



# Cabinet Office

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**Title:** Note of meeting

**Subject:** BE / UK Borders Industry Facilitation Committee (BIFcom)

**Date:** 5 May 2021

**Presentation:** Belgian and UK government officials, business federations and British Embassy Brussels

## **Background**

The 1st joint Belgium / UK Borders Industry Facilitation Committee technical meeting (hereafter: BIFCOM) was delivered to industry associations on 5 May 2021. To highlight and provide clarity on the issues arising from goods moving between GB to Belgium following the end of the transition period and planning ahead for the implementation of phased controls for GB imports later in 2021.

This note summarises the key themes and suggests future technical subject matter for cooperation based on the industry feedback for the next webinar on 15 June 2021. (TBC)

# Issues summary

## Customs issues

### Current issues

**[BE-GB]** Closure of Transit movements - estimated 10% of all T forms BE-GB not closed correctly

**[BE-GB]** GB importers think they are using the delayed declarations process but are in fact simply importing goods without a declaration and are not clear on what they need to do when the declaration becomes due - the phased approach to import controls is causing confusion for GB importers (BOM update needed)

**[Both directions]** Generally, it takes too long for transit offices to communicate with each other and with traders – which has caused delays and a long paperwork trails to follow up **(BOM update needed especially on IE 142 enquiry messages and correspondence)**

**[Both directions]** Incoterms - traders do not always fully understand their obligations based on incoterms causing problems at the border

**[Both directions]** Systems linking - Lack of systems integration e.g. Safety and Security (ENS) data creates extra burden for traders, carriers and ports

### Future issues

**[BE-GB]** Fundamental issue of UK port models (temporary storage vs pre lodgement and the “hybrid model”). General lack of clarity reported from several sectors on what the model will look like and what the impacts are of “mixed freight” on RoRo services

A more specific concern raised by Port Sector that the mutually exclusive nature of the models offered fundamental disadvantages for unaccompanied freight over accompanied movements (e.g. at the short straits).

**[BE-GB]** Need for better and more specific guidance including “how to” guides to avoid “a tsunami of problems” at the border when the new UK regimes enter into force in October 2021 and January 2022. **(Action - BOM team)**

## SPS issues

### Current issues

*NB: current issues focus on GB-BE route as UK has yet to implement SPS controls*

**[GB-BE]** Groupage - established issue, requires separate session

**[GB-BE]** Paperwork mistakes - UK companies submitting incorrectly completed EHCs e.g. pagination errors, no signatures, no signatures against deletions or on blank pages, different languages used, certificate numbers not on each page, authorisation numbers on the EHC and package do not tally, use of 'made in Europe' on goods, missing pages. Has improved since January but still presents issue. **(Action - BOM team)**

**[Both directions]** Lack of systems interconnectivity - TRACES NT and IPAFFS (DEFRA import system) do not integrate with one another and means processes for traders is more burdensome and will increase the risk of mistakes. **(Action BOM team)**

**[Both directions]** - Export Health Certificate (EHC) requirement for Vehicle Registration Number (VRN) at time of EHC creation. VRN is not always known and this is an issue for supply chain management. **(Action BOM team)**

### Future issues

**[BE-GB]** Lack of digitisation - UK model assumes all paper EHCs with little digitisation. Makes life harder for all involved. *(DEFRA response - plans to make plant systems digital - wider digitisation being looked into)* **(Action - BPDG LTS team)**

**[BE-GB]** Lack of digitisation Action BOM / EU MS team (for annexes)

# UK-Belgium Borders Industry Facilitation Committee (BIFcom) - full minute

## Part One: Logistics / Customs

### Freight - BE

#### Current Issues:

- Volume of undischarged Transit forms issued BE-GB with the Office of Destination in the UK.
  - 10% are not closed properly at the Office of Destination
- Border Operating Model offers 3 types of clearance
  - Full border clearance CSFP - Customs freight simplified procedures
  - EIDR - Entry into declarants records
  - Creates false impression for GB importers that they are using the delayed declarations but they are not in fact - think they just need an EORI number

#### Future issues:

- Pre lodgement and inventory linked model - how will it work?
- Phase 2 / Phase 3 (October/Jan) - we want to have a clear view on the procedures for importers to the UK with handbooks and practical guides on these issues
  - We are “expecting tsunami of problems”

### Freight - UK

- We are seeing similar problems on both sides of the channel.
- Specifically goods requiring inspections, checks and licensing, especially SPS goods. However things have improved on this front since January.
- There is still confusion around transit movements and industry expects more streamlined communication on transit. It takes too long for transit offices to speak with each other.
- Incoterms - traders do not understand their obligations based on incoterms
- Port infrastructure on UK side confusing
  - Leading to non compliance

### Port sector - UK

- We would like to acknowledge the work of members and industry on this
  - Transit discharge is an issue
  - There is a lack of interface between systems capturing data e.g. ENS data
  - Future issue: SPS
  - Port infrastructure and models - people in port sector want more guidance on how this will work
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- Accompanied freight has fared slightly better than unaccompanied

- Imports from UK to EU bouncing back to “almost normal” levels
- IE-UK sailings halved, there are more direct routes IE-mainland EU

### **Port Sector - Belgium**

- Ports - Covid had a big impact and also the uncertainty from companies from 1 January meant we didn't see the volumes we expected.
- Containers were a different story because there we had extra volume coming in due to transshipment, but that it is a decision of the ship owners, coming to a EU port rather than straight to a UK port.
- Problem with cargo going to non-inventory linked ports, compared to the inventory linked ports.
  
