



The Big Hole or Kimberley Mine, South Africa  
One of the largest hand-dug holes in the world

# Conflict-free Diamonds



## Kimberley Process Certification Scheme

Ensuring fair-trade  
in rough diamonds

For more information, visit [www.kimberleyprocess.com](http://www.kimberleyprocess.com) or Kimberley section on [www.gjepc.org](http://www.gjepc.org).

You may also contact KP Department at GJEPC's Mumbai and Surat offices.

Mumbai: Tower B, BE1010A, BDB, G Block BKC, Bandra (E), Mumbai – 400051. E-mail [kp@gjepcindia.com](mailto:kp@gjepcindia.com),

Tel: 022-26544600/26544711/712/713/714.

Surat: 401 – A, International Commerce Centre, Near Kadiwala School, Ring Road, Surat 395002.

E-mail: [surat@gjepcindia.com](mailto:surat@gjepcindia.com), Tel: 0261-2209000 / 2209016, Fax: 0261-2209040.



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### KPCS: Overview

In 1998, a group of non-governmental organizations, Global Witness (GW), Partnership Africa Canada (PAC) etc. first brought to the world's attention the fact that rebel groups in Angola, Sierra Leone, Liberia, DR Congo were selling, among other things, illegally obtained diamonds – known as conflict diamonds – to fund their wars against legitimate and internationally recognized governments.

The UN Sanctions were placed on these countries. As described in relevant United Nations Security Council (UNSC) resolutions no. 1173 / 1176 / 1306 / 1343, “Conflict Diamonds” means rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments.

The world diamond industry immediately began cooperating with the United Nations and engaged with governments and leading NGOs to seek ways to halt the trade in conflict diamonds. After 2 years of extensive meetings and negotiations, the final draft of the Kimberley Process measures were ratified by more than forty nations (with EU as one group) in November 2002 at Interlaken.

The Kimberley Process Certification Scheme (KPCS) came into effect from 1st January, 2003 and today it has evolved into an effective mechanism for stopping the trade in conflict

diamonds. Essentially, this scheme will ensure that official exports of rough diamonds from producing/trading countries are dispatched in tamper-proof containers and accompanied by unforgeable KP certificates. Only countries with reciprocal arrangements would be able to trade in rough diamond consignments.

*Ensuring that official exports of rough diamonds from producing/trading countries are dispatched in tamper-proof containers and accompanied by unforgeable KP certificates.*

The tireless efforts of governments, industry leaders and civil society representatives have helped to ensure that the horrors caused by conflict diamonds come to an end.

Diamond experts estimate that conflict diamonds now represent a fraction of one percent of the international trade in diamonds, compared to estimates of up to 5% in the 1990s.

The Kimberley Process Certification Scheme is an innovative tripartite system involving Governments, Industry Coalition (WDC) and Civil Society Coalition (CS) that imposes extensive requirements on Participants to certify that shipments of rough diamonds are free from conflict diamonds.

Currently, the Kimberley Process is composed of trading entity of Chinese Taipei and 54 Participants (incl. EU-28 as one group), together accounting for approximately 98% of the world trade in rough diamonds.

*Diamond experts estimate that conflict diamonds now represent a fraction of one percent of the international trade in diamonds, compared to estimates of up to 5% in the 1990s.*

## List of KP Participants as on 1st November, 2014

Angola	Guyana	Russian Federation
Armenia	India	Sierra Leone
Australia	Indonesia	Singapore
Bangladesh	Israel	South Africa
Belarus	Japan	South Korea
Botswana	Kazakhstan	Sri Lanka
Brazil	Laos	Swaziland
Cambodia	Lebanon	Switzerland
Cameroon	Lesotho	Tanzania
Canada	Liberia	Thailand
Central African Republic **	Malaysia	Togo
China	Mali	Turkey
Congo (DRC)	Mauritius	Ukraine
Congo (ROC)	Mexico	United Arab Emirates
Côte d'Ivoire	Namibia	United States of America
European Union	New Zealand	Venezuela *
Ghana	Norway	Vietnam
Guinea	Panama	Zimbabwe

For updated list of KP participants, visit [www.kimberleyprocess.com](http://www.kimberleyprocess.com)

#### NOTE:

The rough diamond-trading entity of Chinese Taipei has also met the minimum requirements of the KPCS.

