



Cabinet Office

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Title: Note of meeting (**DRAFT**)

Subject: UK / Belgium Border Industry Facilitation Committee (BIFCom)

Date: 15 June 2021

Presentation: British Embassy Belgium and the Belgian administrations

Background

The 2nd joint Belgium / UK BIFCom was held 15 June 2021 to highlight and provide clarity on the issues arising from goods moving between GB and Belgium following the start of 2021 and planning ahead for the implementation of phased controls for GB imports.

Executive summary- BPDG reflections:

- Guidance - the BOM is too detailed and too long for many in a “trader / haulier” audience, and feedback suggests that it is unlikely to be read by EU businesses, hauliers, trailer operators etc. Urgent need identified / ask for supplementary bite size comms / flyers / flow charts to explain in simple terms what the changes mean for all actors in the supply chain at the border - **Action - BPDG EU Technical Team to refer to BOM team**
- Details of the UK Ports mixed modal plans are urgently needed, including which UK ports will operate which model
Action - needed for the next Belgium event, but BOM also needs to be clear on this - refer to BOM team
- Route changes - this is an industry “norm” - and there is an urgent need for clarity in this area - aside from the transit issue of office of exit / office of export problems
Action - EU Technical Team to refer to BOM team
- HMRC customer journey maps are to be discussed with business from July to December and separate ones are due to be shared from DEFRA - this needs to be combined into one single set of process maps
Action - discuss raise with BPLG
- HMG need to better understand port users and split accompanied vs unaccompanied information so it is clear

Action - EU Technical Team to refer to BOM and stakeholder engagement teams

Summary note of core issues

FORWARD Belgium | Belgian Freight Forwarders' Association

Opened by confirming that members had been consulted and there are no new issues to be raised. Existing issues / challenges:

- Improper handling / discharging of T1s issued towards GB / closing of transit documents and the IE142 enquiry process
- Transit movements in the cases of the use of deferred declarations in the UK (UK EIDR deferment not to be confused with EU EIDR) is causing huge difficulties
- DEFRA/SPS and HMRC/customs/transit/GVMS should link up on customer journey mapping. Requested a clear, concise manual similar to the Hauliers handbook.
- Hybrid model concerns. Will it still be possible as it could impact logistics and freight forwarding out of Belgium to the UK. Also the ability to land both pre-lodged goods with temporary storage goods at one berth regardless of the status of that berth is a concern.

BIFA

Opened by agreeing with and endorsing the four points raised by FORWARD Belgium | Belgian Freight Forwarders' Association

- Lack of understanding from traders and officials due to inexperience is improving but needs to continue to improve.
- Confusion around Rules of Origin continues to arise occasionally - in particular where REX is required

UK Major Ports Group (UKMPG) and British Ports Association (BPA)

Sense that discharge is improving of ENS declarations from UK to Belgium - getting businesses and hauliers ready and used to UK ENS requirements starting on 1 Jan 2022 is the main challenge now.

Workarounds are being found for now on issues, but clarity and choice of Port hybrid model is urgently needed as it is an outstanding area of major concern.

- Systems interoperability/customer choice (CSPs, inventory linked ports and GVMS working together)
- Concerns around UK BCP infrastructure readiness, including recruitment and training of staff and charging mechanisms
- UK shortage of HGV drivers is challenging
- Flowchart for end-to-end movements for all UKG procedures would be useful
- Concerns remain around multiple consignments and groupage
- Agrees with APZI and PoZ concerning approach to port models - plea that HMRC rethink this as it is not a level playing field for unaccompanied RoRo and favours the short straits against other routings
- Awaiting a list of which ports will use which model - customs process mapping in isolation is not enough
- Access to online apps and material - UKG needs more realism with the target audience and IT resources (drivers will have limited accessibility e.g. many lack smartphones and English skills can be limited)

APZI - VOKA

- Decrease of 8% of trade overall
- Understanding of the current UK port models is understood by industry that the UK Government is putting unaccompanied RoRo into a disadvantaged position and not applying a level playing field across all routings.

