

To: Customers of GEMÜ Valves Ltd. within the UK.

27-02-2020

The United Kingdom has left the European Union

GEMÜ Statement of Position - Issue No. 4

Dear Sir/Madam,

This revision to our statement of position No 3 dated July 2019 is issued to update our customers on the current status from our perspective.

The United Kingdom has now left the European Union.

The departure agreement finalised by the new Conservative government was signed by the UK and the EU, and the UK has now left the EU. During the next months there are now discussions to finalise the trade and commercial terms between the UK and the EU post Brexit. The deadline set by the UK government is 31 December 2020, although this can be extended. During this transition period the UK will work and comply with EU rules and trading as before. Therefore the next staging point for potential agreement or change will be the end of 2020.

As indicated in our previous statements, GEMÜ are prepared that in the event of the UK not agreeing terms of trade with the EU by 31 December 2020, the UK will apply the same methods of handling the import of goods from the EU as we would today for the current import of goods from Non-EU countries on World Trade Organisation (WTO) terms. The same general procedures would apply.

GEMÜ 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 GEMÜ 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 the UK. Goods are usually not handled via our GEMÜ UK offices in Warrington, except in some situations where we ship items from our stocks here.

Our GEMÜ 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 from the EU to the UK on agreed or WTO terms. The GEMÜ "Brexit" working group in-house has been actively preparing to handle the situation and to prepare our business systems in advance to handle any change in business terms from 31 December 2020.

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We all hope for a fair and equitable trade agreement with the EU, 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.
- 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.
- Any GB£/Euro exchange rate movements that could affect prices in GB£.
- Alleviation of delivery delays at Customs from our German factory to our customers sites.
- Required UK stocks of products to mitigate any delivery delays.

Please rest assured that as far as GEMÜ is concerned we are trying our very best to prepare for the agreed outcomes of the trade negotiations and to implement them. What happens in the next 10 months will decide the future trading methods, but at least we are strengthening our position in preparation for any changes to our trading.

Should the situation change we will contact you again.

For further information – the following UK Government website link is of interest. This is a further updated link since our July 2019 statement: [UK Gov website link – The transition following Brexit.](#)

With the very best of greetings from your GEMÜ team.

Yours sincerely



Steve Orton, BA (Hons)
Managing Director

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