\* The Bolivarian Republic of Venezuela has voluntarily suspended exports and imports of rough diamonds until further notice therefore the Bolivarian Republic of Venezuela cannot trade in rough diamonds.

\*\* The Central African Republic has been temporarily suspended. No exports and imports of rough diamonds are allowed until further notice.

Following countries can not trade in rough diamonds until further notice and approval by KPCS.

\*In April 2014 UN Sanctions of export of rough diamonds have been lifted for Ivory Coast.

\* The Bolivarian Republic of Venezuela has voluntarily suspended exports and imports of rough diamonds until further notice therefore the Bolivarian Republic of Venezuela cannot trade in rough diamonds. (Refer DGFT notification no. 30 dated 13th August 2008 on [www.dgft.gov.in](http://www.dgft.gov.in) or [www.gjpec.org](http://www.gjpec.org))

\* The Central African Republic has been temporarily suspended since May 2013 due to reports of control of diamond mine areas by rebel groups in the country. No exports and imports of rough diamonds are allowed until further notice. (Refer Chair's notice dated 23rd May on [www.kimberleyprocess.com](http://www.kimberleyprocess.com))

Trade members need to take precautions and take above into notice while dealing in rough diamonds. Also, trade members can take assistance of Kimberly department at GJEPC's Mumbai and Surat office for verification of authenticity of certificate before actual import in case of suspicion.

## Trade in Rough Diamonds & “System of Warranties”

The Kimberley Process Certification Scheme requires that each shipment of rough diamonds being exported and imported by crossing an international border be transported in a tamper-resistant container and accompanied by a validated Kimberley Process Certificate by the government of the respective countries.

In order to strengthen the credibility of the KP agreement as well as to provide means by which consumers might more effectively be assured of the origin of their diamonds, the WFDB & World Diamond Council proposed that the industry create and implement a "System of Warranties" for diamonds.

Under this system, which has been endorsed by all Kimberley Process participants, all buyers and sellers of both rough and polished diamonds must make the following affirmative statement on all invoices

"The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantees that these diamonds are conflict free, based on personal knowledge and / or written guarantees provided by the supplier of these diamonds"

### Working Groups and Committees

The Vice Chair of KP is selected for one year and it automatically becomes Chair next year. The Intersessional and Plenary meetings are organized in the Chairing country during the year of Chairmanship.

There are different committees and working groups looking after the smooth functioning of Kimberley Process in participating countries

with respect to monitoring and internal control, statistical data collection, technical issues etc. The Chairs of the working groups other than CPC are till date permanent in nature. The outgoing Chair country becomes the Chair of CPC in the next year of its Chairmanship as a norm. The different Working Groups and Committees are –

WORKING GROUP	MAIN AREA
Working Group on Monitoring (WGM) :	Monitoring & Internal Controls, etc
Working Group on Statistics (WGS)	Statistical data submission & analysis, etc
Working Group on Diamond Expert (WGDE) :	Technical Issues, Foot printing, HS Classification, etc.
Working Group on Alluvial Artisanal Production (WGAAP)	Issues faced by diamond producing countries, etc.
Committee on Rules and Procedures (CRP)	Functioning of KP, Procedures to be followed for conducting meetings and adoption of documents & decisions in KP, etc.
Committee on Participation & Chairmanship (CPC):	Scrutiny of new Participants, selection of Vice Chair etc. The KP Chairing country becomes Chair of CPC next year on completion of the term, etc.

## India's commitment to Kimberley Process Certification Scheme

As a largest manufacturing centre and major importer of rough diamonds, India has a unique position in between Producers of rough diamonds and Consumers of cut & polished diamonds.

Kimberley Process Certification Scheme (KPCS) was implemented in India from 1st January 2003.

The Government of India vide its communication No.12/13/2000-EP(GJ) dated 13 November, 2002 designated the Gem and Jewellery Export Promotion Council as the Importing and Exporting Authority within the meaning of Section IV (b) of the Kimberley Process Certification Scheme.

The system of verification and issuance of KPC is administered from the Mumbai and Surat offices of GJEPC and the Offices of Development Commissioners at Surat-SEZ, Visakhapatnam SEZ, Hyderabad SEZ and SEEPZ-SEZ.

Government of India (Ministry of Finance – Central Board of Excise and Customs) issued Circular No.53 of 2003-Cus dated 23rd June, 2003 informing all field formations of Customs about the Kimberley Process Certification Scheme and procedure to be followed for export / import of rough diamonds.

