



HM Revenue  
& Customs

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The Rt Hon Andrew Tyrie MP  
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House of Commons  
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Dear Mr Tyrie,

Thank you for your letter dated 14<sup>th</sup> February 2017 following the Treasury Select Committee hearing on 7<sup>th</sup> February.

Please find answers to your further questions below:

**1. A current RAG status of the Customs Declaration Service (CDS) project.**

HMRC's assessment is that the CDS delivery schedule is feasible and that current risks and issues are resolvable at this stage.

RAG ratings reflect the status of a programme at a particular time and are designed to inform the programme director and senior responsible owner of issues that need to be addressed through the delivery schedule. Therefore, they are subject to regular change.

The RAG status reported in the Infrastructure and Projects Authority (IPA) annual report for the quarter ending September 2016 was Amber. On 31 January 2017, the CDS Programme Board assessed the overall delivery status as Amber/Red.

The timetable for delivery is challenging but achievable. CDS implementation is a large and complex programme, including interfaces with external and internal

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systems that need to be developed and for this reason our assessment is that the progress is Amber/Red pending further progress.

**2. A description of the contingency plans in place if the CDS is not ready at the point the UK leaves the EU, and no customs arrangement or transitional provisions have been agreed (described by you as the “day one model”).**

HMRC is prioritising delivery of CDS for Day 1 of the UK leaving the EU.

CDS will be implemented in a phased roll-out, with plans that all customers will have been migrated onto CDS by January 2019.

We will continue to operate the current Customs Handling of Import and Export Freight (CHIEF) service in tandem with CDS during the transition from one system to the other. This will act as extra contingency, should it be required for Day 1.

We are also planning for a technical upgrade to increase the stability and capability of the current CHIEF service.

In addition, our contingency plans will include building on the existing manual fall-back procedures that are already in place for the current CHIEF service.

**3. A description of the “functional changes” required to the CDS for it to work effectively under the “day one model”.**

The Customs Declaration Service will replace the CHIEF system.

Brexit increases the importance to the UK of providing a modern, flexible customs declaration service that can deliver functionality that will facilitate the flow of trade from Day 1. CDS will deliver simplification measures that facilitate international trade e.g. the automation of current manual processes.

CHIEF currently deals with over 60m declarations a year. The new service (CDS) is being designed to deal with the much higher volumes we would expect.

**4. A list of the other border systems operated by HMRC and their purpose.**

HMRC currently operates 57 systems at the border of which CHIEF is the major declaration processing system (and will be replaced by CDS) and we are reviewing 24 other systems that may require some change to be ready by Day 1.

A full list of the systems and their functions is provided at Annex A.

- 5. Further details on the statement that “96% of customs declarations are cleared within seconds”:**
- a. The proportion of (i) export and (ii) import declarations that are cleared “within seconds”;**
  - b. The mean and median wait for import declarations that are not cleared “within seconds”;**
  - c. The proportion of shipments to the UK from outside the EU that undergo (i) documentary and (ii) physical inspections, and the mean and median wait in each case.**

At import, 96% of customs declarations made in the UK are cleared within 20 seconds (with 10 minutes dwell time built in for businesses to make amendments to submitted declarations).

Around 3% of these imports (all from outside the EU) are subject to documentary checks prior to clearance. HMRC’s National Clearance Hub (NCH) completes and clears 96% of documentary checks within 2 hours of receipt from the trader (the NCH clears documentary checks for maritime traffic submitted after 3pm by 8am the following morning). The timer for these checks is reset when traders provide additional material or when the declaration check is re-routed for further documentary or physical checks.

Less than 1% of imports are subject to physical checks as a result of CHIEF processing. However, Border Force (BF) and other government departments (OGDs) may carry out checks on goods at the border based on other risk factors and targeting means, which are not Customs-based.

The wait time for physical examinations carried out by BF is dependent on a number of factors:

- for non Roll-on, Roll-off (Ro-Ro) movements, the time taken by the port operator to produce the consignment for examination varies between hours and days and is contingent on individual ports and their capacity at the time;
- the type of good as, for example, some food products can only be examined at a specific examination area, where the examination time will be affected by the capacity at each site at any one time;
- the availability of BF resource once the consignment has been produced;
- the level of examination required; and
- action required if anomalies are found in the clearance and examination process.

