

To: Customers of GEMU Valves Ltd. within the UK

18<sup>th</sup> January 2019

## **Planning for the UK Exit from the European Union**

### GEMU Statement of Position - Issue No. 2

This revision to our statement of position dated November 2018 is issued to update our customers on the current position.

GEMU Valves Limited in UK relies on supplies from our German EU factory for materials that you purchase from us. Our business systems operate as part of the GEMU Group "Penta" Online Software Order Processing system. Orders are placed into our system and transferred directly to the German factory system, who assemble, pack and ship products to customers directly in UK. Goods are usually not handled via our GEMU UK offices in Warrington, except in some situations where we ship items from our stocks here.

Recent news on the rejection of the governments Brexit deal with the EU has caused deep political turmoil in the UK and front-page news around the world. We hold every hope that a Brexit deal with the EU is achieved by our government in the short time now left to complete an agreement before the deadline on 29 March 2019.

However, GEMU are prepared that in the event of a "No deal Brexit" we will need to apply the same methods of handling the import of goods from Germany as we would today for the current import of goods from Non-EU countries. The same general procedures would apply. At present it is still the detail we do not yet know.

Our GEMU factory in Germany already trade with scores of countries worldwide who are outside the European Union so systems are already in place to similarly handle trade to UK on World Trade Organisation (WTO) terms when the UK leaves the EU - with or without a Brexit deal.

The GEMU "Brexit" working group has been active to become able to handle the situation and to prepare our business systems in advance to handle the transit to a full Brexit phased from 29 March 2019. At the moment, due to the UK/EU negotiations not being finalised, we have ourselves no finalised strategy formulated to handle the change as the circumstances are still not yet known.

However, we are preparing measures for WTO Customs requirements for the import of goods from Germany to UK:

- We have an Economic Operator Registration and Identification (EORI) registration number GB344053873000 so we are able to import under this registration.

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- We are working with Fedex and GLS to sustain a robust import administration system for deliveries to UK. These companies will handle:
  - Digital entry of goods for Customs certification from Germany.
  - Freight control and costs.
  - VAT payments via Bank Guarantee.
  - Payment of any Import duties on our behalf.

We are also preparing for:

- The impact of any duties and handling charges on current prices of our products to the UK market.
- Reacting to delivery delays at Customs from our German factory to our customer's sites.
- Assessing UK stocks of products to mitigate delays.

Please rest assured that as far as GEMU is concerned we are trying our very best to reduce the effects of the exit from the EU. What happens in the next two months is yet unknown, but at least we are strengthening our position in preparation for these major changes to our trading.

Should the situation change we will contact you again.

For further information – the following UK Gov website link is of interest. This is an updated link since our last statement: [UK Gov website link - Preparation for Brexit.](#)

With the very best of greetings from your GEMU team.

Yours sincerely,



**Steve Orton, BA (Hons)**  
Managing Director

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