

Trade Specialised Committee on Customs Cooperation and Rules of Origin

Minutes of the first meeting

Virtual/UK host, 7 October 2021

1. Opening remarks by the Co-Chairs

The UK and the EU Co-chairs welcomed participants to the meeting.

2. Adoption of the agenda

The agenda was adopted as final without changes.

3. Exchange of information on Party's respective customs regimes, including legislative developments

The UK updated on the Border Operating Model, the customs aspects of their Freeports proposals, and the Border 2025 Strategy alongside their ongoing engagement with the customs administrations of the Member States to facilitate Roll-on/Roll-off port traffic. The EU presented its Single Window Environment for Customs initiative and shared the objectives of their Customs Action Plan published last year. Both Parties agreed to further technical exchanges on these updates and to hold a technical meeting with the Commission and the Member States to address questions regarding the entry into force in the UK of full import customs requirements for goods imported from the EU as of 1 January 2022.

4. Preparation of Joint Guidance on Insufficient production as defined in Article 43 TCA

The Parties acknowledged that their respective guidance on insufficient production are consistent and agreed to further discussions on possibly developing a joint Interpretative Note – as set out in Article 121 of Chapter 5 (Customs and Trade Facilitation) of the TCA – on insufficient production. The EU explained that this should be done either as a decision or a recommendation and that it should be drafted in a legal language.

5. Discussion on Procedural aspects of rules of origin of the TCA

The EU raised issues regarding the application of the rules of origin, most of them related to the making out of statements on origin. The Parties agreed to discuss whether further guidance was necessary on Statements on Origin and on the operational usage of EORI numbers. The UK remained open to working with the EU on such issues, to improve guidance and to provide further explanations to businesses where the Parties decide it would be more effective than unilateral guidance.

6. Joint draft decision on the procedure for consultation in case where an importing Party denies the preference

The Parties agreed that they were near finalisation of the development of the procedure, as provided for by Article 63 of Chapter 2 (Rules of Origin) of the TCA. The last pending issue on Rule 5 (on the permitted period for approving consultation minutes) being just solved, it was agreed to start the internal procedures for adoption.

7. Technical adaptation of the Product-Specific Rules (PSR) annex to the 2022 update of the Harmonised System (HS)

The Parties agreed to the next steps to support the technical adaptation of the PSR annex to the HS update of 2022: the EU will share the first draft for the procedure, which both Parties will develop in upcoming technical exchanges. The Parties aim to adopt the technical amendments in the first half of 2022.

8. AEO Mutual Recognition

Joint AEO MRA Validation Visit exercise:

- a) Both Parties updated the committee on the completion of a joint Authorised Economic Operator (AEO) Mutual Recognition Agreement (MRA) validation visit, as committed to in Article 5, Annex 18 of the TCA.

AEO Automated Data Exchange IT system roll-out:

- b) The UK confirmed its expected delivery of the Automated Data Exchange for the UK-EU AEO Mutual recognition– as set out in Article 3, Annex 18 of the TCA – by the deadline of 31 December 2021, with current estimates for delivery being 30 November 2021.

9. Implementation of the Protocol on Mutual Administrative Assistance (MAA) on Customs Matters

Both Parties updated on their respective experiences in implementing the MAA Protocol, noting an increase in MAA exchanges since the beginning of the year. The UK encouraged the use of the Protocol to manage excise-related requests. The Parties agreed to exchange updated lists of contact points for the implementation of the MAA Protocol. They further agreed on the next steps to continue their productive cooperation thus far.

10. Future Customs Cooperation

As provided for by Article 103 of Chapter 5 (Customs and Trade Facilitation), the UK outlined potential scope for future cooperation regarding Single Trade Window, interoperability, exchange of information and how best to use data. The EU welcomed further discussions on these opportunities.

11. AOB: Active Cathode Materials

Parties agreed to further technical discussions on the definition of active cathode materials once the EU's internal consultations are complete. In the interim, in response to a request by the UK for information they could share with UK businesses, the EU clarified that the chemical rules are applicable to active cathode materials.

12. Conclusion and Next Steps

Co-chairs concluded the meeting and confirmed that the next Trade Specialised Committee should occur no later than Autumn 2022.

13. Closing Remarks

Co-chairs agreed on the draft operational conclusions for each agenda item.

Annex 1 – Participants of the First Meeting of the Specialised Committee on customs cooperation and rules of origin

UK Delegation (42 participants)

- UK Co-chair of the Trade Specialised Committee
- UK Government Officials from HM Treasury; HM Revenue & Customs; Cabinet Office; Department of Business, Energy, and Industrial Strategy; Department for Environment, Food and Rural Affairs
- UK Mission to the European Union Officials
- Scottish Government Officials
- Northern Ireland Executive Officials
- Welsh Government Officials
- Bailiwick of Guernsey Law Enforcement Officials
- Government of Jersey Officials

EU Delegation (45)

- EU Co-Chairs of the Trade Specialised Committee
- European Commission Officials
- Delegation of the European Union to the UK Officials
- Representatives of EU Member States