Over 99% of export declarations are cleared by CHIEF within 20 seconds. There is no dwell time built into the clearance process for exports.

**6. A description of the policy changes expected to be required from “day one” that necessitate a separate Customs Bill.**

As set out by the Government's White Paper on 'The United Kingdom's exit from and new partnership with the European Union', legislation will be needed to give effect to our withdrawal from the EU, including the Great Repeal Bill. However, significant policy changes will be underpinned by other primary legislation which will provide Parliament with the opportunity to debate and scrutinise the changes.

The White Paper stated that the government expects to bring forward separate bills on immigration and customs.

This is based on the Government's position that on leaving the EU, the UK will seek a new customs arrangement with the EU which enables the UK to make the most of the opportunities from trade with other countries and for trade between the UK and the EU to continue to be as frictionless as possible.

The precise form of this new agreement will be the subject of negotiation.

**7. Whether anyone in HMRC drafted any part of the Government's White Paper on exiting the EU (or merely commented on a draft prepared by someone else).**

The work on the White Paper was led by the Department for Exiting the EU (DExEU) as the lead department on EU exit matters. DExEU officials are drawn from across Whitehall, including HMRC, and DExEU works closely with officials in departments on all of its work including the White Paper.

**8. HMRC's view on the importance of intelligence and information sharing between customs authorities in the EU, and in particular the likely effect on customs inspections and procedures if such arrangements were lost, assuming HMRC's risk tolerance remains as it is now.**

HMRC's customs controls are intelligence-led, and customs checks are targeted using risk analysis. It is important that HMRC can continue to cooperate and share information and intelligence with customs agencies in EU Member States and beyond in order to prevent revenue loss and the import and export of prohibited goods. Currently, the legal basis for much of the cooperation in customs matters is set out in EU regulations and conventions between EU Member States. Access to these legal gateways is currently predicated on our membership of the European Union.

The Prime Minister has stated her ambition to agree practical arrangements on matters of law enforcement and the sharing of intelligence material between the UK and the EU.

This agreement would be in the mutual interest of the UK and the EU and its Member States. The UK has a good relationship with EU MS on customs co-operation and we have a mutual interest in tackling trans-national organised crime gangs that are operating within our respective territories and smuggling goods across European borders.

After withdrawing from the EU, any additional information requirements for UK imports and exports to and from EU countries and will provide HMRC with additional data that can be used to make targeted interventions at the border.

#### **9. The statistical basis of the statement that there could be a fivefold increase in customs declarations once the UK leaves the EU.**

HMRC estimates that the total number of customs declarations could undergo a fivefold increase if a customs declaration were required for all UK-EU trade. This estimate was produced by converting the number of lines submitted by businesses to the Intrastat survey into an estimate for the corresponding number of customs declarations. This represents our central estimate given the data currently available, and naturally is subject to uncertainty. A detailed description of the methodology is provided below.

- Businesses with EU trade exceeding set thresholds are required to complete an Intrastat declaration. This records total imports and exports to/from EU countries. Using analysis of pre-aggregated Intrastat data, evidence from French customs and VAT Information Exchange System (VIES) data, the number of Intrastat lines recorded by HMRC is converted into an estimated number of lines of UK-EU trade which will be entered onto CHIEF, by scaling up the number of unconsolidated Intrastat lines by a factor of five.
- France collect additional, non-mandatory variables on their Intrastat survey that the UK currently does not, but would need to should a customs declaration be required for UK-EU trade in goods. When France implemented collection of this data it experienced an increase in the number of lines declared between three and five times, as the ability to aggregate lines to the same country and commodity combination was removed. This provided the basis for the maximum increase of up to five times.
- To test this assumption, a methodology was pioneered in a Eurostat project on intra-EU data collection that used data from the VIES. Using this approach

a UK national estimate was created using a similar methodology as the French case study; this supported the upper estimate of an increase of around 5 times.

- This estimated number of additional lines of trade entered onto CHIEF is then converted into an estimated number of additional customs declarations. A customs declaration is required for each consignment of goods moving across the UK border to/from a single non-EU customer/supplier. Multiple commodities can however be moved in a single goods consignment. Where multiple different commodities are moved in a single goods consignment, this is recorded as multiple lines of trade, but requires a single customs declaration. Using the historical ratio of lines of trade to customs declarations for non-EU trade, the estimated number of lines of trade for UK-EU trade is converted into an estimated number of customs declarations, producing an estimate of approximately 200m additional customs declarations.

