



15th January 2021

Dear Valued Customer,

On 30th December 2020, the UK and EU signed the Trade and Cooperation Agreement (TCA) which sets out the future rules and procedures for the trading of goods and services between both parties, effective from 1st January 2021.

MICC are committed to making the transition to these new post-Brexit trading rules as straightforward and seamless as possible for our European customers and partners and ensure you we are still here to supply your MI Cable, Temperature Sensor and Trace Heating requirements from the UK.

In this letter we will try to address the key points we believe will be concerning many customers today with the most up to date information and guidance we have received from the UK Government. As this is a new process for us all the information may change and be updated in the coming weeks. If at any point there are changes we believe change the guidance we have given in this letter we will update you promptly.

1. Shipping Terms and Process

MICC will continue to ship goods using the same shipping methods and terms we have previously used.

Export customs clearance, and any associated local charges for goods leaving the UK, will be the responsibility of MICC, unless a shipment is collected Ex-Works.

Import customs clearance, and any associated local charges or taxes, will be the responsibility of the receiver, although we anticipate any local costs to be minimal.

2. Paperwork

From 1st January 2021, all shipments leaving MICC to customers in Europe will be sent with Commercial Invoices which will be required for the goods to clear customs in the receiver's country. For shipments sent via courier, invoices will be sent to the courier electronically for customs clearance (e.g. DHL, UPS, FedEx). For shipments sent via road or air freight, invoices will be emailed directly to the customer the following working day after the shipment has been collected from MICC.

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3. Import Duty

The first key point from the TCA is that all goods traded between the UK and EU, when goods are of UK or EU origin, will not be subject to Import Duty. This means, €0 duty will be payable when you import goods of UK origin from the UK.

However, if you purchase goods from the UK which are not of UK or EU origin (for example, a product which is sourced by MICC on your behalf from USA), MICC are legally required to state the country of origin of the goods on your commercial invoice and the same duty would be applicable as if you bought the product directly from a US supplier. This is unusual, but could be possible for specific projects. The rate of duty would depend on the product commodity code and origin of the goods and can be checked with your local shipping company.

4. Import VAT

As is the case with all imports from non-EU countries today, Import VAT will be applied to imports received from the UK in EU countries. The rate of VAT will be your current domestic VAT rate (typically approx.. 20%). We believe this will be reclaimable via your usual VAT process as it is in the UK. We would recommend clarifying this point with your local government and tax officials if required.

An important point to note is that Import VAT is NOT a sales tax, and no sales tax will be applied to goods by MICC at the point of sale.

5. Other Import Charges

There may be charges incurred by the receiver of goods for local customs clearance. Unfortunately, these charges will vary country by country and MICC cannot advise on specific local costs. We would recommend seeking advice from local shipping companies on this point to understand if any charges will be applicable when you import goods from the UK.

If there are any additional charges or unforeseen obstacles when importing goods purchased from MICC, please advise us at the earliest opportunity and be assured our experienced team will work with you to resolve any issues promptly and ensure you can continue to receive the excellent level of customer service you received pre-Brexit.

Yours faithfully,
Michael Fitzpatrick
General Manager & Director

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