



KIMBERLEY PROCESS
CERTIFICATION SCHEME
European Union
Annual Report
2015



This Annual report is submitted by the European Union in accordance with Section VI, par. 11 of the KPCS Document, and in line with the Administrative Decision on Peer Review. The structure of this report follows the Annual Report Template endorsed by the 2014 Guangzhou Plenary based on the Administrative Decision on Peer Review.

A. Institutional Framework

Part A: Constant

1. Overall responsibility: The authority with overall responsibility for the implementation of the KPCS in the European Union and for ensuring that the relevant European legislation is applied throughout the EU is the European Commission. The full address and names of contact persons are given below:

European Commission (FPI)

EEAS

B-1049 Brussels

Belgium

Tel: +32 2 295 2858

Fax: +32 2 299 0873

e-mail: EC-KIMBERLEY-PROCESS@ec.europa.eu

data reconciliation requests: reconcile-eu-kp-statistics@jrc.ec.europa.eu

Contact persons (address as above):

Mr Joris HEEREN

Tel: +32 2295 88 29

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Mr Damian LLUNA

Tel: +32 2298 7045

e-mail: vicente-damian.lluna-taberner@ec.europa.eu

Ms Katharine SHEPHERD

Tel: +32 2299 85 57

e-mail: katharine.shepherd@ec.europa.eu

Ms Vanessa VALCKE

Tel: +32 2299 00 75

e-mail: vanessa.valcke@ec.europa.eu

Ms Sofie VAN BERGEN
Tel: +32 2296 02 42
e-mail: sofie.van-bergen@ec.europa.eu

2. Import and Export Authorities: Under the terms of the relevant legislation (see B. Legal Framework), each Member State of the European Union can designate an '**EU Authority**' (formerly a 'Community Authority') at the national level acting as the importing and exporting authority for the purposes of the EU. As of 2015, seven EU Authorities operate in the European Union. Every import of rough diamonds must first be verified by an EU Authority and the same Authorities issue the EU KP certificates on export. The contact details of the seven EU Authorities, including the names of contact persons, are given below:

1. EU Authority in Belgium:

Federal Public Service of Economy
Italielei 124, bus 71
B-2000 Antwerp
Belgium
Tel: +32 (0)2 277 54 59
Fax: +32 (0)2 277 54 61 or +32 (0)2 277 98 70
e-mail: kpcs-belgiumdiamonds@economie.fgov.be

Contact persons:

Ms Frieda COOSEMANS
Tel: +32 (0) 2 277 99 00
e-mail: frieda.coosemans@economie.fgov.be

Ms Anja WAEM
Tel: +32 (0) 2 277 99 19
e-mail: anja.waem@economie.fgov.be

(NB: the EU Authority in Belgium currently issues certificates numbered from EU 500,000 upwards)

2. EU Authority in Bulgaria

Ministry of Finance
International Financial Institutions and Cooperation Directorate
102, G. Rakovski str.
Sofia, 1040
Bulgaria
Tel. (359-2) 98 59 24 00/98 59 24 01
Fax. (359-2) 98 59 24 02
Email: ific@minfin.bg

Contact persons:

Ms. Gergana Beremska – Director of International Financial Institutions and Cooperation Directorate, Ministry of finance. G.beremska@minfin.bg

Ms. Galina Papusheva - Head of Department, International Financial Institutions and Cooperation Directorate, Ministry of finance. G.papusheva@minfin.bg

Mr. Vasil Ivanov - Chief expert, International Financial Institutions and Cooperation Directorate, Ministry of finance. V.ivanov@minfin.bg

Mr. Strahil Gornishki - Chief expert, International Financial Institutions and Cooperation Directorate, Ministry of finance. S.gornishki@minfin.bg

Tel: +359 2 98 59 24 14

(NB: The EU Authority in Bulgaria issues certificates numbered from EU 462001 to EU 463000)

3. EU Authority in the Czech Republic

General Directorate of Customs (Generální ředitelství cel)

Budějovická 7

140 96 Praha 4

Czech Republic

Tel: (420-2) 61 333 841/ 61 333 541 cell: (420-737) 213 793

Fax: (420-2) 61 333 870

e-mail: diamond@cs.mfcr.cz

Contact persons:

Ms Petra NEUMANOVA

e-mail: p.neumanova@cs.mfcr.cz

Mr Erik Vagner

e-mail: e.vagner@cs.mfcr.cz

New!!!

