

Meeting Minutes

Surface Policy Group Meeting held via MS Teams

22nd June 2022, 10.00 hours

Attendees

[REDACTED]

In attendance

[REDACTED]

Apologies for absence

[REDACTED]

Agenda Items

Agenda item 1 - Competition Statement

BIFA's Competition Statement as detailed on the Agenda was read out by the Chair at the start of the meeting.

Agenda item 2 - Agree Minutes of the meeting of the 24th of February 2022

These were agreed as being an accurate reflection of the meeting, the Chair asking the BIFA Secretariat to sign them

Agenda item 3 - Matters Arising from the meeting of 24th of February

Representatives of the Surface PG had met with the HMRC and the Customs Policy Group in order to discuss ways to improve GVMS. Whilst noting that no timeframes had been set by government two significant changes had already been implemented:-

- Ability to use C21 declarations in conjunction with GVMS

Meeting Minutes

- The re-instatement the waiver from having to provide a S&S Security declaration for empty trailers exiting the UK

Problems still occurred, such as non-arrived pre-lodged customs declarations. Members were monitoring arrivals more closely and arriving them sooner in their systems to prevent problems.

Members reported that they encountered fewer issues with export movements than they did with import ones- the comment was that it was rare to encounter issues with the former. On imports the general view was that about 25% to 30% of shipments had to manually arrived indicating non-compliance.

Agenda item 4 – Shipping Line matters and feedback on the BIFA Survey

BIFA had surveyed Members prior to Christmas 2021 for their thoughts about shipping line practices which were regarded as anti-competitive and restricting market access. These were felt to have a particularly negative impact on the SME traders.

Communication had been established with the Competition and Markets Authority , who were struggling with such a large global issue. It was noted that no regulator had to date found any collusion between shipping lines to fix rates. The FMC being that latest to such a statement.

However, it was noted that the FMC had highlighted concerns about quay rent and detention and demurrage fees charged in the USA. BIFA Members shared these concerns, and in addition they criticised the shipping lines for :-

- Low standards of customer service
- Failure to accept when they had obviously made an error
- Reluctance to pay remedy invoicing errors

The meeting felt that due to the lack of transparency regarding vessel ownership and operations, out of date practices (General Average) and the multiplicity of entities involved in handling cargo and processing documents that chances of reforming the shipping industry and ensuring true market competition were minimal.

The meeting discussed the possibility of using the review of the CBER as the next opportunity to try to review shipping line competition and information sharing practices.

Agenda item 5 – Customs matters

GVMS

As discussed earlier whilst time frames were not provided by HMRC , the BIFA Secretariat was in regular contact with the Department, and alongside the AFSS participated in HMTC's "Task and Finish" Group looking at methods to improve the regime.

One important area being explored was the possibility to link the MUCR to the GMR to improve both efficiency and

Meeting Minutes

Compliance levels. Other areas being considered were improvements in using ANGA to automate the arrival of “non-arrived” imports via commercial software and to allow ferry operators to “uncheck” in consignments if an issue was found which prevented the vehicle being loaded onto the ferry.

Customs Declaration Service (CDS)

The AFSS explained that the software sector had developed products which would allow customs agents to migrate from CHIEF to CDS. However, there were concerns about customs agents and their customers preparedness for migrating to the new CDS system.

According to HMRC, fewer than 10% of all declarants were submitting entries in CDS. The deadline of 30th September 2022 for closing CHIEF to new import declarations was highlighted. Members views could be summarised as :-

- Access to the system via the Government Gateway was complex, difficult to navigate and lacked clarity
- Government guidance was unclear and lacked technical content
- HMRC had not sufficiently engaged with trade – generally training materials were not available

Customs agents clients were struggling with providing the new data requirements to their broker, two issues were repeatedly raised:-

- Clients were not willing to move from CHIEF whilst MSS reports were not available in CDS
- Also, certain data such as “Buyer” and “Seller” information was regarded as commercially sensitive, and “Buyers” were unwilling to disclose “Seller” information to the importer via a customs declaration

Agenda item 6 – No change on the 1st July 2022

The meeting was reminded that the requirements to submit a S&S declaration for movements from EU has been postponed along with additional checks at a BCP for SPS goods.

Agenda item 7 – Bill of Lading issues

The Secretariat had become aware of and concerned by some Members processing of “back to back shipments” The main issue were there was one master bill of lading (MBL) and one house bill of lading (HBL). By showing themselves as shipper on the MBL the forwarder was assuming greater responsibility than they would as agent.

These greater responsibilities exceeded those placed on the customer under the HBL terms. BIFA was liaising with insurers but there was no easy solution. Suggestions include:-

- Ensuring that in all cases where they are shown as shipper that the freight forwarder consigns the MBL to their nominated representative at destination
- Investigate the possibility of extending insurance options to increase cover, e.g., NVO cover or a policy extension withing their Freight Forwarders liability cover.

Meeting Minutes

Agenda item 8 – Dangerous Goods

The meeting heard about three main issues:-

- The inconsistency in shipping Dangerous Goods from certain Chinese ports because in variations between different State regulations
- Increasing issues with shipping Lithium Ion batteries in the maritime environment
- The landside explosion at Chittagong- which highted issues with the long term storage of certain locations without adequate monitoring of the products

Agenda item 9 – RHA- the view from the cab

The RHA provided information replicated within the attached Appendix, the easing of the driver shortage was welcome news. BIFA Secretariat will be circulating after the meeting a DfT consultation document regarding a potential replacement for the HGV Levy.

Agenda item 10- Environmental issues and impacts

There was a discussion regarding two main points:-

DfT Green Fleet issues-, the Department had made £200million available to assist the move to less polluting vehicles, three points highlighted:-

- Lack of charging infrastructure
- Whilst it was possible to move to electric for vehicles less than 3.5 tons, there was still no suitable alternative fuel source for larger vehicles
- Safety fears relative to battery powered vehicles catching fire

The confusing and fierce debate in the Maritime sector regarding reducing emissions was discussed including-

- The everlasting debate regarding timelines and responsibilities
- Problems adjusting global bunkering networks
- The cost, the process of the necessary charges and associated costs in de-carbonising the maritime supply chain has been described as the “greatest BAF of all time”

Agenda item 11 - Time & Date of next meeting

None had been tabled

Meeting Minutes

Agenda item 12 – Date and time of the next Meeting

The next meeting is scheduled to be 8th September 2022

Declaration

Signature:

Print Name:

Date:

Action Points

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]