

**MINUTES OF THE BREXIT ARABLE GROUP MEETING, HELD ON MONDAY 11
FEBRUARY 2019 AT 21 ARLINGTON STREET, LONDON, SW1A 1RN**

Attendees:

Alex Waugh (AW) (chair) - **nabim**
Paul Rooke (PR) – AIC
Sarah Nightingale (SN) - GAFTA
Robin Manning (RM) - DEFRA
Tori Morgan (TM) - NFU
Angela Bowden (AB) - SCOPA
Chloe Lockhart (CL) - NFU
Ella Cole (EC) - Defra
Michelle Sarsfield (MS) - Defra
Christiana Millard (CM) - DEFRA
William Reay (WR) - DEFRA
Gareth Evans (GE) - DIT
Anne Francis (AF) - APHA
Sue Lowe (SL) - DCMS
Rachel Ademosu (RA) - HMRC

Michael Bellingham (MB) – PFMA
Joe Brennan (JB) - **nabim**
Ian Mace (IM) - AB Foods
Amanda Lyons (AL) - DEFRA
Jeremy Moody (JM) - CAAV
Angela Gibson (AG) - Glencore
David Eudall (DE) - AHDB
Catherine Pike (CP) - Defra
Andrew Leech (ALe) - DEFRA
Sarah Hugo (SH) - DEFRA
Jenny Rowntree (JR) - DEFRA
Rosie Anfield (RA) - DEFRA
Caroline France (CF) - DCMS
Dean Morgan (DM) - HMRC
Carla Jones (CJ) - HMRC

Joined remotely:

Cecilia Pryce (CP) - Openfield
Gordon Polson (GP) - FOB

Julian South (JS) - NFU
Lucrecia Matteri (LM) - ACFM

1) Welcome and introduction

- AW opened the meeting at 14.00. Participants were welcomed and introductions made.

2) Minutes of the previous meeting

- The minutes of the previous meeting were agreed as a true record.

3) Transitional agreement continuity - Catherine Pike (Defra)

- CP said she was unable to provide a substantive update but hoped that detail would emerge in the coming days.
- The government were trying to get as many continuity deals agreed as possible in time for March.
- Agreements had been signed with Chile, the Faroe Isles, Madagascar, Mauritius, Seychelles and Zimbabwe. Mutual recognition agreements had been signed with Australia, New Zealand and the United States. A trade agreement with Switzerland had been reached but not signed. There were ongoing discussions for agreements with other countries.

4) WTO Update - Robin Manning (Defra)

- RM provided an update on WTO negotiations.
- On 21 December the UK government announced its intention to enter Article 28 negotiations with countries that had a relevant principal supply interest. Approximately 25 countries had objected to the UK's submitted schedule. Most objections were related to the TRQ division.
 - The UK would enter negotiations with countries that could demonstrate they had a valid case. The deadline for this was 31 March 2019.
 - Defra wanted to engage with trade associations and discuss the objections and verify the data used to determine which countries had a valid case. Individual companies would also be welcome to attend.

- This would require a meeting as the data was sensitive and would not likely be emailed out. A meeting could be hosted at 21 Arlington Street if needed.

5) HMRC border/customs update - Elly Crockford (HMRC)

- EC gave an overview of day one roll-on roll-off (RoRo) arrangements in the event of no-deal.
- The new arrangements would enable RoRo ports to carry out customs controls, which would be particularly important for ports around Kent/Dover.
- The core principles of the short-term arrangements were to require declarations to be lodged electronically and in advance of goods arriving at the border. Routine, fiscal or other controls would then take place away from the border. The longer-term ambition would be to have an automated solution to make this quicker.
- RoRo locations do not have inventories and the importer would have to update the HMRC system to inform it that goods had physically landed in the UK. This would be done in conjunction with the system that customs declarations must be entered into.
- For goods arriving, the driver would need to provide evidence that the customs declaration was made. The majority of checks would be made inland.
 - IM asked whether the haulier needed a security designation. EC said this was being reviewed and an announcement would be made.
- Exporters could facilitate the process by uploading licenses as they submit the export declaration. Assuming they can progress, the goods move from exporters premises straight to the port.
- The Irish land border did not count as a RoRo border. The arrangements for the Irish border would be separately communicated when the government was able to do so.
- EC outlined the Common Transit Convention (CTC) which facilitates the movement of goods across borders of contracting states without the need for payment of duty and customs formalities to be carried out at the border. The UK was a member of this and it would continue to be in force after EU exit.
- EC outlined the package of day one easements which included transitional simplified procedures, intermediaries' liability and guarantee relaxations. (*Detail in presentation*).
- DM said detail would be published in coming weeks on how to apply for a duty deferment account.
- EC outlined the key actions for businesses. (*Detail in presentation*).
- EC outlined that customs declaration documents could be downloaded so businesses could see what data they would need to enter. EU exporters would be engaging with similar systems on their side and needed to ensure hauliers had the necessary paperwork. It was flagged that this would be challenging. EC said guidance was available in other European languages and work was being carried out with ferry operators and Eurotunnel to push out guidance to their customers.

6) IPR and OPR - Dean Morgan (HMRC)

- DM outlined the arrangements for IPR and OPR.
- The key point was that the requirement to provide a customs guarantee would be waived for one year, with a further 12 months notice before it would be reintroduced.

- No detail could be provided on how the regime would work in Ireland.
- Authorisation would take 30 days and businesses could apply before EU exit, using the normal application procedures.
- Any policy questions should be submitted to customs.specialprocedures&reliefs@hmrc.gsi.gov.uk.

7) RoO for agri-food products - Michelle Sarsfield (Defra)

- Defra had conducted analyses of trade data from 2015 - 17 looking particularly at agri-food products with MFN tariff rates above 3% and UK export values above £100,000 per year. 515/840 exported UK agri-food products were above this threshold.
- From these analyses it was concluded that bilateral cumulation with trading partners was essential and diagonal cumulation between UK, EU and 3rd countries was essential for many UK agri-food products.
- Defra would test the observations to check if any assumptions were incorrect or if there were any product-specific issues.
- Defra officials would be getting in touch with specific questions for some sectors.

8) Personal data compliance - Sue Lowe (DCMS)

- SL presented an overview of the effect of a no-deal Brexit on personal data transfer.
- Even in the event of no-deal, GDPR would be brought into UK law and there would be no change to rights afforded to data subjects.
- The UK did not expect an adequacy decision by the Commission to be in place by immediately after 29 March, meaning action would be needed to avoid disruption to personal data flows in the event of no-deal.
- Businesses would need to identify international personal data flows.
- The UK was seeking agreements with countries that had data agreements with the EU.
- Guidance from the Information Commissioner (ICO) would be shared with businesses.
- It was flagged that UK businesses were struggling with a range of preparations in advance of 29 March and engagement on this subject may be slow.

9) No-deal preparations

- Food manufacturer trade associations were investigating how best to provide no-deal guidance and how to deal with practical problems as they occur. One approach would be for businesses to examine product journeys and the potential issues that could occur, so a library of answers could be developed.
- It was agreed that it would be useful to pool information.
- It was suggested that a starting point would be for BAG members to send a list of issues to AW, which could then be compared with other sector groups so duplication would be minimised before questions were submitted to government departments. These could be accompanied with a risk grading.

Action: BAG members to submit information on potential practical problems that would affect trade of crops and their products to AW.