

**Information for Industry in respect of changes to procedures in respect of the regulations covered by European Commission Regulation 1221 /08 amending European Commission Regulation 1580/07 and others.**

**What is this change in connection with?**

The Regulation concerned changed the number of commodities subject to Specific Marketing Standards (SMS) and introduced the concept of a General Marketing Standard (GMS). The regulation comes into full operational effect from the 20th July 2010. The Horticultural Marketing Inspectorate (HMI) part of the Rural Payments Agency Inspectorate (RPAI) is empowered to enforce the Standards in England and Wales.

**Wasn't this changed last year?**

On the 1st July 2009 the new regulation came into effect and initial changes were made to both operational procedures and IT systems to ensure that the essential and key parts of the regulation could be enforced and that previous operational methods and procedures were no longer in effect. The changes to be made on the 20th July bring the new regulation fully into effect in England and Wales.

**What are the key areas to be changed?**

There are four main areas of change. These are:-

- 1) The start of limited and random checks on produce subject to the GMS at import point.
- 2) The start of the Approved Trader Status scheme (ATS) for Importers.
- 3) Improved Risk assessment of companies within England and Wales,
- 4) Improved and clearer enforcement forms.

**Are HMI going to start to check all GMS consignments at Import point?**

No. Defra, following consultation with Industry have agreed that only a random sample of GMS produce will be checked at Import stage. A method has been agreed which will allow for a 1% selection of produce by the HMRC CHIEF system. Following selection the goods will be held by HMRC on HMI behalf and not released into free circulation until the Importer or their Agent has made an application into the PEACH system and the goods inspected by HMI staff and a subsequent release given. However if necessary some goods from particular countries or from particular importers or particular products may be subject to a higher rate of check should there be a need.

These checks will start with the introduction of the new HMI profiles on CHIEF. The PEACH helpdesk will be available to help traders with any queries resulting from this.

The rate for random samples will initially be set as one rate only of 1%. This will be reviewed periodically and the use of other rates considered. However, every effort will be made to work with industry to rectify any problems identified before considering other rates.

**What rates would these be at and why would they happen?**

Two further proposed rates are 5% and 20%. These higher rates would be used for a very small minority of produce where other factors such as poor quality have previously been identified in a particular product. However it is anticipated that the raised profiles would be in place for a very short period. The vast majority of goods will only be subject to a 1% check. However, as pointed out in the paragraph above every effort will be made to work with industry to rectify any problems identified before considering other rates.

**What is this Approved Trader Status scheme (ATS) for Importers?**

One of the measures in the Regulation allows for Importers to self certify their own consignments. This is being carried out in the UK through Importers who wish to do this being allowed to apply for an Approved Trader Status. Once the agreed criteria for this status have been met by the company they will then get immediate release of their consignments at Import point, apart from occasional random checks.

**What are these criteria for Approved Trader Status?**

Firstly the scheme is only open to Importers who can demonstrate that they have

- Record of good compliance with the regulations.

- Training in place for their staff.
- Records of inspections having been carried out on their goods showing appropriate corrective action.
- Suitable facilities

Secondly, the scheme only applies to the imports of commodities subject to the Specific Marketing Standards and not to the General Marketing Standard commodities. Additionally:

- The status will be given for a finite length of time (3 years).
- The company will be subject to regular checks and audits .
- Checks of their QC records (against PEACH entries) + inspection of any fresh produce available on site at the time of the visit.
- There will be occasional random conformity checks by HMI at import point.
- There will also be an annual review of the company.

Finally:

- The status can be withdrawn if the company subsequently fail to meet the criteria concerned.
- Where companies start to fail to meet the criteria they will be warned prior to the status being removed.

### **So what are the benefits of this Approved Status then?**

Although Importers will continue to have to make a PEACH Application, it will mean that:

- Goods will not be subject to the normal Risk Assessment process.
- Instead they will be automatically cleared to a green status and through the ALVS system released to free circulation by HMRC.
- So goods should receive Customs clearance within a few minutes of the application having been entered onto PEACH.
- This means a significant deregulation of procedures through the Import procedure.

### **How will I be able to apply for this status?**

You should contact your local Regional HMI whose contact details can be found at:

<http://www.rpa.gov.uk/rpa/index.nsf/UIMenu/95EBB68A3E4940FC8025712A00439A1C?Opendocument>

The Regional inspector will then guide you through the process.

### **What is this Improved Risk Assessment of companies within England and Wales?**

The HMI are improving the software that allows them to decide which company's to visit in the course of their work. This means that

- Incountry risk assessment system (ICRAS) will be more efficient and responsive.
- There will be increased visits to companies with a poorer compliance record and decreased visits to better companies.
- More accurate in our assessment of Risk.
- Better targets HMI enforcement to companies that need visits.
- Reduces the inspection burden on Industry where it is not needed.

This means that there will a reinforcement of the risk approach to enforcement work and that Industry can directly affect the number of visits that take place by looking to continually improve the standard of the produce that they import and sell and ensuring that they abide by the necessary regulations. The better the standard of compliance, the fewer the number of visits from HMI inspectors.

### **HMI are improving the enforcement notices as well?**

Yes, the main enforcement notices are moving to a standard format with a two page design. This should mean that there is greater clarity of information for recipients which together with the explanation from the inspector will mean that they will have a better understanding of where problems have been found, how to bring consignments back into conformity with the regulations and how they can improve their record and risk assessment.

### **When does this all happen?**

The Go Live for these changes is the 20<sup>th</sup> July. If you have any questions please contact your local HMI inspector or Regional inspector.