Permanent service at designated custom office - Praha Ruzyně

Mondays to Fridays (7:30am - 15:30pm) on Tel. (420-2) 220 113 788

Saturdays, Sundays + rest (15:30pm – 7:30am) on Tel. (420-2) 220 119 678

e-mail: j.sachl@cs.mfcr.cz; m.fafejta@cs.mfcr.cz

(NB: The EU Authority in the Czech Republic issues certificates numbered from EU 460001 to EU 461000)

4. EU Authority in Germany

For the issuing and validation of Community Certificates:

Hauptzollamt Koblenz

- Zollamt Idar-Oberstein –

Zertifizierungsstelle für Rohdiamanten

Hauptstrasse 197

D-55743 Idar-Oberstein
Germany

Contact person:

Mr Jürgen BENDER
Tel. + 49 6781 56 27 31
Fax: + 49 678 156 2719
e-mail: poststelle.za-idar-oberstein@zoll.bund.de

For all other issues:

Generalzolldirektion
- Direktion VI -
Recht des grenzüberschreitenden Warenverkehrs/Besonderes Zollrecht
Krelingstraße 50
D-90408 Nürnberg
Germany

Contact persons:

Mr Alexander KOPOLT and Ms Manuela KRAUS

Tel: +49 911 376-3754
Fax: + 49 911 376-2273
e-mail: DVIA3.gzd@zoll.bund.de
(NB: The EU Authority in Germany issues certificates numbered from EU 450001 to EU 460000)

5. EU Authority in Portugal

Autoridade Tributária e Aduaneira
Direção de Serviços de Regulação Aduaneira
R. da Alfândega, 5
1149-006 Lisboa
Tel: +351 218813888/9
Fax: +351 218813941
E-mail: dsra@at.gov.pt

In Portugal the controls of imports and exports of rough diamonds required by this Regulation and the customs treatment will only be done at:

Alfândega do Aeroporto de Lisboa
Aeroporto de Lisboa,
Terminal de Carga, Edifício 134
1750-364 Lisboa
Tel: +351 210030080
Fax: +351 210037777
E-mail address: aalisboa-kimberley@at.gov.pt

Contact persons:

Cristina Almeida Carvalho

Email: Cristina.almeida.carvalho@at.gov.pt

(NB: The EU Authority in Bulgaria issues certificates numbered from EU 463001 to EU 464000)

6. EU Authority in Romania

Autoritatea Națională pentru Protecția Consumatorilor (National Authority for Consumer Protection)

Direcția Metale Prețioase și Pietre Prețioase și Proces Kimberley (General Department for Precious Metals, Precious Stones and the Kimberley Process)

Bd. Aviatorilor Nr. 72, sectorul 1 București, România,
(72th Aviatorilor Bvd., sector 1, Bucharest, Romania)

Cod postal (Postal code) 011865

Tel: (40-21) 318 46 35 / 312 98 90 / 312 12 75

Fax: (40-21) 318 46 35 / 314 34 62

e-mail: office@anpc.ro

website: www.anpc.gov.ro

Contact persons:

Ms. Ioana VIZITIU

e-mail: ioanavizitiu@anpc.ro

Ms Andra RAPANU

e-mail: andrarapanu@anpc.ro

Mr Constantin RAGEA

e-mail: constantinragea@anpc.ro

(NB: The EU Authority in Romania issues certificates numbered from EU 461001 to EU 462000)

7. EU Authority in the United Kingdom

Government Diamond Office
Foreign and Commonwealth Office

King Charles Street

London SW1A 2AH

United Kingdom

Tel. (44-207) 008 6903/5797

Fax (44-207) 008 3905

E-mail: KPUK@fco.gov.uk

Contact persons:

Ms Gail Johnson

Email: Gail.Johnson@fco.gov.uk

Mr Mark Wenban

Email: Mark.Wenban@fco.gov.uk

In the United Kingdom the verification of imports is conducted by Border Force (Her Majesty's Revenue & Customs), Tel: HMRC advice line +44 (0)300 200 3700

(NB: The EU Authority in the United Kingdom issues certificates numbered from EU 400001 to EU 404500)

B. Legal Framework

Part A: Constant

The legislation providing the basis for implementation of the KPCS in the EU is Council Regulation (EC) No 2368/2002. The Regulation is directly effective in all 28 EU Member States. It is amended as needed, in order to deal with amendments to the list of Participants and also in order to update details of the EU Authorities.