Logistics UK

No new issues. Early 'teething problems' are seen to be improving.

- Desire for more digitised and integrated systems
- Nervous about next stage of UK import controls
- Members need the BOM now and more targeted guidance which would be useful to different parts of the business community/supply chains. Better navigation guide for the BOM.

Port of Zeebrugge

- Lack of communication between IT systems - administrations systems and port community systems / CSPs etc
- UKG Port models approach is extremely concerning as detail is unclear especially around berths with only one authorisation
- Unaccompanied RoRo freight should not be disadvantaged to accompanied - level playing field is very important
- Please share the information on the final publication date on the (final) port models asap
- Groupage / part loads (such as textiles and wood) - for unaccompanied RoRo - foresee a lot of operational problems. Consolidation of groupage loads in one trailer containing pre-lodged decs and temp storage entries. Less issues foreseen for Calais/Dover routes.

FEVIA

- Export Health Certificates and the additional administrative burden as a consequence
- Lack of certainties over which EHC to use for commodities esp. composite products
- Digitisation needed for EHCs
- Ability for "trusted partner" scheme to expedite checks
- Needing to know truck VIN on the EHC causes issues

Full meeting minutes

Welcome / intro

BIFCOM chair welcomed attendees and thanked BPDG and attendees for their work on the recent subcommittee meetings.

Recap from last time

Detailed exchanges between UK and Belgium on transit movements - some have been discussed in detail and others need further clarification.

Grateful for Defra's written response received earlier today, covering the issues raised by AFSCA at the SPS/Groupage SubGroup on 1 June. Good to see the collaboration.

Further updates from the last meeting to be addressed in course of the conversation.

Part 1a - customs and logistics

Forward Belgium / Portmaded / CLECAT

Feedback from members - same issues as 1st BIFCOM but more emerging:

1. Improper handling of discharging of T1 documents - is there an action plan from HMRC or similar to address this?
2. Specific issue of T1 issued to GB where customer is using delayed procedure and this causes an issue in generating enough evidence for completion of T1
3. Need to understand how customs procedures work alongside DEFRA/SPS procedures - what declarations will need to be made and will they work together? Will there be easy to follow guidance and comms on this?

As an association representing meat traders we are also very keen on details on how the customs and SPS processes will work together and as soon as possible to allow the different actors in the supply chain to prepare. - **IMTA (UK meat trading association)**

4. Will the hybrid model be possible at all UK ports / Eurotunnel? Without clear answers this will impact freight forwarding out of Belgium and cause disruption

Comment: September for the next BIFCOM meeting was considered too late

Action - HJ / RT / SB to discuss - picked up after the meeting

British International Freight Association (BIFA)

1. Need to have a common approach to the issue of goods travelling not under customs formalities but still moving under transit (the UK EIDR deferment) - also goods removed from temporary storage - *Q check with BIFA what regime are they moving them under then?*
2. Rules of Origin - our members (forwarders) don't have to do statement of origin but we get asked by clients - still a lack of clarity on where REX is required and where it is not required
3. Operational knowledge / awareness of procedures

Comment - most issues are due to inexperience and operational issues - we expect picture to improve but time is running out.

UK Major Ports Group

Feels like we are “struggling through” - slight improvements being seen. ENS from GB - BE / parallel. Hybrid models (CSPs and systems / GVMS) need to build in resilience / options to let business understand which model they will use - UK interoperability plans are not clear process and will double once EU - GB starts on 1 Jan. Structural issues remain a major concern.

Q from BE customs - Please can you elaborate on systems interoperability? Do you mean between the private sector or between nations?

A - In the first case greater interoperability between private sector systems operating at the ports and with government systems is needed. Although longer term, would be great if there was ability for national systems to interact, though accept that may not be realistic at least in the short term.

BE customs Solution may be both UK and BE systems to speak to a common, private, port community system.

Logistics company: Would be good to get clarity on October’s introduction of UK’s SPS operational ways of working - possible subgroup?

