

Private and Confidential

Minutes of the Customs Policy Group Meeting

Minutes of the Customs Policy Group Meeting held at The Baltic Exchange, 38 St Mary's Axe, London, EC3 8BH. The Meeting was held on the 04/07/2019 commencing at 10.30 hours.

Agenda Point 1. Competition Statement

The Chair read out the Competition Statement at the start of the meeting

Agenda Point 3. Agree the Minutes of the meeting of 24/01/2019

The Meeting agreed that the Minutes were a true and accurate account of the previous meeting.

Agenda Point 4. Matters arising from the meeting of 24/01/2019

The Secretariat has invited the Inland Pre-clearance Team to the meeting in response to Action points of the previous meeting.

Agenda Point 5. Election of Chair and Vice Chair

The Meeting elected Chair and Vice Chair for a 2-year term.

Agenda Point 6. BIFA Training Update

Members were informed that the number of BTEC courses rose from 7 in 2018 to 26 in 2019. Training slots for Q3 & Q4 were over 91% booked-up. Due to demand, BIFA already added some Custom BTECs for 2020 to the website which doesn't normally happen until Q3 or Q4. The meeting was informed that a new trainer was expected to start on 1st August.

An overview was of the Young Forwarder Network whose main goals:

- To boost industry knowledge
- To learn new skills, soft skills
- Enable young people to create their own business networks
- Involve young people in BIFA activity
- Build a platform for both young people and employers
- To promote industry to local community, via careers events etc.

Agenda Point 7. Customs Policy Update / Official Controls Regulation

Members were informed that the printed version of the Tariff would be discontinued after December 2019. BIFA would advocate for all modern functionalities to be available in the new online service but overall understand the direction of travel,

The Meeting was given an overview of the Official Control Regulation which will apply across the European Union from 14 December 2019. This new legislation has an extended scope and attempts to harmonise rules on controls and conditions for food imported across sectors

The basic act itself sets out a few major changes:

- BIPs, DPEs and DPIs will all become BCPs (Border Control Posts)
- Creation of the 'Common Health Entry Document'
- The establishment of the Information Management System for Official Controls

It was stated that even in a no-deal scenario at least certain elements of the OCR would still apply in the UK but no detail was available at the time of meeting. Members would be consulted at a later stage.

Agenda Point 8. Pre-clearance Inspection (Anti-fraud operation)

HMRC staff gave Members an overview of the operation which has been moved to sites at Bicester (Sea Freight) and Heathrow (Air Freight). Members were informed that the operation was focusing on high risk traders and initially started with imports of textiles and footwear from SE Asia and CPC 42 (OSR) arriving at Felixstowe, gradually extending to other risks/ports.

Members raised a number of concerns regarding the definition of high-risk trader which was viewed as vague and unclear.

The Meeting was assured by HMRC that a wide range of activities were used to determine whether or not a trader was considered a high-risk business.

Members queried the necessity of removing selected consignments from the port but were informed that was necessary due to space limitation and varied nature of non-compliance which required physical examination. The Meeting also asked why HMRC would only consider detention of more than 22 days as eligible for potential refund of detention charges but were not provided with an answer at the time. The Meeting also asked HMRC to commit to an SLA but was informed it was possible at the time but would be considered at a later stage.

The Secretariat asked the Meeting to provide their enquiries in writing and HMRC agreed to answer them upon receipt.

Agenda Point 9. CDS Update

The Meeting was informed that a migration schedule had been approved and 135 importers (85% of CHIEF traffic) and 135 exporters (60%) were pre-selected for early migration.

It was stated that CHIEF would stop receiving declarations by the end of September 2020 and would be decommissioned by the end of March 2021. It was also indicated that CSPs would be ready to start testing in August and would need 3 months to prepare for CDS frontier functionalities.

AFSS expressed their concern about the migration schedule and quoted a number of technical issues experienced during the development stages. It was also emphasized that commercial software developers might need a 6 to 18 month preparation period for their software packages to be ready. Additionally Members expressed their concern about the lack of reliable information on roll-out dates which inhibit planning.

Agenda Point 10. Brexit update

The Meeting was informed that easements planned for the March Brexit date would still apply. Safety and security waiver was also being reviewed. The new, post-Brexit Tariff was also confirmed as valid for no-deal planning.

It was also confirmed that the facilities at Milton Keynes and Hayes could be used as inland clearance depots if no agreement with the EU was reached.

Agenda Point 11.

Date of the next meeting 19th September 2019 at the Baltic Exchange