Information on EU KP implementation can be found on the website http://eeas.europa.eu/blood_diamonds/

The full up-to-date text of the Regulation can be accessed at:

<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1428496229709&uri=CELEX:02002R2368-20141029>

Part B: Variable

1. There was one amendment to the Regulation in 2015:

(i) Commission Implementing Regulation (EU) No 1374/2015 of 7 August 2015 regarding the inclusion of Portugal in the list of EU KP Authorities.

In this context, national regulations setting mechanisms and administrative provisions for the implementation of the Regulation were modified substantially in 2015 in Portugal. A Law, a General Ordinance and a Customs General Director Order were adopted to allow for the creation and the functioning of the Portugal EU KP Authority.

2. Guidelines

In order to raise awareness to EU KPCS implementation among EU customs authorities and EU companies, the European Commission will publish in 2016 revised *Guidelines on Trading with the European Union (EU) - A practical guide for Kimberley Process Participants and companies involved in trade in rough diamonds with the EU*

http://eeas.europa.eu/blood_diamonds/docs/guidelines-on-trading-with-the-european-community-012014_en.pdf

C. Import and Export Regime

Part A: Constant

The twenty-eight EU Members States implement import and export requirements relating to the KPCS via seven EU authorities.

C/1 Outgoing shipments

To obtain an EU Kimberley Process certificate for export, the exporter must first provide one of the seven EU Authorities conclusive documentary evidence that the diamonds to be exported were legally imported into the Union. This may involve an export declaration and/or providing invoices from the original import certificate onwards.

The Union authority may accept as conclusive evidence of lawful import into the Union a signed declaration by the exporter to that effect, if the exporter is a member of a diamond organisation implementing the system of warranties and industry self-regulation referred to in Article 17 of the Regulation.

Before issuing an EU certificate, the Union authority may decide to physically inspect the contents of the consignment.

Advance notice of shipments by e-mail (Recommendation 19) is sent, depending on the EU Authority, either to all the importing authorities or to the authorities of those Participants that request it. No changes occurred to this practice in 2015.

The Union authorities in London and Idar-Oberstein systematically send advance notice of shipments by e-mail containing information on the carat weight, value, country of origin or provenance, exporter, importer and the serial number of the Certificate to the importing authorities of participants. The Union authority in Antwerp sends this information to all those Participants that have made a respective request. To India, China and Hong Kong, the union authority in Antwerp sends pre-notifications by use of a secured server. The Union authorities in Prague and Sofia systematically send advance notice of shipments by e-mail containing information on the serial number of the Certificate and date of its issue to the importing authorities of participants.

C/2 Incoming shipments

Importers or economic operators can freely choose a point of entry at an external border of the EU for the import of rough diamonds. However, every import of rough diamonds must first be verified by an EU authority, who check if the content of a container matches the particulars on the corresponding certificate.

After verification by the EU authority, the goods are submitted to the relevant national customs authorities for regular customs procedures.

To facilitate the uniform application of EU customs and tariffs legislation by the customs services of each Member State, the EU created the Integrated Tariff of the Community (TARIC, Tarif Intégré de la Communauté) and a Combined Nomenclature (CN) in 1987. TARIC is an electronic system that indicates all customs duties or commercial policy measures applicable to any given product. Its use is

obligatory in customs declarations in trade with third countries. If rough diamonds are declared at any Union customs authority for release for free circulation into the European Union, TARIC automatically flags the existence of a trade restriction (electronic warning screen) and refers to Council Regulation (EC) No 2368/2002, which specifies the applicable rules.

