



## Institutional Framework

1 The authorized body of the KPCS is the ministry of Economic development and investments of RA on behalf of Mr. Suren Karayan- the Minister of Economic development and investments, Mrs. Lusine Nazaryan - Kimberley Process Executive. Address: 5 M. Mkrtchian, Yerevan, 0010, Republic of Armenia Tel: (+374 11) 59-72-63, Fax: (+374 11) 52-65-77

2 The authorized body of the KPCS is the Ministry of Economic development and investments of RA. The Import and Export Authorities are:

Mr. Armen Nalbandyan (e-mail: [analbandyan@mineconomy.am](mailto:analbandyan@mineconomy.am)),

Mrs. Lusine Nazaryan (e-mail: [lnazaryan@mineconomy.am](mailto:lnazaryan@mineconomy.am)),

URL: [www.mineconomy.am](http://www.mineconomy.am)

Address: M. Mkrtchian 5, Room 407, Yerevan, 0010, Republic of Armenia.

## Legal Framework

1. As stipulated by the second paragraph of the **Government Decree of the Republic of Armenia from December 19, 2002 # 2081-N** on “Accession of the Republic of Armenia to the Kimberley Process”, the Government of the Republic of Armenia decides:

- To adopt the regulation on implementing the measures in compliance with the requirements of the “Kimberley Process certification scheme” and the certification form according to the annex.

**The Government Decree of the Republic of Armenia from April 23, 2003 # 505-N** regulates the export and import of rough diamonds, issuance of certificates, internal controls collection and exchange of official production, import and export data. The third paragraph of the Government Decree of the Republic of Armenia # 505-N defines that the Chief of the State Customs Committee of RA takes control over the import and export of diamonds, but not mounted or set (HS 710210000, 710221000, 710231000) covered by the Kimberley Process Certificate. The second paragraph of the Regulation of the same Decree defines that the import of diamonds to the RA can be realized only in existence of Kimberley Process Certificate issued by the exporting country. That means that the export and import of any shipment of diamonds not corresponding to the requirements of KPCS will be considered as smuggled goods and the penalties will be imposed according to the provisions of the Criminal Code of RA (Article 215) and the Customs Code of RA (Articles 183, 198, 200-203).

2. Taking into consideration the experience of previous years and for the improvement of the registry/confirmation of KP Certificates certain amendments took place in the Government Decree of the Republic of Armenia # 505-N.

**The Government Decree of the Republic of Armenia from February 10 2005 # 212-N** was adopted making amendments in the Government Decree of the Republic of Armenia # 505-N.

**Paragraph 8 of Government Decree of the Republic of Armenia from February 10 2005 # 212N states:**  
“*The representative of the authorized body should be present in the custom clearance process of importing and/or exporting of rough diamonds. The Customs informs the authorized body beforehand about the place and date of custom inspection for imported and/or exported rough diamonds. The shipment of imported rough*”



confirmed” seal is set on the KP certificate.”

In parallel to the mentioned amendments, the authorized body of KPCS undertook amendments in the “Law on Licensing” of the Republic of Armenia were amended on May 25, 2005. The following types of activities are subject to simplified licensing: “Purchase and sale, import and export and transportation of diamonds under HS Code 710210000, 710221000, 710231000 natural diamonds, whether or not worked, but not mounted or set”.

Correspondingly, the “Law on State Duty” of the Republic of Armenia was amended either, particularly “the annual state duty for purchase and sale, import and export and transportation of diamonds is set at a thousandfold rate”.

After legislative changes the internal control mechanism has been changed and presently the imports are not realized without possessing activity license in the territory of RA. These amendments will improve the full implementation of KPCS in Armenia.

## **Import and Export Regime**

### **Outgoing shipments**

1. The export of diamonds from the Republic of Armenia can be realized only by the existence of the “Kimberly Process Certificate” issued by the authorized person. *The export can be realized only by licensed companies/individuals.* The export can be realized only to the “Kimberly Process” member states. In order to receive the “Kimberly Process Certificate” for the export of diamonds from RA the applicant should present to the authorized person an *application; documents for verifying the country of origin/import for exporting diamonds (the copies of the import agreement and “Kimberly Process Certificate” issued for the import of exported amount of raw material); a reference letter on exported raw material (export country, organization (name, address, telephone number), the price of exported diamonds (USD), HS code.* In order to receive the “Kimberly Process Certificate” for the first time, the applicant must present a reference letter on rough diamonds leftover/stock.

- The KP certificate fulfils the security features and requirements set out in Annex I of the KPCS document. (The Technical description of the KPC RA was represented to the KP Secretariat in 2002).