British Ports Association

1. 1 Jan controls will bring issues - infrastructure readiness and resource / training not clear
2. Charging mechanisms - how will trade be invoiced and who will do that/what will inspections cost?
3. UK shortage of HGV drivers - a lot of EU nationals have gone home
4. Would be useful to have some kind of flowchart for an end to end movement. The BOM is the “bible” but it is too heavy especially for EU traders. A flowchart or similar would be more user friendly for the audience

APZI VOKA

Decrease of about 8% in trade overall between UK and Belgium (both directions) so far in 2021.

Port models putting unaccompanied into a disadvantaged position - can there be a single procedure valid for all ports

Logistics UK

1. Not getting worse - if anything improving slightly but still work to be done
2. Members would welcome more digitised and integrated processes
3. Thank you for the work in groupage and transit subgroup - look forward to hearing more about the work on different groupage models and how it works in practice and whether it alleviate any concerns of our members
4. Increasingly nervous about the next stage of UK controls - I do not see the same level of engagement and preparedness as was had before previous deadlines
 - a. What we need is clear, operational guidance that members can provide to their EU partners to help both sides get ready for the new processes - need reference documents to support the border operating model

Port of Zeebrugge

CHIEF / CDS integration with NCTS. Current process for leaving the UK is difficult as systems don't speak to each other. In Europe it is automatic but in the UK it is not - this is causing delays at UK ports of exit as the border industry needs to step in and manually intervene.

Part loads (such as textiles and wood)- for unaccompanied RoRo - foresee a lot of operational problems. Less issues foreseen for Calais/Dover routes.

HMRC response on port model concerns: Many EU facing frontier locations don't have sufficient digital or physical infrastructure to apply full customs controls. GVMS introduced to support the pre lodgement model - not mandated but there to support **accompanied** RoRo movements arriving at temporary storage locations. Hauliers, carriers and traders using a specific port would need to familiarise themselves with these models.

Hybrid models - HMRC are allowing the use of a mixed model at a border location provided customs controls under both models can be met. However, that is conditional on proving controls can be applied at, and are restricted to, a designated geographical area or berth.

Temporary storage and pre lodgement are mutually exclusive for legal reasons - it is not possible to put goods into temporary storage at pre lodgement places.

Accompanied vs unaccompanied - understand that question is around use of GVMS at locations using temporary storage being restricted to accompanied goods. This decision reflects the unique status of accompanied - unaccompanied cannot be stored at temporary storage facilities. We have confirmed that GVMS can be used for temporary storage accompanied only from industry feedback - we welcome further feedback and input from industry and ports to learn lessons here.

Port of Zeebrugge - this is extremely concerning. It is an illusion to think that the accompanied and unaccompanied flows have different needs or constraints and the individuals raising customs documentation will not know which port will process their consignments - cargo flows are extremely dynamic and a load planned for Calais-Dover could switch to Zeebrugge-Killingholme. People will expect temporary storage and get pre lodgement or vice versa. In a temporary storage port where pre lodgement can happen there are additional constraints that need to happen due to the CSPs at temporary storage

BE industry rep - I agree with above. The HMRC plans really restrict our ability to react to the market and it will be dependent on how the customer has lodged their formalities. The UK is a market which heavily depends on freight forwarders who are subcontracting, therefore potentially lots of problems.

BE customs - BE administration would like to see a level playing field on this - we understand why decisions were taken, but it seems strange that ports who were less prepared for Brexit have a more advantageous outcome than those who were ready. We do not think this is a fair principle but accept it is for the UK government to decide.

UK Major Ports Group - We agree with all comments made by our Belgian friends on this matter and have raised similar concerns with HMRC from the start. If this isn't a call for

reconsideration then we feel it would be too late - encourage taking this as an opportunity to rethink.

British Ports Association - Agree with above. It's not simply a case of industry "not liking" an option but there needs to be a recognition that these models will have consequences. Still waiting on a list of which ports will use which model - when will this be ready? And will there be customs process mapping for any of this?