Industry Self-Regulation

Part A: Constant

The EU implements the Industry self-Regulation by two EU authorities (Antwerp and London) allowing members to use the “fast track” procedure for obtaining a KP-certificate on export. Organisations representing traders in rough diamonds which have established a system of warranties and industry self-regulation for the purposes of implementing the KPCS may apply to the European Commission to be included in Annex V of Regulation 2368/2002 and thereby make use of this procedure. The organisations are required to provide independently audited declarations of compliance. The EU Authorities in Antwerp and London have provided the European Commission with reports on their assessment of the functioning of the system of industry self-regulation in accordance with Article 17(5) of Regulation (EC) No 2368/2002. The EU authorities also keep updated lists of the member organisations and report to the European Commission. All relevant information on the KP is regularly communicated to the bourses.

E. Statistics

All details of rough diamond shipments are recorded on a computerized database and reported to the European Commission as the KP authority on a monthly basis. The EU has set up a system built around a computerized database to facilitate the collection and quality assessment of the data of the EU’s competent authorities.

The EU has submitted statistical reports on its quarterly trade and certificate counts for all quarters of 2015 within the deadlines set by the KPCS document. Updates for EU data for 2014 were also submitted on the basis of results of conciliation exercises concluded in the meantime.

The EU has been an active member in the KP-WGS since the inception of the KPCS. In 2015 and as a part of requirements from this participation, the EU prepared the Statistical Analysis Reports for Brazil (2014), Cambodia (2014), Lesotho(2014), Liberia(2014), the Russian Federation (2014), Ukraine(2014) and The United Arab Emirates (2014).

In 2015 the EU continued its efforts to improve the quality of the collected data: since August 2015, the exchange of KPCS data within the EU is done by means of ADAMAS, a system that provides immediate feedback on the uploaded data. Furthermore, it continued to develop and implement a semi-automatic methodology for carrying out reconciliation exercises.

The EU also expects to keep the KP-WGS updated on lessons learnt from these reconciliation exercises.

F. Implementation of recommendations of Kimberley Process Review Visits and/or Review Missions

The EU hosted a review visit from 21-25 September 2015. The review visit team was led by India and furthermore consisted of experts from the Democratic Republic of Congo, the Russian Federation, South Africa, the United Arab Emirates, the United States of America, the World Diamond Council and the KP Civil Society Coalition. At the end of 2015, the EU had not received a draft-report on the review visit.

H. MISCELLANEOUS

Follow-up to previous annual report assessment (recommendation to reconcile the differences between data reported in the 2014 EU Annual Report and on the WGS website).

Differences between data reported in the 2014 EU Annual Report and on the WGS website, are a consequence of the EU undertaking regular reconciliation efforts with other participants.

In general, the EU updates its data twice a month or after a reconciliation exercise with important changes.

Best practices

Twice a year the EU carries out a check to verify whether the data in the central database still matches the data present in the contributing databases.

Mindful of the fact that data reported on the WGS website is regularly corrected as a result of reconciliation, a reference date is included in this report fixing the status date of the statistical data reflected in Annex II, thereby indicating that the data is subject to change after this date.

Recommendations

The EU would like to propose to better communicate and follow-up on changes in details of KP focal points: These changes cause problems of miscommunication between Participants and often result in misunderstandings and confusion.

The same holds for the outcome of reconciliation exercises that often are not reflected in the data of the EU's partners.

ANNEX I

Table 1: OVERVIEW OF THE EU IMPORT AND EXPORT DURING THE LAST 5 YEARS.

Status on Tuesday 26th April 2016

	Import			Export		
Period	Volume, cts	Value, US\$	US\$/cts	Volume, cts	Value, US\$	US\$/cts
2015	104,127,431.79	11,797,350,557.27	113.30	96,755,232.93	11,534,524,860.95	119.21
2014	118,975,484.41	15,804,352,936.35	132.84	116,017,784.75	15,701,889,450.18	135.34
2013	131,271,728.57	17,426,206,589.44	132.75	128,085,667.73	17,610,295,651.80	137.49
2012	124,820,892.52	16,784,721,818.01	134.47	126,822,181.43	17,813,702,085.36	140.46
2011	133,780,871.29	18,565,208,387.54	138.77	129,488,440.22	18,542,148,946.01	143.20

Table 2: OVERVIEW OF OF THE EU KPC COUNT FOR IMPORT AND EXPORT DURING THE LAST 5 YEARS.

