



Minutes of the Joint Customs Consultative Committee

Date of Meeting: 18 July 2018

Location: The Auditorium, 1 Horse Guards Road, Westminster, London SW1A 2HQ

Agenda

1. Introductions and Apologies
2. Minutes, Matters Arising and Action Points
3. Customs approach to facilitating trade
4. HMG and Business readiness for EU Exit
5. Update on the Future Borders Programme
6. Break
7. Delivery of CDS: Update
8. BF Systems Update
9. Sub-Groups, structure, improvements,
10. Any Other Business

1. Introductions

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

Apologies:

Stephen Denning	British Association of Removers (BAR)
Sarah James	British Retail Consortium (BRC)
John Carlin	Chartered Institute of Taxation (CIT)
Michael Josypenko	Institute of Export (IoE)
Tim Morris	HMRC
Kim Nicholas	HMRC

BW introduced:

Gavin Simmonds	Chartered Institute of Taxation (CIT)
Kelly Moss	Wine and Spirits Trade Association (WSTA)
Karen Wheeler	Border Delivery Group (BDG)
Patrick Holohan	HMRC
Amit Soule	HMRC
David Barofka	BF
Sasha Silva	FCO
Anisha Dathi	DFID
Arpan Ganguli	BEIS



2. Minutes, matters arising

2.1 Minutes March 2018

The minutes for the last meeting were agreed.

2.2 Action Points

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

2.3 PMcS gave a vote of thanks to TR (COS) for his contribution to the JCCC over many years on behalf of the industry.

3. Customs approach to facilitating trade

BW restated HMRC's ongoing commitment to support UK trade, economic growth and UK prosperity by facilitating legitimate trade and aiming to keep costs on trade to a minimum. This means understanding what businesses need and applying maximum flexibility to deliver HMRC's ambition to be recognised globally as the leading Customs authority for facilitating legitimate trade, while recognising that we will not consciously act unlawfully and will work with the European Commission and member states while the UK remains in the Customs Union.

PMcS advised he was content for the specific issue about authorisations to be discussed at the Customs Product and Processes sub-group on 24/07 and report back to this group. BW reminded the JCCC of the new sub-group set up to drive forward improvements to the application/authorisation process

4. HMG and Business Readiness for EU Exit: Update

HMRC updated on recent developments.

There was progress on the Withdrawal agreement at the March and June EU Council.

The UK has published a paper on The Temporary Customs Arrangement (TCA) on which discussions continue with the EU.

The process for re-accession to the Common Transit Convention has begun.

On 12 July the Government published its white paper on the future relationship between the United Kingdom and the European Union which included the Facilitated Customs Arrangement (FCA).

The Taxation (Cross-border Trade) Bill passed its Report Stage and 3rd reading on 16/07.



A new Customs model - Facilitated Customs Arrangement (FCA) was announced after Chequers. The FCA removes the need for customs declarations on UK-EU trade. The FCA achieves this because, as if in a combined customs territory with the EU, the UK will apply the EU's tariffs and trade policy for goods intended for the EU; while applying its own tariffs and trade policy for goods intended for the UK. It enables the UK to control its own tariffs by ensuring that in the vast majority of cases businesses can pay the right or no tariff upfront or, if that is not possible, through a repayment mechanism. The model also seeks to reduce frictions for UK trade with the Rest of the World through a range of facilitations.

HMRC

- Looking at new systems required by FCA.
- Desire for as smooth as possible trajectory.
- Looking for reciprocity in financial arrangements.
- Recognises the UK needs to prepare for Day 1 No Deal.
- Looking at a range of trusted Trader facilitations (not just AEO).

Industry

- Keen to know more about Trusted Trader.
- Concern about VAT implications.
- Keen to know whether Intrastat will continue.
- Keen to know whether use of ECS will continue.
- Keen to know more about CDS implications.
- Queried if HMRC will cope.
- Concern about commercial confidentiality and the need for communication along the supply chain.
- Concern tariff rules may arise to areas where competitive advantage is gained.
- Concern about dual use goods and licences.
- Concern about definition of finished goods.

BW summarised a debate which focussed around testing the supply chain, design and compliance. BW highlighted detailed questions will be considered by the relevant sub-groups, and through workshops and round table events.



5. Update on the Future Borders Programme

BW introduced KW.

KW gave a presentation on the Future Borders Programme (FBP). KW explained the FBP was started in autumn 2017 and builds on the “One Government at the Border” (OGATB) programme. KW highlighted the need to create a single place to deal with government, focussing on trade enablement and support with technology. KW explained EU exit has meant a cross government approach to OGATB is needed and this will now link into FCA. Technology and analytics are fundamental to the programme together with adequate funding to invest in our borders and ensure we can compete with the rest of the world.

KW reiterated the importance of a partnership approach with industry and explained the developing platforms to engage with industry planned for the summer. Communications about these will be issued over the next few weeks.

AP1 FBP (KW) to update industry with Future Borders Programme engagement plans.