#### **10. A copy of the minutes of the first two JCCC Brexit sub-committee meetings.**

HMRC does not record minutes for the JCCC Brexit sub-committee meetings, but instead produces headline summaries which are shared with participants by email.

The JCCC Brexit sub-committee meetings are confidential, with a mutual understanding that the productivity of the group relies on mutual trust over sensitive information shared by all parties.

Please find copies of the summaries provided to members in Annex B and C below, with names of representatives anonymised to reflect the sensitivities described above.

#### **11. Further thoughts on how EU tariff rate quotas for third country imports might be split between the UK and the remaining EU.**

Tariff Rate Quotas can originate from a country's schedule of commitments at the WTO, from a Free Trade Agreement with another country, or by being created autonomously on a most favoured nation (MFN) basis.

The EU's tariff rate quotas bound at the WTO are set out in the EU's schedule of commitments. For the UK to pursue its own trade policy when we leave the EU, we will need UK-specific schedules.

HMRC administers the EU tariff in the UK, and will make any necessary administrative changes to reflect a change from an EU to a UK tariff. HMRC does not administer trade policy. At the outset, tariff rate quotas will be affected by the

outcome of Article 50 negotiations, which will establish the detail of our separation from the EU.

On 5<sup>th</sup> December 2016, the Secretary of State for International Trade set out to the House of Commons the preparatory work his department is doing to minimise disruption to global trade at that time.

## **12. A list of agencies that operate at the UK's border.**

More than 20 agencies and departments operate at the border. The Government is taking a co-ordinated approach to planning for EU Exit, and HMRC is working closely with other government departments including Border Force, who conduct operational customs checks at the border.

Please see Annex D for a list of government bodies that undertake functions at the border.

## **Rules of Origin Questions**

Rules of Origin (RoO) can be preferential or non-preferential and apply to both imports to and exports from the EU.

### **a) The proportion of exports from the UK to countries with which EU preferential trading agreements exist, for which rules of origin certifications have been made.**

Preferential RoO are contained within the agreements the EU has in place with non-EU countries, providing for goods traded between them to be subject to reduced or duty free preferential tariffs at the place of import. The granting of these tariffs is conditional on the production of proof confirming the goods meet these RoO requirements. This proof is established by presenting a preferential certificate of origin applied for by the exporter and issued by the competent authorities in the exporting country or through an invoice declaration. The latter can only be issued by an exporter who has been approved by the competent authorities in the exporting country, unless the value of the consignment is no greater than €6,000.

HMRC has a regulatory requirement to monitor that proofs of origin are declared appropriately on import into the UK. However, no such requirement exists to perform similar checks on exports from the UK. Therefore we are unable to provide figures on the number of certificates of origin covering exports from the UK.

Furthermore, the number of preferential RoO certificates cannot accurately be estimated from the volume of trade between the UK and countries with which the UK has trade deals for two reasons: firstly, proof of origin may not necessarily require a

preferential certificate of origin; and, secondly, because not all traders choose to take advantage of preferential arrangements, if, for example, they feel that the administrative cost of doing so outweighs the tariff benefit.

**b) The proportion of exports from the UK to all non-EU countries for which rules of origin certifications have been made.**

Certain UK trade is subject to non-preferential RoO requirements for international trade outside of free trade agreements. Non-preferential RoO may be required to ensure compliance with a range of policy import measures, such as anti-dumping and countervailing duties.

As above, HMRC has no regulatory requirement to check proofs of origin for exports from the UK. Therefore we are unable to provide figures on the number of certificates of origin covering exports from the UK.

**c) An estimate of the proportion of intra-EU trade for which rules of origin certifications would have to be made, were a zero-tariff free trade deal to be negotiated.**

The proportion of intra-EU trade requiring preferential proofs of origin would depend on the nature of any trade agreement between the UK and the EU. As with existing agreements, both parties would potentially require proofs of origin covering all preferential trade. However that proof may not necessarily require a preferential certificate of origin.

