

BREXIT

The Transition Period for the UK to leave the European Union will end on 31st December 2020. As of 31st October, the EU and UK have not reached any agreement on trade so the UK will trade as a third country from the 1st of January 2021.

Teknek has for some time been developing a robust plan to ensure its business continues to grow irrespective of whatever agreement was or is reached between the UK and the EU. The new trade will be subject to customs controls and importation taxes/duties, which will affect traders, importers, exporters and logistics suppliers alike.

Until the end of 2020, Teknek supplies products free of tax under the Commodity or HS Customs codes;

| 29051200 | Wipe made of non-woven micro fibre rectangle soaked in 70% isopropyl alcohol solution with water |
|----------|---|
| 48114190 | Self-adhesive rolls of paper and film which collect the contaminants from customers process, used within our machines |
| 84439199 | Parts and accessories of printing machinery used for printing by means of plates, cylinders and other printing components of heading 8442 |

This commodity number is written on our invoices and delivery notes, as well as the country of origin, which is the UK.

Our EORI code also appears on our invoices: GB108306736000

The incoterm (2020) for all sales shall be Ex-Works or DAP.

For Ex-Works, all export and import costs, duties, insurance and taxes are the responsibility of the customer.

For DAP terms, as Teknek does not have any subsidiary in the EU we cannot pay and collect VAT/TVA in the EU, nor can we be considered as 'Importer of record'. Customs clearance needs to be completed by the buyer ('Importer'), including any customs duties and VAT/TVA. Teknek will assume any export costs (clearance, brokerage costs). When dispatching the goods, our team will handle all the relevant paperwork to get through Customs, such as the Delivery Note and Invoice. We will take care of the export customs clearance process with our freight agent. Teknek's customer service team will send these documents for you to arrange customs clearance and import of goods from your end. When cleared, the EU customs will allow our forwarder to deliver the goods to your plant.

WORLD LEADER IN CONTACT CLEANING

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At present, there is little that is certain relating to Brexit and the customs systems and procedures so we are expecting some disruption to the logistics channels which will impact not only goods going to and entering from EU countries but also goods to and from all other countries. The new procedures are likely to create some traffic congestion at the beginning of 2021. This will obviously be out of either of our controls.

Teknek distributors have increased their stockholding of common parts, especially in Europe, **but we strongly** recommend you forecast your requirements and place your next orders as soon as you can for delivery before 31st of December.