MA felt it was important to look at the JCCC membership structure and involve the Committee. PMcS felt the JCCC was the correct forum. BW advised this will be addressed by the proposed re-positioning of the JCCC Change Group in agenda item 9.

KW summarised the aim is to keep and improve facilitation.

7. Delivery of CDS: update

BW introduced PH who gave a presentation on CDS.

PH explained the phased approach to delivery of CDS which will include a period of dual-running.

PH updated about the wide communication campaign to raise awareness, including joint roadshows with BIFA, all-client user group sessions and software developers. PH added he is happy to come out to talk to member associations if JCCC require.

HL asked about the rollout dates. PH replied the delivery groups have advised they are on track.

GT commented, given the size and difficulty of the programme, engagement from HMRC has been second to none and the programme has listened and understood the particular problems for trade. The implementation plan has a progressive rollout to CSP's and software houses in a time suitable to them. This gives every opportunity to migrate in a timetable industry feels confident with. However the timescale between test cycles and go-live date was not considered adequate. PMcS thought the first release was critical.



PH said the first tranche of early adopters will have a hyper care approach. They will have dedicated support by the CDS external readiness team. There will also be guidance on GOV.UK. PH said internal guidance will also be shared so that industry can build this into their own training.

AP2 HMRC (PH) to share internal CDS training with industry.

PMcS highlighted potential confusion with industry's use of the term "box numbers" whilst HMRC refer to these as "data elements".

GR asked about guidance for logging on and registering. PH replied guidance to support traders who are not in the managed migration can be shared with the JCCC but has not yet had wider circulation.

GR asked about CHIEF capacity in the event of CDS problems. PH confirmed CHIEF's capability is expanding as part of our contingency plans.

HL queried whether CHIEF had already been expanded. PH confirmed improvement to CHIEF was made as part of the last contract negotiations and we have agreed a set of further enhancements to increase capacity and declaration volumes that will be implemented during 2018. This work supports both CDS contingency and preparation for EU exit.

PJ raised some queries relating to the UCC, referring to the UCC and earlier correspondence. BW requested a note is provided to the Secretariat.

AP3 Industry (PJ) to provide details of CDS/UCC concerns in writing.

8. BF Systems Update

BW introduced DB. DB explained there are 137million passengers entering (and a similar number leaving) the UK annually together with £700 billion of trade. Data is key to BF operation together with working closely with other government departments and bodies.

Systems upgrades include the new border crossing system to replace the Warnings Index, processing 825,000 passengers in pilot mode to date, and introducing a cross mode capability for freight targeting – the AFTC system. This will lead to greater understanding of risks in consignments in roll on roll off, fast parcels, air freight and post. It is expected that the existing sea containers capability will be integrated in due course.

The UK currently has 259 e-passport gates, with the largest number (30) at Stansted. In 2017 50 million passengers used the gates and BF was aiming to process even more this year.

BP asked if e-gates were only aviation. DB confirmed this was the principle focus (there are some gates in use in other 'domains').



Future considerations are for a registered driver scheme around the Channel Tunnel, and, in due course, e-passports and e-visas. It was key that, together with industry and trade partners, barriers to data acquisition were as low as practical and to provide data once only.

PMcS enquired about trialling a facial recognition system. DB replied whilst the iris recognition technology worked, this has moved into the registered driver scheme in the context of that limited scope.

DB summarised the desire to digitise and modernise so that trade and passenger flow is as streamlined as possible.

9. Sub-Groups, structure, improvements, updates

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

BW reminded JCCC task and deliver sub-groups are intended to exist for a limited duration.

It was proposed and accepted the ITOSWG group is closed. PMcS added issues will be picked up by the CDS engagement team and in the JCCC Customs Products and Processes sub-group.

It was proposed and accepted the Customs Change sub-group is re-purposed into the Customs Future Vision group. BW said this group will start to mirror the cross government system approach to managing the border. BW explained Aphrodite Spanou will lead this key group which aims to shape future thinking. Plans are for the first meeting in September.

HL enquired if membership will be the same. CD replied nominations are invited and invitations will be issued by the Secretariat.

HL added the AEO sub-group is working well but a number of JCCC members wish to see the agenda and minutes.

AP4 HMRC (Secretariat) to circulate AEO sub-group agenda and minutes.

RB requested a written update of the NILPs initiative. BW agreed to circulate a paper.

AP5 HMRC (Secretariat) to circulate NILPs paper.

AV queried the membership process. CD clarified sub –group membership is by invitation only. If there are large numbers registering an interest, judgement will be exercised as with previous groups.



To speed up the circulation of minutes SM asked for an advance copy before uploading to GOV.UK.

AP6 HMRC (Secretariat) to routinely distribute minutes by e-mail when approved.

10. AOB

There was no AOB.

