

Meeting Minutes

Private and Confidential

Customs Policy Group Meeting held via MS Teams
28th June 2022.

[REDACTED]
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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 12th May 2022

These had been circulated in advance of the meeting . no amendments had been submitted . The Chair asked the BIFA Secretariat to sign them on their behalf.

Agenda item 3 – Matters arising from the Minutes of 12th May 2022

There were two matters arising from the above Minutes.

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Action Point 1:- The first was that arrangements had been to arrange a monthly meeting with HMRC to update the Department regarding progress in and problems with implementing CDS.

Action Point 2:- Regarding ports using GVMS/pre-lodgement model – HMRC had provided BIFA with the latest listing <https://www.gov.uk/guidance/list-of-ports-using-the-goods-vehicle-movement-service>

Agenda item 4– GVMS related Issues and Updates

Certain improvements in GVMS, which in part stemmed from the meetings BIFA Members had held with HMRC earlier in the year had been announced:-

- The use of C21, which would prove particularly useful where a shortage had been discovered on an import, allowing the missing items to be subsequently imported without the need for a reclaim for the missing items and a subsequent additional import entry being submitted..
- Other specialist regimes such as NATO302 goods would also potentially benefit from being able to utilise a C21 in the GVMS environment.

BIFA would continue to press HMRC for a list of which regimes a C21 could be used for in the GVMS regime.

Also, there was a discussion regarding the use of MUCRS (to which DUCRS had been attached) relative to Common Transit. It was noted that this change had been introduced to minimise errors where drivers failed to cross refer all DUCRS to the Transit Declaration. There had been some confusion during the trial period, but Members could see the benefits of the new procedure.

The last points discussed on this issue were

- The replacement of ANGA within CHIEF with the ability in CDS to re-transmit the declaration as an “arrived” entry to generate revenue and clearance
- Also, HMRC would soon release an upgrade which would allow a greater number of search options for entries linked to a particular GMR
- The last GVMS development being planned was the ability to “uncheck-in” a GMR. This would be particularly useful for ferry operators when discovering an issue after “check-in” but before “loading”

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Agenda item 5 - Progress on CDS implementation

Very considerable doubts remained about CDS, Members were very concerned about :-

- Procedural issues which still remained unresolved – there were particular issues with export systems, and issues remained with import software
- Poor management of the transition from CHIEF to CDS by HMRC
- Lack of trade knowledge and an over-reliance on the customs agent to educate their importers relative to the new requirements.
- Reduction in industry productivity

Procedural issues

Members re-stated their concerns regarding the need to access their Government Gateway Account, to set up the initial company CDS account, manage authorisations etc and individual permissions within the system. Some Members were particularly concerned about the additional steps needed to undertake certain stages of declaration and clearance.

- For instance, to upload documents to be sent to the NCH had to be done via the Gateway
- Similarly dependent of software systems some Members reported that customs queries were sent to the CDS dashboard , not direct to the declarants as the case in CHIEF

The general feeling of the meeting was that government did not understand the following key points:-

- That issues with customs processes delays freight moving and thus increases costs
- (Air)ports only need relatively short delays before they are full and

Members highlighted that HMRC had failed to ensure that certain information required to process customs entries had been superseded. The most glaring example was that HMRC had initially used the 2000 edition of Incoterms and had only recently updated CDS to use the terms in the 2020 edition.

Also, it was noted that there were considerable with information contained with CDS:-

- Customs agents were not able to check on CDS if they were authorised to use a clients DAN
- There were cases where importers shared with Members a screen shot showing that a client had authorised the latter to use the former's deferment. However, this was not recognised by CDS causing issues clearing the cargo.

Members were particularly aggrieved at the long periods of time that the TDR system was down, on occasion without prior notification for maintenance, as was the case between the 28th and 30th June.

