



October 10, 2019

BREXIT: ITALMATCH CHEMICAL'S READINESS

Dear Valued Customer,

As promised, we would like to update you on our activities concerning Brexit as it appears at this time of writing.

As you may know, the United Kingdom has decided to leave the European Union, invoking the procedure in Article 50 of the Treaty on European Union. Unless the decision is withdrawn or the period is extended, this will become effective from 1st November 2019.

As the withdrawal agreement has not yet been approved by the parties, the Commission also called on Member States to refrain from entering into bilateral agreements, arrangements and discussions with the United Kingdom out of a joint EU decision. As a result of such an uncertain scenario; Italmatch Chemicals SpA can assure our commercial partners that we have adopted the actions recommended by both the European Commission and the UK Government to mitigate any adverse consequences of a no deal as well as general withdrawal. That is:

I) Italmatch Chemicals Group is registered at the national customs agencies where they operate and can perform extra EU UK trading. In addition, we are already registered with EMCS where applicable.

II) Italmatch Chemicals Group have put in place all the actions in UK and out of UK to be able to continue their trading inside, outside and in transit UK, that means:

-installed proper **stock management platforms** to guarantee their clients along the expected contingency time (no deal) as well as along the defined transition time, at least up to 31/12/2020 (soft Brexit)

-opened of **AEOF certification** in order to minimize the impact of customs controls at check points from EU to UK and streamline the customs operations, in conformity with the EU Commission guidelines. The AEOF will facilitate the trading model by taking advantage of all running mutual recognition agreements within both Entry and Exit Summary Declarations



-**selected operators with all the customs authorizations** aimed at facilitating the logistic processes in an international context

-entered a **Transitional Simplified Procedure and Duty Deferment Account Agreement** with the UK government in order to expedite customs clearance at check points.

III) Italmatch Chemicals group is monitoring and ready to apply all the national and EU contingency temporary measures that will be set within the 31st October 2019 in case of a hard Brexit, such as:

- A Regulation to ensure temporarily, for 12 months, the provision of certain air services between the United Kingdom and the EU27 Member States, allowing air carriers from the United Kingdom to fly across the territory of the Union without landing, make stops in the territory of the Union for non-traffic purposes, and perform scheduled and non-scheduled international cargo air transport services. This is subject to the United Kingdom conferring equivalent rights to carriers from the union (Hard Brexit).

- ITC operators, in line with the EU Contingency plan application, will be allowed, temporarily to carry goods from the United Kingdom into the Union, provided the United Kingdom confers equivalent rights to Union road haulage operators and subject to conditions ensuring fair competition. This will be possible in the case in which the EU proposal, to allow temporarily, **for 9 months**, access for road haulage operators licensed in the United Kingdom to the carriage of goods by road between the territory of the latter and the EU27 Member States will be actualized on reverse by UK as well.

- **DUAL USE SUBSTANCES:** To facilitate controls on the export to the United Kingdom of dual use items as of the withdrawal date if the Withdrawal Agreement is not ratified, and to ensure the good functioning of the export authorization regime for all EU27 Member States, the Commission has adopted a proposal for a Regulation to add the United Kingdom to the list of countries for which a general authorization to export dual-use items is valid throughout the EU. Italmatch Chemicals SpA is following this plan as well.

- **REGULATORY AND REACH:** Italmatch Chemicals SpA is strictly following the ECHAS indications with reference to the validation of the actual registered substances and, at the moment, in order to be in compliance with REACH regulation, Italmatch UK Ltd will in fact either appoint an Only Representative or Importer within the EU-27/EEA.

In the case of a soft Brexit or an extension ruled by Art. 50 , **Italmatch Chemicals SpA** is ready to adopt **all the transition time based resolutions** already detailed and included in the official document **celex52018pc0833_annex_it**, synthesized (for customs and trading)



in the sections **pages 531-545** and **pages 551- 553**, the document being a consequence of the EU Celex deference to the various member states.

We will keep you updated about any deviation from this last action plan at any time we have an update form EU commission as well as from the Set Governmental National Brexit office.

Your faithfully,

Brexit Project Team