India was Chair of Kimberley Process for the year 2008 and MoC&I, New Delhi has been actively involved in the working of KPCS. In a calendar year India issues more than 3000 certificates for export shipments and endorses



more than 25000 certificates for import shipments.

India is member of all the working groups (WGM, WGS, WGDE) and committees (CPC, CRP) in KP except for WGAAP.

India invited two Review Visits in 2004 and in 2010 to study the implementation of KP in the country. India also participated in the RV to other countries (Armenia, Belarus, Ukraine, Botswana, Mauritius, EU, Switzerland, USA, Lesotho) to oversee their implementation.

The importance of KPCS is immense to India looking at the fact that more than 1 million people directly employed by the industry and has an exports of around USD 20 billion of cut & polished diamonds.

The procedure of KPCS is governed by the Customs Circular no. 53 of June 2003 given at Annex - 1.



*To complete the procedure of GJEPC following documents are required. Also please refer to the format of application for import / export given at Annex – 2 and format for Stock Declaration at Annex - 3.*

**FOR IMPORT:** The documents to be submitted to the Council

1. The Application for import (As per format in Annex - 2)
2. Xerox copy of KP Certificate for endorsement
3. Copy of Import Invoice with declaration
4. Copy of House Airway Bill
- 5 DD / Cheque for KP Processing Charges
  - a) FOR MEMBERS - Demand draft for Rs.910/- (processing charge Rs. 500/-+ Courier charges Rs.310/- + service Tax 12.36%) drawn in favour of The Gem & Jewellery Export Promotion Council.
  - b) FOR NON-MEMBERS - Demand draft for Rs.2034/- (processing charge Rs.1500 + courier charges Rs.310/- + service tax 12.36%) drawn in favour of The Gem & Jewellery Export Promotion Council.
6. A copy of Import Export Code (IEC Copy) for the first time and as and when called for due to amendments in address etc.
7. Stock declaration for FY on annual basis (As per the format in Annex -3)

**FOR EXPORT:** The documents to be submitted to the Council

1. The Application for export (As per format in Annex - 2)
2. Copy of Export Invoice duly signed by proprietor/partner/director
3. Proof of source of diamonds being exported. Local Purchase or Imported under KP. (import invoice or KPC copy/ Purchase invoice containing statutory declaration).
4. Reason letter for export of rough diamond.
- 5 DD / Cheque for KP Processing Charges
  - a) FOR MEMBERS - Demand draft for Rs.910/- (processing charge Rs. 500/-+ Courier charges Rs.310/- + service Tax 12.36%) drawn in favour of The Gem & Jewellery Export Promotion Council.
  - b) FOR NON-MEMBERS - Demand draft for Rs.2034/- (processing charge Rs. 1500 + courier charges Rs.310/- + service tax 12.36%) drawn in favour of The Gem & Jewellery Export Promotion Council.
6. A copy of Import Export Code (IEC Copy) for the first time and as and when called for due to amendments in address etc.
7. Stock declaration for FY on annual basis (As per format in Annex -3)

Units located in Special Economic Zones in Mumbai, Surat, Hyderabad and Vishakhapatnam can contact 'Office of the Development Commissioner' in their jurisdiction for KPCS.



23rd June, 2003  
F. No. 314/33/2002-FTT  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

### **Sub: Kimberley Process Certification Scheme (KPCS) for Rough Diamonds– Implementation-Reg**

I am directed to invite your attention to the notification No. 21/2002-07 dated 26-12-2002 issued by the Directorate General of Foreign Trade (DGFT) amending Paragraph 2.2 of the Export and Import Policy to provide that no import or export of rough diamonds shall be permitted unless the shipment parcel is accompanied by Kimberley Process (KP) Certificate required under the procedure specified by the Gem and Jewellery Export Promotion Council ( GJEPC). Please also refer to the subsequent notification No. 23/2002-07 dated 10-1-2003 issued by the DGFT enabling acceptance of “ Letter of Comfort” as an alternative to Kimberley Process Certificate for a period of two months only beginning 1.1.2003, as a transitional arrangement. The Ministry of Commerce and Industry, vide their letter No. 12/13/2000-EP (G &J) dated 13-11-2002 have designated GJEPC as the “Importing and Exporting Authority” within the meaning of Section IV (b) of the Kimberley Process Certification Scheme ( KPCS).