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Management of the transition from CHIEF to CDS

There was considerable criticism of HMRC's management of the above process, the following points were highlighted:-

- Whilst there had some "town hall" events , the promised short webinars were not available
- The three Tier support service was not operational at the time of writing
- Generally, guidance on GOV.UK was disjointed; and certain sections e.g., the parts relating to setting up the CDS account on the Government Gateway lacked sufficient detail to allow the reader to complete the process.
- CDS operations were slow responding to enquiries- Members reporting frequently waiting for up to 8 hours to receive a response to an enquiry

Lack of trade knowledge and an over-reliance on the customs agent to educate their importers

It was noted that HMRC were heavily reliant on the customs agent to prepare the importers to use CDS. This was not reasonable because it was diverting the agent away from their own preparations to move to CDS and thus reducing the sectors capacity to process entries.

ASM (UK) Ltd noted that 84 of their 500 users had transitioned to CDS, Members reported writing to their customers asking to be authorised to use the importers deferment and for additional data to complete a customs declaration. The response rate was very low, the belief is that whilst the customs agency sector is preparing itself progress is hindered because their clients will not be ready.

Members felt that HMRC was failing to engage with trade at multiple levels. Unfavourable comparisons have been made between government engagement and large amounts of information made available to implement the Border Operating Model and the much smaller amounts made available to date to transition to CDS.

Reduction in sector capacity

There was a lengthy discussion relating to the additional length of time to process a customs declaration. This varied between the type of customs declaration- but on average it was felt that currently it took approximately three time longer to complete an entry in CDS as it did in CHIEF.

Members agreed that with some automation and experience that processing would become faster. However, the consensus was that for the foreseeable future processing of a CDS entry would take twice as long to complete compared to the equivalent CHIEF declaration.

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As was pointed out, there are insufficient suitable candidates to recruit as customs agents and whatever happens the charges for customs clearance will increase.

It was noted that HMRC had been approaching Members to ask if they would be able/willing to undertake additional customs clearance work if agents withdrew from the market. The general answer appears to have been that agents believed that they will be fully employed servicing their existing clients and will have no spare capacity to take on additional business.

Agenda item 6 – S&S security facilitations from 1st of July 2022

HMRC's withdrawal from the 1st July 2022 of the need to submit an EXS for certain types of exports, such as empty containers/ trailers and vehicles was broadly welcomed, if only because it allowed more focus on CDS.

On imports there had been a JCCC meeting to discuss the filing of import ICS declarations. The feeling was that the discussions had lacked direction. Trades view was that:-

- ICS is working for air and sea imports, but the system/timelines were not practicable for RoRo
- For RoRo the majority of import declarations were pre-lodged, and these should be used in lieu of the Safety and Security declaration
- For the foreseeable future the present ICS system should be retained for air and sea imports

Agenda item 7 – Weights & Measures consultation on the use of imperial measures

Attention was drawn to the above consultation ; the general view was that in industry that used metric measures it would bring no benefit.

Agenda item 8 – Single Trade Window

BIFA Secretariat gave a brief update on the governments consultation regarding the above concept. In essence the idea is data will be supplied once to government (multiple methods will be available) this will then be disseminated to the appropriate departments for processing. The discussions are at an early stage but there is a heavy emphasis on data and how to best use it. *Concurrently, the concept of allowing traders to directly input the relevant data into the STW is under active consideration*

Until clarity is provided , it is difficult to comment on the STW but in Whitehall this probably the single

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most important project currently being undertaken in the frontier and trade space

Agenda item 9 – Any Other Business

None

Agenda item 10 – Date and venue of next meeting

To be decided and advised

Declaration

Signature:

Print Name:

Date:

Action Points

Action Point 1 Agenda Point 4

BIFA to contact GVMS Team regarding obtaining clarification when the C21 can be used in conjunction with GVMS.

Action Point 2 Agenda Point 5

BIFA to call next bi-lateral meeting with HMRC to discuss progress on implementing CDS on the 5th July.

Action point 3 Agenda Point 5

BIFA to contact other Trade Associations to highlight issues of transition to CDS

Action Point 4 Agenda Point 5

Ian Moran to approach the Director General requestion political action via the President.

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