- The Republic of Armenia doesn't possess any diamond mine, that's why rough diamonds are only imported to RA. In order to be sure that rough diamonds have been handled in accordance with the KPCS, the exporting company must present documents on legal import (KP Certificate, invoice, contract, purchase documents).

*-The export of rough diamonds from RA is sealed in a tamper proof container together with the original of KP Certificate.*

*-The exporting authority sends advance notice of shipments by e-mail to the relevant Importing Authority containing information on the carat weight, value, country of origin or provenance, importer and the serial number of the Certificate.*

*-The Exporting Authority records all details of rough diamond shipments on a computerized database.*

### **Incoming shipments**



-The import to Armenia can be realized only by licensed companies/individuals.

-On receiving the rough diamonds the Importing Authority sends a confirmation of receipt to the relevant Exporting Authority.

- In case of import of diamonds the representative of the authorized person participates in the process of the opening and examining of the parcel. Thus the representative ensures that rough diamonds are placed in tamper resistant containers together with Certificate. The details of the Certificate are recorded on a computerized database.

- The originals of KP Certificates are kept in the Ministry of Economic development and investments of RA through importer's written consent until the date defined by KPCS. After the expiry of that date the Certificates will be returned to the importer.

*- We generally receive prior notifications of rough diamond shipments by e-mail.*

*-We do verify that the seals and the container have not been tampered with and that the export was performed in accordance with the Scheme*

*- The content of an incoming shipment and the information declared on the certificate are checked in the Customs Office in presence of the representative of the Authorized person. In case of suspect experts are involved in the checking process.*

*- We do send the return slips back to the relevant Exporting Authority once a month.*

No cases of violation of KPCS were registered in the Republic of Armenia.



## ANNEX-I

### Checklist of Minimum requirements for Certificates according to ANNEX I of the KPCS Document

|  |     |
|--|-----|
| Each Certificate bears the title "Kimberley Process Certificate" and the following statement: "The rough diamonds in this shipment have been handled in accordance with the provisions of the Kimberley Process Certification Scheme for rough diamonds" | YES |
| Country of origin for shipment of parcels of unmixed (i.e. from the same) origin   | YES |
| Certificates issued in English or English translation is incorporated  | YES |
| Tamper and forgery resistant   | YES |
| Date of issue and expiry   | YES |
| Issuing authority  | YES |
| Identification of exporter and importer  | YES |
| Carat weight/mass  | YES |
| Value in US\$  | YES |
| Number of parcels in shipment  | YES |
| Relevant Harmonized Commodity Description and Coding System  | YES |



## ANNEX-II

### TEMPLATES TO PROVIDE STATISTICS

Based on the templates/tables available on the KP Statistical Website

**TABLE - 1 : OVERVIEW OF PRODUCTION - IMPORT - EXPORT DURING THE LAST 5 YEARS.**

| Period | Production  |             |          | Import      |               |          | Export      |               |          |
|--------|-------------|-------------|----------|-------------|---------------|----------|-------------|---------------|----------|
|        | Volume, cts | Value, US\$ | US\$/cts | Volume, cts | Value, US\$   | US\$/cts | Volume, cts | Value, US\$   | US\$/cts |
| 2018   | 0           | 0           | 0        | 364,341.51  | 52,206,679.45 | 143,29   | 157,509.55  | 10,568,602.43 | 67,098   |
| 2017   | 0           | 0           | 0        | 318,529.13  | 57,098,316.00 | 179,256  | 142,994.59  | 16,616,813.69 | 116,205  |
| 2016   | 0           | 0           | 0        | 282,104.85  | 57,736,595.07 | 204,663  | 18,900.44   | 9,608,329.04  | 508.36   |
| 2015   | 0           | 0           | 0        | 153,236.85  | 37,263,930.90 | 243,178  | 23,973.65   | 956,217.59    | 39,886   |
| 2014   | 0           | 0           | 0        | 126,355.80  | 62,214,564.26 | 492,376  | 41,579.21   | 10,626,790.83 | 25,557   |

Source: Data from Participant's Statistical Tables from WGS Website

**TABLE - 2 : OVERVIEW OF KPC COUNT FOR IMPORT - EXPORT DURING THE LAST 5 YEARS.**

| PERIOD | KPC Counts |        |       |
|--------|------------|--------|-------|
|        | IMPORT     | EXPORT | TOTAL |
| 2018   | 121        | 44     | 165   |
| 2017   | 138        | 55     | 193   |
| 2016   | 144        | 26     | 170   |
| 2015   | 128        | 14     | 142   |
| 2014   | 153        | 34     | 187   |

Source: Data from Participant's Statistical Tables from WGS Website