Moreover, Intrastat does not provide accurate figures for UK-EU trade because businesses are only required to make declarations of their trade above a certain threshold. Therefore, we are unable to use current figures for UK-EU trade as the basis for an estimate of RoO certificates after leaving the EU, even on the assumption that all trade were to be subject to preferential origin.

I hope that the above proves to be a helpful contribution to your ongoing collection of evidence. I and my officials would, of course, be happy to address any further questions the Committee may have in relation to our functions as the UK's Customs Authority.

Yours sincerely

Jim Harra

## Annex A: HMRC Border IT system

Systems in bold will require changes for EU Exit.

No	Full Name	Function
1	Civil Aviation Tracking System	Allows the monitoring and targeting of inbound and outbound general aviation aircraft movements, incorporating registration and risk assessment data. The service also contains UK aircraft registration data and records risk assessments against UK airfields.
2	<b>Economic Operator System</b>	Central record of all entities that have registered for an EORI (Economic Operator Registration and Identification) number and also contains all the data on Authorised Economic Operator (AEO) applications and authorisations across the EU. It also holds the data on mutual recognition with third country businesses.
3	<b>Customs Handling of International Postal Packages</b>	The Customs Handling of International Postal Packages (CHIPP) application provides a facility to raise the appropriate duty charge in respect of all inward international mail.
4	<b>EU Gateway</b>	The EU Gateway allows outbound messages from HMRC applications to be processed asynchronously to other EU Member States' systems. Similarly it asynchronously handles messages from EU applications.
5	Intelligence Net	Intelnet is hosted in the National Co-ordination Unit (NCU). NCU provides general information and enhanced intelligence to front line staff and anyone working outside an outside environment.
6	<b>Intra EU Trade Stats system (IS2)</b>	Intrastat Online Services enable the collection of statistical data on goods traded in the EU via supplementary declarations.
7	<b>TS93</b>	TS93 provides the main risk profiling and quality assurance tool used in Trade Statistics Unit to verify the accuracy of declared trade data and ensure compliance of declaration submission.
8	Despatcher Warehouse Management System (aka DLX)	DLX facilitates the recording of all inventory item movements whilst they are stored in Queens Warehouse and Principle Lockups.
9	<b>Electronic Data Capture Service (EDCS)</b>	EDCS is a generic component existing to provide the UK trading community with various electronic communication routes.

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10	<b>Alcohol and Tobacco Warehousing Declarations (ATWD)</b>	Provides electronic submission by the warehouse keeper of declaration to the ATWD service. The system stores all event related data relating to electronic ATWD submissions.
11	<b>Export Control System (ECS)</b>	ECS supports the control of indirect exports from other Member States.
12	<b>Excise Movement &amp; Control System (EMCS)</b>	EMCS captures and monitor the movement of excise goods under duty suspension within the EU and between UK warehouses for imported excisable goods entered to free circulation. It provides validation of data and real time notification of dispatch and receipt of goods.
13	<b>EU RISK, EU RESPONSE, EU Risk &amp; Response</b>	<p>EU Response fulfils the requirement for transactional automatic risk assessment, which provides the capability to support the Multi-Annual Strategic Plan (MASP) objectives of the EU in relation to the imports and inter-EU transits of goods.</p> <p>EU Risk provides a risk assessment service for the Import Control Service (ICS) and the New Community Transit System (NCTS).</p>
14	Local User CCS-UK Access System (LUCAS)	LUCAS is a service provided at all UK major airports, giving HMRC access to UK cargo community system, airline and transit shed operator systems.
15	Anti-Smuggling Nets	Applies preventative controls to air import consignments.
16	<b>VAT Information Exchange Service (VIES)</b>	Uses information submitted by traders/captured from paper VAT 101 and online EC Sales Lists and allows the exchange of sales information. It shows supplies from EU suppliers to VAT registered customers based in other Member States. In addition the system offers functionality to confirm the validity of the VAT registration numbers and addresses of potential purchasers in other Member States.
17	<b>System for Exchange Excise Data</b>	SEED contains details of European Community (EC) Excise trader and warehouse authorisations. It is used to verify the authenticity of consignees receiving/despatching goods moving under the duty suspension regime and to support anti-fraud activity both in the UK and throughout the EC.
18	Missing Trader Intra Community	Holds data on traders suspected of committing intra community VAT Fraud.
19	CHIRON	The system is used as a day-to-day access point for compliance investigation case information, and a repository for case-related documentation.
20	CENTAUR	CENTAUR is a repository for Enforcement data linked to suspected criminal activity. It provides a single view of suspects and related information/intelligence for officers across HMRC to consult in support of their activities.