2. The international certification scheme for rough diamonds entitled: “Kimberley Process Certification Scheme” was adopted in a Ministerial meeting held at Interlaken, Switzerland, on 5th November, 2002. India is a signatory to the Interlaken Declaration. The Scheme has been evolved to deal with the issue of conflict diamonds which are basically rough diamonds whose trade is prohibited by the United Nations Security Council because, the proceeds of that trade are used by rebel movements and their allies to finance conflicts aimed at undermining legitimate governments. The details of the Scheme are available at website address [www.worlddiamondcouncil.org](http://www.worlddiamondcouncil.org) or [www.kimberleyprocess.com](http://www.kimberleyprocess.com)
3. KP Certificate is a forgery resistant document with a particular format (a sample copy enclosed) which identifies a shipment of rough diamonds as being in compliance with the requirements of the Certification Scheme ( ie KPCS). The KP Certificate contains the title “ Kimberley Process Certificate”, country of origin, the certificate number, date of issuance, date of expiry, issuing authority, the details of importer and exporter, carat weight/mass, value in US\$, number of parcels in shipment, relevant HS code and validation of Certificate by the Exporting authority. Further, it may also have additional details such as quality, characteristics of rough diamonds in the shipment etc.
4. In order to comply with the requirements of KPCS, each shipment of rough diamonds on import and export has to be accompanied with a KP Certificate and the procedure for implementation of scheme shall be as under:-

## Imports

(a) The imported consignment of rough diamonds is to be accompanied by a Kimberley Process Certificate (KP Certificate) and usual trade and import documents, generally required in such trade transactions. The importer shall also give necessary instructions to the suppliers that the original of the KP Certificate, issued by the appropriate/designated Authority of the exporting country, is placed inside the parcel and the certificate number is replicated on the container. On or before arrival of the consignment/parcel, the importer or his authorised representative, shall present a copy of the KP certificate and other related documents, such as airway bill, Invoice, Packing list etc, to the GJEPC for verification and certification. The GJEPC will scrutinize the documents and if found in order, will make the following endorsement on the copy of the KP certificate.

“ Verified and signed the documents and the declaration in the Invoice and KP Certificate are found in order”.

(b) The importer/CHA shall present the KP Certificate endorsed by GJEPC alongwith the required import documents while filing the Bill of Entry for seeking clearance of the rough diamonds. The importer shall declare the KP certificate Number and date on all the copies of the Bill of Entry below the precise description of the goods. The Bill of entry will be assessed as usual after physically examining 25% of the consignment subject to minimum of one lot. Customs will endorse the copy of the KP Certificate verified by GJEPC to the effect that goods have been cleared vide Bill of Entry No. \_\_\_ dated \_\_\_ and retain the original. The authorised representative of GJEPC will collect all the original KP Certificates retained by the Customs at 6.00 PM on each working day and the copy of the KP Certificate (endorsed by GJEPC) which was filed with the Bill of Entry will be handed back to the importer/CHA.

## Exports

(c) The export parcel shall be accompanied by the ‘KP’ Certificate issued by GJEPC. In view of this, the exporter or his authorised representative shall present the Packing List of rough diamonds to be exported, alongwith the Invoice, to the GJEPC for obtaining the KP Certificate. The designated official of GJEPC, after due scrutiny, will issue KP certificate in triplicate having running serial number imprinted on each such copy under seal and signature (all the copies will have the seal and signature in original). One copy will be retained by GJEPC & two signed copies will be handed over to the exporter or his representative. The exporter/CHA shall present the Shipping Bill, Invoice, Packing List etc. alongwith two copies of the KP Certificate. The exporter shall declare the KP Certificate number and date on all the copies of the Shipping bill below the description of the goods. The original of the KP Certificate shall be placed in the export parcel before presentation to the Customs and the security slip having running imprinted serial number given by the GJEPC shall be affixed on the parcel. The Customs will open all consignments, verify the original KP Certificate kept in each Export Parcel with the Duplicate of the KP Certificate, and physically examine only 25% of each consignment, subject to minimum of one lot. After examination of the goods, the parcel will be sealed by Customs ensuring that the original KP Certificate is placed inside the parcel. One copy of the KP Certificate will be attached to the original copy of the Shipping Bill while another copy will be handed over to the exporter. The exporter will forward one copy of the KP certificate to the foreign

alongwith the shipping documents for facilitating the clearance of the goods at the destination.