- The industry have concerns with the current BOM and the management of pre lodgement locations and temporary storage especially in the hybrid model.
  - Routings change regularly as it is a dynamic model
  - The way the UK is implementing these controls makes it impossible for traders to know which formalities they will need to do at the port
  - Serious risk of cargo being stuck in UK ports as a result of this
  - In particular, restrictions differences between temporary storage and pre lodgement is confusing and traders will not understand this. Also this is about disrupting of the Level Playing Field:
    - They believe this favours short straits accompanied over non short straits unaccompanied and they have grave concerns about that

### **Logistics sector UK**

- Different approaches to the implementation of the EUMS rules makes enforcement challenging for members - it also makes it hard to know what you need for each route (Action EU MS team / BOM - annexes)
- Groupage - still an issue - need to think about practical ways to organise the ways traders move their products - Action - “How to” guides
- SPS - would be good to have greater operability and cooperations between systems e.g. using better APIs - plea to lobby EU COM for this
- Looking ahead - traders on EU side need to be clear on what they will be faced with when the changes are implemented and simple guidance provided by UKG (Action BOM)
- Incoterms are important and clearer simpler guidance is needed on the costs and risks associated with the different terms. Action BOM

## Part Two: SPS

### Federal Agency for the **Safety** of the **Food Chain** (FASFC)

Since 1 Jan lot of problems with goods from the UK

- Mainly paperwork getting better, but still not good - certificates not always correct, so remains a need to ask for replacements
  - Then issues with having to look at UK lists where sometimes both members are mentioned
  - Some points that are not filled in accordingly to the legislation
  - No authorisation numbers on the certificates and also the UK authorisation list is not complete or there are faults on the lists
  - Can't put EC as part of the authorisation as no longer part of the EU
  - Northern Ireland, the goods are still free to come in
- UK not using TRACESNT is an issue - would be much easier if the UK used TRACES

### DEFRA

- Understand the challenges presented from the UK side and continue to work hard with Industry to support them through the changes. Ongoing commitment to support GB exporters present correct documentation. (**Action BOM and how to guides**)
- Groupage for imports to the GB - DEFRA are investigating the possibilities of new regimes for UK groupage imports.
- DEFRA are looking at the truck licence plate requirement on the EHC, there is an update coming.
- DEFRA are arranging a series of events on the import regime.

### UK industry

- Structural problems now being faced
  - Since Jan 2021, Food and drinks exports to the EU are down 70% compared to 2020
  - In February exports to the EU were down 40%, equivalent to moving from a billion to 500 million. Exports to Belgium were 25% lower than in 2020.
  - Cheese exports down 64%, beef down 77%, fish down by a third, milk and cream exports up by 90% and chicken down by 79%.
- SPS is the biggest blocker on exports, 24 hour prenotification affects the supply chains, increasing cost and time .
- Meursing codes - When you're claiming preference but still getting asked by the authorities to produce these meursing codes. A lab analysis to make sure you got the right code costs about £500 each time.
- 70% of members are reporting issues around groupage particularly with SPS loads
- EU Composite Products procedures introduced on 21 April 2021 have seen imports into GB fall by 14%.  
Action to send these stats from FDF to the BIFCom
- Certification and the interpretation at BCPS, increasing time and cost
- Groupage in both directions. Increased unnecessary journeys with half loads
- Fresh meat can no longer be exported from the EU to the UK and back to the EU

- VRNs on the EHC at time of creation - not always possible
- TRACES / IPAFFS connectivity and also with ECHO
- We need paperless systems as a matter of urgency in light of COVID pandemic
- Supply chains - might have a processing plant in one MS, a store in another and something else in another MS - how will this be signed by a vet? May need specific session

## Officials to Officials Meeting

### Review of meeting / next steps

Agreed actions:

- Explain acronyms in annex to this document of abbreviations database to support BIFCOM
- FDF stats quoted (attributed clearly to that source) to be circulated
- Specific technical sub groups focusing on
  - SPS
  - Groupage and Transit procedures sector
    - To link with existing work from both UK and Belgian administrations in this space

**Provisional date of next meeting: 15th June 1000/1100 to 1200/1300 (GMT/CET)**

## Issues Summary - Current top issues (to be completed and scored in course)

ID	Issue	Responsible departments	Agreed priority	Response / Resolution
01	<b>Closure of transit movements</b> - estimated 10% of all Transit movements BE-GB are not closed correctly- causes issues for traders, intermediaries and customs authorities with increased need for manual intervention and chase up	HMRC		
02	Confusion of GB traders around declaration types			
03	<b>Transit office communication time</b> - Related to issue [01] - there is a delay in the communications between the transit offices across Europe which causes	BOM team		
04	<b>Incoterms</b> - Lack of trader understanding of incoterms			
05	<b>SPS</b> - Biggest blocker on exports	DEFRA		
06	<b>Digitisation</b> - Paperless systems needed urgently	DEFRA		
07	<b>Need for better and more specific guidance</b> - ‘How to’ guides to avoid tsunami of problems” at the border when the new UK regimes enter into force in October 2021 and January 2022	BOM Team		
08	<b>Paperwork mistakes</b> - Pagination errors, no signatures, no signatures against deletions or on blank pages, different	BOM Team		



	languages used, certificate numbers not on each page, authorisation numbers on the EHC and package do not tally, use of 'made in Europe' on goods, missing pages.			
<b>09</b>	<b>Lack of systems interconnectivity</b> - TRACES NT and IPAFFS (DEFRA import system) do not integrate with one another	BOM Team		
<b>10</b>	<b>Export Health Certificate (EHC) requirement for Vehicle Registration Number (VRN) at time of EHC creation</b> - VRN is not always known and this is an issue for supply chain management.	BOM Team		
<b>11</b>	<b>Lack of digitisation</b> - UK model assumes all paper EHCs with little digitisation. Makes life harder for all involved	BOM Team for annexes		