21	Container Operational Anti-Smuggling Tracking System	The system receives manifest data from ferry or container companies in order to protect against smuggling.
22	<b>Excise Movements Risk Analysis</b>	The systems analyses the risks surrounding the holding and movement of duty-suspended excise goods, It is also used to audit traders who use the Excise Movement and Control System (EMCS).
23	Trade Access System/Ferry Information System (TACFIS)	TASFIS matches manifest details against a database of names and vehicles.
24	Automatic Number Plate Recognition (ANPR)	The National ANPR system reads Vehicle Registration Numbers (VRNs) of all vehicles entering or leaving the UK by ferry or the Channel Tunnel.
25	Freight Targeting System (FTS)	Freight Targeting System (FTS) is a risk profiling application used to target potentially suspect freight consignments.
26	CHIEF Access Security on Microsoft Access (CASMA)	CASMA allows the importation of CHIEF security data into an MS-Access database, Providing the ability to view the data, Allowing the comparison of two versions of CHIEF, Providing the ability to run pre-formatted enquiries against CHIEF security data. security data against each other
27	Customs Freight Simplified Procedures (CSFP)	System used by CHIEF to calculate the duty and VAT liability following input by businesses of their imports and / or Customs Warehouse/ Temporary Storage removals.
28	Customs Handling of Import & Export Freight (CHIEF)	CHIEF is comprised of two parts, the Import Export service (IES) and the Management Support System (MSS). CHIEF IES facilitates the movement of imports and exports to and from countries outside the European Union.
29	Community Surveillance Data (CSD)	CSD provides the EU Commission with daily data updates containing details of all consignments of certain commodities subject to surveillance, as specified by tariff system, which integrates all measures relating to tariff, commercial and agricultural legislations.
30	Customs Tariff Quota Unit (CTQU)	CTQU is responsible for the administration of the EU Tariff Quota regime in the UK. Quota claims made by the businesses are processed and transmitted to the EU commission each working day.
31	Consolidated Tariff System (CTS)	CTS creates and maintains the tariffs of the United Kingdom.
32	Duty Deferment System (DDS)	DDS allows duty payment statements to be viewed or downloaded at any time and is used by traders and officers to monitor duty payment.
33	Document Storage Unit	The system records the input data and destination of import entries presented for pre-clearance.

34	National Export System (NES)	NES enables businesses to receive the mandatory electronic 'permission to progress' message from CHIEF before leaving the UK.
35	<b>National Imports Relief Unit (NIRU)</b>	NIRU handles the processing of claims and returns for the relief of VAT and duty on imported goods.
36	TRACE & ESCAPE Computer Systems	TRACE draws information from a number of sources in order to calculate a risk factor for each Common Agricultural Policy (CAP) export declaration line and provides a recommendations as to whether an export line should be examined. ESCAPE collects and reports on details of CAP export declaration lines, as well as the results of any examinations carried out and samples taken.
37	London Overseas Mail Office (LOMO)	Replaced by CHIPP, LOMO is an electronic system for recording, tracking and charging imported parcels. Used only at Coventry International Hub for parcels handled by Parcelforce International, LOMO is a subsidiary of Royal Mail.
38	Customs & Excise Core Accounting System (CECAS)	Accounting System that CHIEF uses.
39	<b>Departmental Trader register (DTR)</b>	DTR is an on-line database of trader registration information which is installed at every Customs local office and HQ site.
40	Electronic Folder	Old case management system that stores documents electronically and enabled data about traders and the work of VAT Assurance officers to be entered onto the system and referenced by HMRC personnel.
41	CONNECT	The Connect service provides an off-line data mining solution aimed at identifying UK-wide compliance risks.
42	CHIEF Management Support System (MSS)	MSS is CHIEF's online information retrieval system for import, export and standing data.
43	Statisticians	The Statisticians Service is the production, analysis, quality assurance and development of trade information.
44	<b>Electronic Binding Tariff Information – (EBTI)</b>	EBTI provides an Internet channel for traders to submit BTI application forms and review previous application forms submitted via the Internet.