(d) All other procedures for clearance of import-export consignments of rough diamonds will remain unchanged. It is clarified that clearance of import and export consignments of rough diamonds will not be permitted by the Customs unless such consignments are accompanied by the KP Certificate as mentioned in the preceding paragraphs.

5. The above procedure shall also apply mutatis mutandis to EOU/SEZ units in the case of physical import and export of rough diamonds. The clearance for physical import and export of rough diamonds by the units under EOU/SEZ Schemes may be allowed only when such import and export consignments of rough diamonds are accompanied by “KP” Certificates. .

6. In case a rough diamond consignment is not accompanied by a KP Certificate, but otherwise in order, the importer in India may be given seven working days to arrange for the original KP Certificate for clearance of the said import consignment. If the importer is not able to submit the Original KP Certificate within the said period of seven working days, the goods would be sent back to the Exporting Authority ( i.e the certifying authority) of the country of origin. All formalities in this regard would be completed by the GJEPC and cost of such shipment would also be borne by the GJEPC.

7. In case of import of rough diamonds through personal baggage, when specifically allowed under export promotion schemes like EOU/ SEZ, the above said procedure will apply mutatis mutandis provided that the rough diamonds have been declared to the Customs authorities at the port of departure as well as port of arrival and other documents such as invoice, payment receipt etc are produced to the Customs at the airport on arrival by the passenger. In case the rough diamonds become liable for confiscation under section 111 of the Customs Act for any contravention, the goods should be absolutely confiscated by Customs.

8. It may also be kept in mind that under KPC Scheme, goods are not always physically inspected by the certifying authority at the time of issuance of KP Certificate. Similarly, Gems and Jewellery Export Promotion Council is also not physically inspecting the export consignment before issuing the KP certificate. Therefore, this aspect should be kept in mind while inspecting the import and export consignments.

9. Wide publicity may be given by issue of a Public Notice in this regard.

10. Kindly acknowledge receipt of this Circular.

11. Hindi version will follow soon.

**C. P. Goyal**  
**STO (FTT)**  
**Phone 011-23093859**



**10 Years of stemming the flow of  
conflict diamonds.**

## **Annexure - II**

### **ON THE LETTERHEAD OF THE APPLICANT**

APPLICATION FOR ENDORSEMENT OF KIMBERLEY PROCESS CERTIFICATE FOR EXPORT / IMPORT OF ROUGH DIAMONDS FROM INDIA

To,  
The Gem & Jewellery Export Promotion Council,  
(Mumbai or Surat address of GJEPC)

Date :

Dear Sir,

We are enclosing herewith application for issuance of Kimberley Process Certificate for export / import of rough diamonds from / into India as per the details given below :

Online Application Reg. No.	:-
Online Application Entered by	:-
Membership No. if applicable	:-
Country of Destination / Provenance	:-
Importer's Name & Address	:-
Invoice No. / Date	:-
(Copy of Invoice enclosed )	
H S Code No.	:-
Number of Parcels	:-
Carat Weight / Mass	:-
Value in US \$	:-
Country of Origin	:-

#### **DECLARATION**

"The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantee that these diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds."

#### **Stamp and Signature of**

**Partner / Director / Proprietor / Authorised signatory**

Encl: For Export: Copy of duly signed Export Invoice / Copy of import KPC / Local Purchase invoice / Reason for export.

Encl: For Import: Clear photo copy of KP certificate / Copy of signed import Invoice / Copy of Airway bill.



### Annexure - III

**ON THE LETTERHEAD OF THE APPLICANT -  
Duly certified by the Chartered Accountant for non-member of GJEPC**

To,  
The Gem & Jewellery Export Promotion Council,  
(Mumbai or Surat address of GJEPC)

Sub. : Stock Declaration of Rough Diamonds for the Period.....

Opening stock of Rough as on 1st April	Carats
Imports under Kimberley Process	
Local Purchase with declaration	
Sub Total – A	
Local Sale with declaration	
Used for Manufacturing	
Exports under Kimberley Process	
Others, please specify	
Sub Total – B	
Closing Stock of Rough as on 31st March (A+B)	

"The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantees that these diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds."

IEC NO. :

PAN NO.

Stamp and Signature of Partner / Director

/ Proprietor / Authorised signatory

Stamp and Signature of Chartered Accountant

**You may also contact KP Department at GJEPC's Mumbai and Surat offices.**

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Tel: 022-26544600/26544711/712/713/714.

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