

8th November 2018

Planning for the UK Exit from the European Union

GEMU Statement of 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.

We hold every hope that a Brexit deal with the EU is achieved by our government. However, 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 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 when it leaves the EU - with or without a Brexit deal.

The GEMU management team have considered the potential consequences of Brexit on the supply to our customers in the UK and have established a working group 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:

- **Customs requirements for the import of goods from Germany to UK.**
 - Registration with appropriate authorities.
 - A robust import administration system via import handling agent.
 - Handling customs certification.
 - Handling of charges.
 - Handling of VAT including Triangulation issues where required.
 - The handling of import duties.
- **Assessing the impact of any duties, VAT and handling charges on current prices of our products to the UK market.**
- **Reducing delivery delays at Customs from our German factory to our customers 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 mitigate the effects of the exit from the EU. What will be thrown at us over the next months is 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.

[UK Gov website link - Trading with the EU after no deal Brexit.](#)

With the very best of greetings from your GEMU team.

Yours sincerely,



Steve Orton, BA (Hons)
Managing Director