45	Business Information Management Reporting Service	The Customs Service Transformation Programme (CSTP) Business Information Management Reporting Service provides HMRC/ UKBA users with the ability to create standard (pre-formatted, parameterised) or ad hoc reports against captured CSTP data and carry out risk rules testing.
46	<b>Import Control Service (ICS)</b>	ICS facilitate the supply and exchange of safety and security data on import information between Member States.
47	<b>National Computerised Transit System (NCTS)</b>	NCTS is a European-wide system that manages the Community and Common Transit by processes and shares electronic declarations among Member States.
48	Binding European Retrieval of Tariff Information (BERTIS 2)	BERTI2 is the system which records and tracks all correspondence received within the Tariff Classification service and produces Binding Tariff information (BTI) for issue to importers/exporters.
49	Credibility Parameter	The Credibility Parameter application supports the provision of accurate Overseas Trade Statistics by enabling various trade commodities to target specific country or trader data submissions.
50	Local Data Collection System	System that stores data.
51	<b>National Import Duty Accounting Centre (NIDAC)</b>	Import declaration information passes from CHIEF to NIDAC. NIDAC controls and finalises the amounts of duty payable when suitable documentation or evidence is presented by the importer or agent.
52	<b>Registered Excise Dealers and Shippers (REDS) and Database</b>	<p>The REDS system is intended for traders importing duty suspended excise goods and may also import goods for which the duty has been paid in other Member States. In such cases, the REDS must guarantee the UK excise duty due before the goods are imported to the UK.</p> <p>The REDS database is intended for traders importing excise goods from other EU Member States outside of the excise warehousing regime.</p>
53	<b>UK Trade Tariff</b>	The Government Digital Service supported UKTT service publishes EU and UK Trade Tariff information to the GOV.UK. UKTT site as an online search facility for use by traders/public.

54	<b>VAT Certificates Suite C79</b>	Systems that logs VAT C79 Certificates
55	<b>System For Duty Stamps</b>	Duty Stamps system
56	<b>Excise Duty Drawback bespoke database</b>	Database that records excise duty drawback
57	<b>Customs Declarations Service</b>	Replacement System for CHIEF

## **Annex B: JCCC Customs Brexit Group Read-out: 15<sup>th</sup> November 2016**

### Confidentiality

- Please note the confidentiality of our meeting and understand that the productivity of this subgroup relies on mutual trust over sensitive information shared by all parties.

### HMRC-HMT stakeholder engagement

- Our relationship will evolve during the process of exiting the EU: for now, HMRC-HMT are in listening mode while a negotiating strategy is being formulated but will work increasingly closer with business over time.

### Terms of Reference

- An industry trade body representative will act as industry co-chair
- Committee meetings will be held every 8-9 weeks and will be organised along the following timeframe:
  - Week 1: date set and request for agenda items.
  - Week 6: agenda set and agreed with Industry Co-Chair.
  - Week 7: agenda and papers circulated.
- Please find an updated ToR attached following discussion. Please be reminded that the subgroup cannot be extended to include tariffs and rules of origin which, as trade policy fall under DIT lead.

### Priority Topics for Future Meetings

- Thank you very much for submitting your priority topics for future meetings. We were pleased to see that many of your priority topics aligned with ours. We will use the suggestions as the basis for agenda items in future meetings.

### Actions

- In discussion, we noted the need to influence EU decision-making and encourage you all to engage with your organisational counterparts in Member States.
- Please submit papers for discussion in the next meeting. Thank you to those who have sent them in already. We will get back to you to discuss how we can use them in the next meeting.
- Please also contact me with any feedback from the first meeting and future agenda items.
- Room: we are looking to host the next meeting in the second or third week of January and would appreciate if any members would be apply to provide a room for around 30 people within this window.

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## Annex C: JCCC Customs Brexit Group Read-out: 25<sup>th</sup> January 2017

### HMRC Brexit update:

- HMRC is taking its steer from the PM's speech and is exploring how to deliver as barrier-free and frictionless customs arrangement with the EU as possible.