Status on Tuesday 26th April 2016

	KPC Counts		
PERIOD	IMPORT	EXPORT	TOTAL
2015	10,268	26,473	36,741
2014	12,339	30,819	43,158
2013	11,623	31,036	42,659
2012	10,862	28,958	39,820
2011	11,157	28,923	40,080

ANNEX II

Table 3: EU exports 2015

Status on Tuesday 26th April 2016

EU exports 2015			
	Total Weight(ct)	Total value (US\$)	Total number of KP Certificates
Q1	25,793,194.08	3,224,048,383.61	7,221
Q2	24,473,360.60	3,201,725,864.68	7,296
Q3	20,618,009.05	2,348,917,186.66	5,199
Q4	25,870,669.20	2,759,833,426.00	6,757
TOTALS	96,755,232.93	11,534,524,860.95	26,473

Table 4: EU exports 2015 details per HS code

Status on Tuesday 26th April 2016

EU exports 2015 detail						
	7102.10		7102.21		7102.31	
	Weight(ct)	Value (US\$)	Weight(ct)	Value (US\$)	Weight(ct)	Value (US\$)
Q1	12,934.96	1,094,201.13	316,163.59	4,970,430.82	25,464,095.53	3,217,983,751.66
Q2	18,779.43	882,334.85	323,582.15	4,592,449.88	24,130,999.02	3,196,251,079.95
Q3	14,00	47,600.00	355,416.42	3,708,990.05	20,262,578.63	2,345,160,596.61
Q4	1,696.69	37,541.75	431,806.45	4,514,552.34	25,437,166.06	2,755,281,331.91
TOTALS	33,425.08	2,061,677.73	1,426,968.61	17,786,423.09	95,294,839.24	11,514,676,760.13

Table5: EU imports 2015

Status on Tuesday 26th April 2016

EU imports 2015			
	Total Weight(ct)	Total Value (US\$)	Total number of KP Certificates
Q1	29,354,120.37	3,491,588,000.15	2,911
Q2	26,175,512.66	3,249,027,545.49	2,810
Q3	22,204,250.76	2,445,014,871.45	2,108
Q4	26,393,548.00	2,611,720,140.18	2,439
TOTALS	104,127,431.79	11,797,350,557.27	10,268

Table6: EU imports 2015 details per HS code
Status on Tuesday 26th April 2016

EU imports 2015 detail						
	7102.10		7102.21		7102.31	
	Weight(ct)	Value (US\$)	Weight(ct)	Value (US\$)	Weight(ct)	Value (US\$)
Q1	5,448,979.43	317,156,847.62	5,627,938.13	46,800,201.75	24,012,269.55	4,108,485,101.03
Q2	3,705,227.36	184,167,118.71	4,837,557.40	44,823,774.44	18,285,477.40	3,649,414,934.91
Q3	5,317,319.99	328,475,638.74	4,224,580.27	63,095,876.74	18,937,221.63	3,474,755,621.56
Q4	3,076,846.46	157,551,697.13	6,291,494.87	49,931,063.78	19,210,571.92	3,379,695,059.94
TOTALS	17,548,373.24	987,351,302.20	20,981,570.67	204,650,916.71	80,445,540.50	14,612,350,717.44

Table 7: Overview of KP certificates issued by other KPCS Participants and sent to EU Community authorities in 2015
Status on Tuesday 26th April 2016

KPC Imports 2015	
Participant	KPC Count
Angola	10
Armenia	6
Australia	65
Belarus	30
Botswana	896
Brazil	7
Cambodia	9
Cameroon	4
Canada	94
China, People's Republic of	432
Chinese Taipei	7
Congo, Democratic Republic of	306
Cote D'ivoire	2
Ghana	10
Guinea	50
Guyana	31
India	1,133
Israel	1,688
Japan	83
Korea, Republic of	24
Lesotho	19
Liberia	20
Mauritius	20
Mexico	3
Namibia	46
Russian Federation	1,168
Sierra Leone	69

Singapore	204
South Africa	462
Sri Lanka	122
Switzerland	223
Tanzania	10
Thailand	179
Togo	1
United Arab Emirates	2,387
United States of America	385
Vietnam	54
Zimbabwe	9
TOTAL	10,268