

19 January 2018

EUROPEAN UNION AND UNITED KINGDOM-BASED NOTIFIED BODIES

Certification Management Limited ("CML") is pleased to make the following statement in relation the expected exit by the United Kingdom ("UK") from the European Union ("EU") in 2019.

CML is a market-leading UK-based Notified Body supplying testing and certification services against the EU ATEX Directive, in addition to a range of other international standards. At present, it is a requirement for a Notified Body certifying against EU standards to be based in an EU or EFTA member country. The UK is currently negotiating its exit terms with the EU which we expect will include transitional and long term, trade and mutual recognition arrangements covering a range of matters relating to product safety and certification. During this period of negotiation, there is an understandable concern about the validity of existing EU certificates once the UK exits from the EU and the ability of a UK-based Notified Body to issue new ones thereafter. However, there is a similar concern about non-UK based manufacturers being able to sell products in the UK, which may be subject to a new regulatory and compliance regime and which may require certification to be undertaken by a UK-based certification body.

To enable us to maximise our own growth in relation to certification activities in Europe, we have decided to increase our direct presence there through the establishment, last year, of a new, wholly-owned, subsidiary company located in Europe. Our application for EU Notified Body status for that new company is well underway. In parallel, we recognise that the UK, post-exit from the EU, along with the rest of the world will have, or continue to have, separate regulatory regimes that will require supporting. In that regard, our activities are expected to remain unchanged but product manufacturers should consider whether their existing EU-27 based Notified Body will have the legal capacity to meet UK certification requirements.

We expect that ATEX certificates issued by the CML group will remain valid beyond the UK's exit from the EU and our current status as an EU Notified Body remains unchanged. As transitional arrangements with the EU become determined in detail, we will identify the appropriate certification strategy for each of our customers individually. Some customers may see no changes, whilst others may have their certification transferred to our new EU Notified Body or have future work undertaken by it. In any event, it will be largely the same team as today that will provide our certification services.

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For the avoidance of doubt, the invoking of Article 50 of the EU Treaty specifies a two year period for discussions regarding separation from the EU that may affect all UK Notified Bodies and EU Notified Bodies beyond exit. However, throughout this period the UK remains part of the EU and as such all our business activities within it remain unchanged.

As an international business we are accustomed to managing regulatory changes. We want to see a transparent certification framework for all our clients, wherever they trade, that minimises costs and maximises flexibility and we are adapting our own activities accordingly. Inevitably in periods such as this there may be messages of uncertainty and fear being promulgated by those with vested interests. We won't do that. As our customer and partner, your interests and ours are aligned.

Should you require any further information please let us know. We can be reached on +44 (0)151 559 1160 or info@cmlex.com.

A handwritten signature in purple ink, appearing to read 'M D Shearman', followed by a long horizontal line.

M D Shearman

Managing Director

Certification Management Limited Group