, an International Trade Facilitation Committee was established, chaired by BIS and supported by SITPRO. This body, which did not include representatives from the private sector, ceased to be active once SITPRO was disbanded (and its functions moved to the Department for Business, Innovation and Skills).

At present, there are two private sector advisory bodies – the BEIS Trade Facilitation Expert Panel and HMRC’s Joint Customs Consultative Committee – that provide for a public-private interface on TF and wider customs issues. (JCCC trade representation can be found at annexe B). A review of minutes however suggest that participation from OGDs on these bodies is generally on an *ad hoc* basis.

Recommendation:

- HMG should establish (as a minimum) – in line with the practices of other WTO members – a focussed inter-governmental group with the core task of coordinating on WTO TFA issues, and in particular monitoring the UK’s compliance with the TFA and coordinate UK inputs into the WTO TF Committee (e.g., notifications, experience sharing).
- This group should be chaired by HMRC and meet at least three times per year – ideally in cycle with the JCCC and meetings of the WTO TF Committee. Departments represented should include HMRC, DIT, DFID, HMT, UKMIS Geneva, BEIS, DEFRA, DfT, DEXEU, and UKRep. Our preferred option is that this group stand as a separate sub-group of the JCCC. The advantage of the sub-group option is that it would be more focused, have added momentum as a new structure and there would be less risk of the NCTF agenda being diluted by other pressing items. However, an alternative option would be to form a UK NCTF as part of the main JCCC.
- As a longer-term aspiration post March 2019, and beyond its core WTO work this newly formed group could work towards the scope of the ToRs of the original International Trade Facilitation Committee (annexe C), i.e. plugging coordination gaps between key parts of government involved in TF matters, increasing awareness of TF issues and making informal recommendations affecting UK competitiveness and ease of trading across borders.

Next Steps and timescales:

November 2018 - Discuss this paper and its recommendation at the next JCCC meeting on the 19 November with trade representatives to determine whether the UK NCTF should form part of the main JCCC or whether a new sub-group would be the preferred option.

November/December – should a new sub-group be the preferred option, identify appropriate representation from trade.

November/December 2018 - Identify the HMG representatives that would be needed to supplement the existing XWH cast list.

January 2019 - Convene a XWH meeting of identified HMG participants (to include HMRC, DIT, DFID, HMT, UKMIS Geneva, BEIS, DEFRA, DfT, DEXEU, and UKRep).

January 2019 – Draft ToR for the new NCTF and finalise participation list.

January/February 2019 – convene a meeting of the new NCTF to outline responsibilities and the role of the NCTF and to formalise a schedule for future meetings.

Annex A - Current Practices of other WTO Member States



- United States: The US NTFC is based on an existing body – the National Committee on the WTO, itself a sub-committee of a larger 20-agency inter-agency mechanism handled by the USTR. Private associations and entities do not participate in the attendees include the Departments of Agriculture, Commerce, Labour, State, and Treasury, USAID, SBA, and US Customs and Border Protection.
- Sweden: SWEPRO is an informal forum chaired by the National Board of Trade, with nine other members from the private and public sectors, which meets at least once a quarter.
- Australia: The NTFC was created in 2015 as a new body to comply with the TFA, although its remit includes wider TF and regulatory issues. The coordinating agency is the Dept of Immigration and Border Protection, and the NTFC (which meets biannually) has five regular public agency reps and 14 private sector associations.
- Canada: Designated an existing body – the Border Commercial Consultative Committee – as its NTFC. The BCCC is composed of 25 national, private sector associations alongside senior officials from Canada Border Services Agency and Global Affairs Canada. There are BCCC sub-committees dealing with specific areas of the TFA that meet on an ad-hoc basis, with the wider BCCC meeting twice a year.