HMRC response - <https://www.gov.uk/guidance/list-of-ports-using-the-goods-vehicle-movement-service>

Guidance exists on gov.uk on GVMS. GVMS digital team have expressed interest in going through demos to explain what they need to do for the end to end journey

UK Ports Group response - We need to be realistic - we can't expect a driver to read the BOM or watch a webinar - what resources will they have?

Part 1b - SPS

AFSCA (BE)

Normal BE model is to make SPS certificates at the point of exit - not sure if this will be possible in the UK model.

DEFRA (UK)

Have heard loud and clear the need for guidance and easy to digest products. We have a lot in the pipeline from the SPS side and will go via meetings like this to distribute along the length of the supply chains.

FEVIA (BE food association)

Concerns:

1. Health certificates and additional administrative burden as consequence
2. Lack of certainties over which EHC to use esp. Composite products
3. Digitisation
4. Ability for "trusted partner" scheme
5. Needing to know truck VIN on the EHC

Question from British Ports Association

Worried about staffing at BCPs based at ports

On the training front there are ongoing schemes to increase numbers of OV's and backup OV's

AFSCA question

Will there be a BCP in every port?

Answer - No

Recap of sessions

Date of next meeting will need to be discussed.

Officials only meeting

Jeroen (BE customs)

Event timing - we thought there'd be spare time this time but it was good that there was plenty to discuss.

Main concerns:

1. Border models - priority 1 - major concern - what are the possibilities to give the benefits of GVMS to unaccompanied? We are not hearing the end of it on the BE side!
2. Interoperability of IT systems - solution is good quality port community systems which can take data from both

HMRC response on transit

1. We do have good training material but would be helpful to have more - need to take lessons from what traders do and what they need
2. On haulier point- we have a lot of political impetus to work with them then ever before
3. Ports have always been a tricky one - we are really strictly limiting what we can say to public information - we have passed on feedback on this matter

BPDG - Need to understand that we are using Belgian models i.e. not talking exclusively about hauliers because ports like Zeebrugge use trailer operators not hauliers. They are often the same audience as discussed but using different routes so both models need to be talked about by UK officials.

(BE Belgium) - DfT were leading on hauliers until January and doing outreach in Poland and Romania. We have our own FCO informal group - most of it goes out on local radio in the local language.

Chair - To note that cargo is international – Ports of Zeebrugge and Antwerp will merge, including their IT systems which are already set up for international trade.

Agreement on next meeting - Agreed that an officials only call will take place to decide on best plans for communications over July and August. In any case - focus should be on SPS initially as that is most pressing for October.

Issues / Actions table

ID	Description	Follow up	Owner	Priority
Actions				
A-1	BPDG to work with HMRC to set up GVMS testing session with Belgian industry representatives	By 29/06/21	Luke Myers	Normal
A-2	Chair to meet with DEFRA, FASFC, BPDG and others to discuss dates and plans for meetings over summer	By 29/06/21	Luke Myers	Normal
A-3	Detailed guidance for hauliers/trader at their level i.e. not too long to be investigated by BPDG	By 29/06/21	Heather Jones	Normal
A-4	UK Government to clarify which ports will operate which model		Heather Jones to raise initially	Urgent
A-5	UK Government to clarify what happens in cases of route changes between ports operating different models and to release guidance about this		Heather Jones to raise initially	Urgent

A-6	HMRC and DEFRA customer journey mapping exercises to be logged and raised with BPLG	By 29/06/21	Heather Jones	Normal
A-7	BPDG to ensure BOM includes information for both accompanied and unaccompanied traders - reflecting the fact that many border users are both		Heather Jones	Normal
A8	BPDG to ensure a navigational guide is integrated into the BOM		Sam Wright	Urgent
Issues				
I-1	Port models - UK system is cause for “grave concern” as it is perceived to discriminate against unaccompanied freight by allowing accompanied RoRo to pre lodge at a temporary storage port, without offering the same facilitation to unaccompanied	Issue to be escalated as matter of urgency to seniors/ministers	HMRC	Urgent