### CBG: forward-look

- The CBG is the main stakeholder forum for HMRC as it plans for EU Exit.
  - It will support HMRC and other government departments by:
    - Providing information on which facilitations trade want to see prioritised for as barrier-free and frictionless customs arrangement with the EU as possible;
    - Providing a sounding board for HMRC's delivery planning.
  - At the moment, HMRC is in listening-mode and during this time there is a real opportunity for CBG to influence the advice put forward by HMRC on the future customs models. HMRC therefore welcomes the early input of the group. As planning progresses the relationship with the CBG will deepen and working groups will be established.
- HMRC is managing CBG membership to ensure that it is exposed to the full range of stakeholder challenges for EU Exit but is able to function effectively. HMRC presented its membership analysis for comment by members. It is important to note that membership applications for the CBG remain open and will each be considered on merit.
- Provisional discussion topics have been set out for the next CBG meeting:
  - Standing agenda item: European association engagement;
  - HMRC data presentation to discuss granularity of detail.
  - Industry trade body joint position paper: follow-up on the questions posed and changes made to the paper.
  - Ro-Ro traffic: follow-up from an industry trade body paper to discuss end-to-end process for Ro-Ro traffic.
- The agenda will be agreed in the next two weeks. Please contact the CBG secretariat to suggest topics and/or submit papers for discussion.

### Discussion summary

- UCC: The CBG discussed CDS. HMRC assured members that CDS is designed to accommodate new functionality, increased volumes and is more flexible to deliver change. Trade flagged that there were a number of areas of the UCC where the definitions were unclear or the previous definitions were preferable.
- CBG also noted the opportunity of Brexit to change areas of UCC that were seen as undesirable. HMRC has noted the changes suggested by the CBG and will consult further with the JCCC Change and Customs Brexit Groups.
- Industry trade body representatives presented a joint position paper: Trade presented common concerns with export process. Further details of market access databases, non-tariff barriers and clarification of legal text to be discussed among signatories and presented to HRMC.
- An industry trade body representative presented a position paper: CBG discussed a range of facilitations, including wheels-up clearance which HMRC is following up with Border Force.
- An industry trade body representative presented a position paper: Presented analysis of Ro-Ro ports. Ensuing discussion emphasised the importance of engaging across the supply-chain to find a solution. Further analysis of RoRo ports welcomed by HMRC noting their diversity.

- An industry trade body representative presented a position paper: CBG discussed future relationship with the EU, including transit agreements.

### Actions

- Following discussion of the market access database, trade to identify the other tools on which they currently rely, the gateway (EU, CU, CTC etc) and whether there is an alternative.
- UCC legislation: trade to identify sections of the UCC need greater clarity.
- Ro-Ro: trade to present any analysis of Ro-Ro supply-chains and ports to HMRC before discussion at the next meeting.
- HMRC will follow-up the discussion on pre-clearance and discuss with relevant members when appropriate.
- CBG members to submit discussion topics and papers to the Secretariat ahead of the next meeting.

## Annex D: Government at the Border

Operational	Policy owners	Operational Policy
Border Force	HMRC	Driver and Vehicle Standards Agency
HMRC *	Defra	Driver and Vehicle Licensing Agency
Port Health Authority	Food Standards Agency	Rural Payment Agency
Trading Standards	Department for International Trade	Marine Management Organisation
Local Force Special Branch	Department for Transport	Horticulture Marketing Inspectorate
Forestry Commission	Home Office	Health and Safety Executive
Animal and Plant Health Agency*	Department for International Development	Medicines and Healthcare Regulatory Authority
Environment Agency	Foreign and Commonwealth Office	Intellectual Property Office
Atomic Weapons Establishment	Department for Culture Media and Sport	Arts Council
Environmental Health	Animal and Plant Health Agency	Ministry of Defence
National Measurement Office	Department for Business, Energy and Industrial Strategy	Department for Communities and Local Government (Local Authorities)
Office for Nuclear Regulation		Government Diamond Office
Maritime and Coastguard Agency		
Medicines and Healthcare Regulatory Authority*		
Horticulture Marketing Inspectorate*		
Driver and Vehicle Standards Agency*		
National Crime Agency Border Policing Command		

\*Denotes more than one accountability.

### Organisations indirectly involved through other departments:

- OSCT (Office for Security and Counter-terrorism: part of the HO).
- Security Services.
- International Partners in UK (e.g. US Customs Border Patrol).

In addition, there are a number of devolved administration agencies with the same or similar responsibilities to the agencies in the table above (e.g. Marine Maritime Scotland).