Annex B - Joint Customs Consultative Committee Member – List of Trade Associations

	Body
1	Airline Operators Committee for Cargo UK (AOCC UK)
2	Association of International Courier and Express Services (AICES)
3	Association of Freight Software Supplies (AFSS)
4	Automated Customs and International Trade Association (ACITA)
5	British Association of Exporters (BEXA)
6	British Association of Removers (BAR)
7	British Association of Ship Suppliers (BASS)
8	British Chambers of Commerce (BCC)
9	British International Freight Association (BIFA)
10	British Business General Aviation Authority (BBGA)
11	British Ports Association (BPA)
12	British Retail Consortium (BRC)
13	Chamber of Shipping (COS)
14	Chartered Institute of Logistics & Transport (CILT)
15	Chartered Institute of Taxation
16	Community Systems providers (CSPs) also Agency Sector Management (ASM)
17	Customs Air Transport Industry Consultative Group (CATICG)
18	Customs Practitioners Group (CPG)
19	Food and Drink Federation (FDF)
20	Federation of Sport and Play Association (FSPA)
21	Freight Transport Association (FTA)
22	Institute of Chartered Shipbrokers (ICS)
23	Institute of Export (IOE)
24	International Meat Trade Association (IMTA)
25	Road Haulage Association (RHA)
26	Royal Mail
27	Society of Motor Manufacturers and Traders (SMMT)
28	UK Aerospace Industry Customs Group (UKAICG)
29	UK Major Ports Group (UKMPG)
30	Wine and Spirits Trade Association (WSTA)
31	UK Warehousing Association (UKWA)
	Co-Opted member
	Institute of Directors (IoD)

Annex C – Excerpts from International Trade Facilitation Committee Terms of Reference (2009)

Objectives

3. The objectives of the International Trade Facilitation Committee are to :
- a) oversee a proportionate and risk-based approach to trade regulation in the UK, including horizon scanning of new regulations or regulatory developments;
 - b) shape and oversee delivery of a strategic UK “vision” to address border initiatives emanating from the European Union;
 - c) develop a system of compliance cost assessment for all areas of border regulation;
 - d) create a system for identifying regulatory areas requiring improvement, and develop action plans to implement the improvements identified
 - e) develop a strategy for achieving effective cross-Governmental border agency co-ordination, including the scope for achieving border regulatory synergies, and monitor its implementation;
 - f) benchmark and share good regulatory practice by border regulatory agencies;
 - g) review UK standing on border regulation against key international comparators (e.g. World Bank “Doing Business” Report); and
 - h) develop an agreed programme and timetable to ensure effective implementation of “Simplifying Trade Across UK Borders”.

Scope

4. The International Trade Facilitation Committee should address the following areas:
- a) regulatory burdens imposed in relation to trade in goods across UK borders by domestic or European legislation or procedures and other international requirements;
 - b) the scope for increased provision by Government of information technology systems to enable compliance with trade regulatory burdens.

Activities and tasks

5. The activities and tasks of the International Trade Facilitation Committee may include undertaking or commissioning the following activities and tasks:
- c) collection and appraisal of ideas for reducing trade regulatory burdens, in particular through achieving regulatory synergies rather than considering individual regulatory regimes in isolation;
 - d) identification and in-depth analysis of specific trade sectors;
 - e) consultation with business, both generic and sectoral (to include, if appropriate, surveys of trader satisfaction);
 - f) comparisons with selected other countries’ approaches;
 - g) regular compliance cost assessments of different areas of border regulation;
 - h) examination of the World Bank’s annual “Doing Business” Report and Logistics Performance Index and any other relevant indices; and
 - i) selective analysis of promising ideas for reform (including best practice in the private sector), identifying those that could be implemented.

Outputs and timing

6. The Committee will issue a report of its activities annually.

Governance



7. The Committee will be chaired by a senior representative of the Department for Business, Innovation and Skills (BIS, Trade Policy Unit). SITPRO, the UK's trade facilitation body, will act as Secretariat to the Committee.

8. In addition, the Committee will comprise senior representatives from HM Revenue and Customs (Customs and International), HM Treasury, the Department for Environment, Food and Rural Affairs (Defra), the UK Border Agency (UKBA), the Department for Transport (DfT). UK Trade & Investment (UKTI) and SITPRO. Other relevant border regulatory agencies will also be represented.

9. The Committee will aim to meet quarterly or as frequently as is necessary, to deliver its objectives.

Measures of success

10. The success of the Committee will be measured against:
- whether it makes a real difference in reducing border regulatory burdens on business and making trade easier;
 - achievement of long-term, active participation of the business community in assessing regulatory practices at UK borders and in enabling an ongoing process of improvement and reform;
 - ensure recognition by Government and its agencies of the importance of trade facilitation and promote its key role in the delivery of regulatory objectives;
 - ongoing improvement of the standing of UK border processes against leading international indices, such as the World Bank's "Doing Business" Report.