

**Private and Confidential**

## **Minutes of the Customs Policy Group Meeting held 10/02/2022**

Minutes of the Customs Policy Group Meeting held on the 10<sup>th</sup> February 2022 via Teams commencing at 09.30 am

*It is suggested that these Minutes are read in conjunction with the Slidedeck circulated with it*

### **Agenda Item 1. Competition Statement**

At the commencement of the meeting the Chair read out the BIFA Competition Statement

### **Agenda Item 2. Agree Minutes of the meeting of the 18/11/2021**

These were agreed as an accurate reflection of the meeting and the Chair requested the BIFA Secretariat to sign them on their behalf.

### **Agenda Item 3. Matters arising from the meeting of the 18/11/2021**

There were no matters arising from these Minutes, that were not covered in the current agenda.

### **Agenda Item 4. Impact of changes implemented on the 1<sup>st</sup> January 2022**

There is regular engagement between HMRC and BIFA, with the latter providing Member feedback and the former clarifying procedures etc. The specific action for HMRC to finalise is:-

- Guidance on the correct process to be followed for goods which have been arrived in the UK without a customs entry being submitted- BIFA has suggested that Option 1 in CIP (2020) should be considered as the basis for any guidance.

Regarding GVMS, Members had the following concerns:-

- Ferry operator and haulier non-compliance, including hauliers failing to add all the customs entries to a GMR or ferry companies failing to “board” a GMR onto a ferry correctly
- Border Force not following correct procedures when detaining cargo at Sevington

The general view was that the system worked well when everyone undertook their roles correctly, however, GVMS was brittle, and did not cope with anything being done out of sequence – and that was difficult to achieve.

The Meeting estimated that 80% of all cargo using GVMS was moved compliantly, however, it was a labour intensive activity to rectify the on-compliant movements. It was noted that this 80% included “Oral Declarations” by “White van man” and there was no validation that these were correct. Due

to the lack of specific information in the messaging system, it was difficult to identify the individual shipments subject to government interventions, resulting in time consuming telephone calls in import agents etc to identify the problem shipment.

HMRC attendees described GVMS as currently a Minimum Viable Product , which would be developed to improve functionality including more accurate messaging over a period of time. The meeting identified that this was part of the issue and that it would be a very significant improvement if some of the process controls/principles embedded in CSP systems could be extended to GVMS.

HMRC had agreed prior to the current Policy Group meeting to engage with trade, including BIFA Members to look at changes to improve the system. This engagement would be between the Members and HMRC technical people who had actually designed the system.

Regarding carrier and haulier non-compliance, HMRC would undertake educational engagement with ferry companies and truck operators as a first step to improve the situation.

### **Agenda Item 5 . Potential effect of changes being introduced on 1<sup>st</sup> July 2022**

Problems with DEFRA systems were discussed, the following significant concerns being highlighted:-

- Lack of preparedness amongst importers
- The need for an EHC for SPS consignments was not fully appreciated
- Inspection process was an unknown leading to concerns about the length of queues and delays

Regarding IPAFFS, whilst DEFRA required the entity completing the IPAFFS declaration to be established in the UK. Due to the issuance of a EORI numbers to non-established entities this made such control more difficult,

The Meetings view was that it would be advantageous to all parties if HMRC and DEFRA legislation on rules of Establishment were aligned.

Regarding the Safety and Security Declaration (ENS) the Meeting attendees were concerned that there was:-

- A lack of clarity as to the systems to use, how to use it and the data required
- That many hauliers ( the legal entity required to submit the declaration) would not be able to submit the declaration due to a lack of customs knowledge etc

The meeting expressed the view that at least on a Temporary basis that for Pre-Lodgement Ports that the C88 should be deemed to fulfil the function of a ENS declaration. When the ENS requirement is implemented :-

- Two declarations will be required for most UK imports ( C88 and ENS)
- Three declarations will be required for inbound Transit Movements ( NCTS, C88 and ENS)

*(Note:- there are export procedures requiring declarations in the EU- which add cost and delay)*

## **Agenda Item 6: Single Trade Window**

A brief overview of Government planning was given to examine all aspects of frontier activities. Reference was made to the initial consultation <https://www.gov.uk/government/publications/uk-single-trade-window-discussion-paper/uk-single-trade-window-policy-discussion-paper> and a call for evidence.

The Meetings view was that using a single portal to provide information to Government would be beneficial. However, Members were wary about significant changes to the current customs entry and cargo release processes through a CSP which have worked well for over 40 years.

The real concern was that Government would:-

- Pay too much attention to parties who did not understand how the frontier works
- Not pay sufficient attention to those parties with current frontier knowledge
- Under-estimate the technical aspects of customs work
- Introduce systems which would require IT changes and additional development costs.

Meeting attendees highlighted that many companies aspire to submit their own customs declarations until they realise:-

- How complex they were to complete
- The risks and liabilities associated with completing the entry
- The underpinning knowledge and skills needed to undertake customs
- The cost of IT, personnel etc

In general terms the Members did not agree with the concept of “Self-declaration” suggested within the consultation.

## **Agenda Item 7 Plastic Packaging Tax**

There was a brief discussion on this subject concluding that there was no impact on the fiscal declaration, and that certain forwarding activities would be outside the scope of the legislation

## **Agenda Item 8 BIFA Training updates**

An overview of training, the activities of the YFN network and BIFA’s involvement in National Apprentice Week was provided to the Meeting

## **Agenda Item 9 Any other Business**

Despite reservations about timescales and content of Government proposals the meeting agreed to continue engagement with HMRC on the following topics-

- GVMS
- Single Trade Window
- CDS

There was particular concern regarding the last mentioned topic on the following points:-

- The implementation timescales particularly for imports were extremely tight
- The additional data that had to be collected from ill-prepared importers/exporters
- Government expectation that the freight forwarders/customs agents would explain the changes to the wider trade community

BIFA would facilitate engagement with all the relevant HMRC teams

**Agenda Item 10 Date and time of the next meeting**

The next formal meeting will be held on the 12<sup>th</sup> May, with a hybrid format being trialled