Date of next meeting:

TBA



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



Annex A - List of Attendees – July 2018

Outside Organisation attendees	Name
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 Business General Aviation Authority (BBGA)	AJ
British Association of Exporters (BeXA)	SS
British Chamber of Commerce (BCC)	PW
British International Freight Association (BIFA)	PJ
British Ports Association (BPA)	RB
Customs Air Transport Industry Consultative Group (CATICG)	MF
Chamber of Shipping (COS)	GS
Chartered Institute of Logistics (CILT)	SM
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)	CC
International Meat Trade Association (IMTA)	KD
Society of Motor Manufacturers & Traders (SMMT)	HL
Wine and Spirits Trade Association (WSTA)	KM
UK Aerospace Industry Customs Group (UKAICG)	GT
HMRC/OGD attendees	
HMRC	BW
HMRC	PM
HMRC	CD
HMRC	PH
HMRC	SK
HMRC	DB
HMRC	AS
HMRC	MA-C
HMRC	SY
BDG	KW
BF	DB
BF	DH
BEIS	AG
FCO	SS
DFID	AD



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

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



Annexe C Sub Group Update

1. JOINT CUSTOMS CONSULTATIVE COMMITTEE

DATE OF MEETING: 18th July 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 AEO task & deliver working group	04/07/2018	Mike Howe Cleo Pino- Shaw	<p>The first JCCC AEO Task and Delivery Working Group was held on 16th May.</p> <p>Key issues</p> <ul style="list-style-type: none">• Importance of AEO as a global standard – traders should get the benefits globally to remain competitive.• Mutual recognition – need to have equivalent standards to access global benefits.• Need to distinguish between AEO(C) and AEO(S).• The architecture of the current authorisations process – want to see greater coherency of design, process and benefits between various facilitations. <p>Problems with the current authorisations process and suggestions for improvements to the process were discussed.</p> <p>Terms of reference to be updated and shared in advance of next meeting.</p>



Customs EU exit Group	Planned for 12/07/2018	Steven Rae/ Aaron Dunne	<p>The last JCCC EU Exit Group meeting was held on April 4th. The meeting centred around the following items:</p> <ol style="list-style-type: none">1. March EU Council Readout2. Taxation (Cross-Border Trade) Bill3. EU Exit and Customs: Capacity, Exposure and Engagement4. Self-Assessment5. Excise6. Border Delivery Group update7. Border Force update8. BEIS Update <p>HMRC colleagues provided a readout of the latest political developments from the recent March European Council. The March European Council saw agreement on the terms of a time-limited implementation period to run until 31 December 2020.</p> <p>HMRC colleagues then provided an update on the Taxation (Cross-Border Trade) Bill, focusing on:</p> <ul style="list-style-type: none">• Powers within the Bill• Amendments• Timeline• Secondary Legislation <p>HMRC colleagues provided an update on Self-Assessment and the re-establishment of a Self-Assessment Working Group (now Task & Delivery Group). Invitations for this group have now gone out to those that expressed an interest to the JCCC EU Exit Group secretariat.</p>
------------------------------	------------------------	----------------------------	---



			<p>Excise colleagues provided an update looking at the following topics:</p> <ul style="list-style-type: none">• The excise regime (at present)• The strands of work the Excise team are focusing on• Stakeholder Engagement <p>Border Delivery Group (BDG) colleagues introduced themselves to the JCCC EU Exit Group. They provided a presentation which touched upon the following:</p> <ul style="list-style-type: none">• Overview of BDG• BDG Steering Groups and Stakeholder Engagement• Non-Disclosure Agreements• EU Engagement <p>Border Force colleagues provided an update on the current work they are focused on in regards to Brexit, and also provided an update on recent Border Force recruitment campaigns.</p> <p>BEIS provided an overview of their Trade Facilitation Expert Panel.</p>
--	--	--	--



Customs Change			No meetings held.as on-going trade engagement is being managed through the CDS programme.
Customs Duty Liability	26 September 2018	Valerie Smith	<ul style="list-style-type: none"> • Update on the revised compendium regarding Valuation. • Update on Origin issues, Commission is to work with the PEM (Pan Euro Med) countries to amend the convention, different options were presented. • Update on Rex and GSP issues. • Update on the work undertaken with CDS and liaising with the software houses <p>Classification issues were discussed i.e. drones, portable devices for children and the change in practice regarding starch in pet food.</p>
Import Fraud Strategy Group	None planned at this time	Colin Davis	Meeting will re-convene when IFS Strategy is next reviewed.
Customs International Trade Operating Systems Working Group (ITOSWG)	None planned at this time	Dinah Miller	No meetings held by common agreement. Communication on planned CHIEF outages delivered through other media
Customs Product and Processes	24 July 2018	Kevin Snow (at 18/04 meeting) Tinu Fagbayi (from now onwards)	<p>The last meeting was held on 18 April</p> <ul style="list-style-type: none"> • New sub-group TOR to be presented at next meeting • Authorisations meeting between HMRC and trade was held and deemed to be useful. HMRC to update on action points at next meeting • First part of next meeting to be an e-commerce workshop following a discussion on this area



			<ul style="list-style-type: none">• First transit group meeting was held. JCCC members who are keen to be involved to contact Secretariat• Speaker on Trader Education invited members to get in touch if they would like any specific education from HMRC <p>HMRC to look into producing a CIP for updated regulations on suspension of duties for aircraft airworthiness</p>
--	--	--	---