

GHANA ANNUAL REPORT 2023

TO

**KIMBERLEY PROCESS CERTIFICATION SCHEME
(KPCS)**



(In accordance with section VI, paragraph 11 of the KPCS core document)

January 2024

A. INSTITUTIONAL FRAMEWORK

Authority with responsibility:

THE HONOURABLE MINISTER

MINISTRY OF LANDS AND NATURAL RESOURCES, MLNR

1. Official Coordinators and Regulators:

<u>Address</u>	<u>Contact Person</u>
Ministry of Lands and Natural Resources (MLNR) P.O Box M212, Accra, Ghana Tel: +233-302-665949, FAX: +233-302-666896 Email: info@mlnr.gov.gh Website: www.mlnr.gov.gh	Ghana KP Focal Person: Mr. Peter Awuah TECHNICAL DIRECTOR, MLNR Email: pawuah@gmail.com
Minerals Commission (MC) P.O. Box M248, Accra, Ghana. Tel: +233302771318 Fax: +233302773324 Email: kpcs@mincom.gov.gh	

2. Import and Export Authority: Implementers of the KPCS

<u>Address</u>	<u>Contact Person</u>
Precious Minerals Marketing Company Ltd (PMMC) Diamond House P. O. Box M.108 Accra Ghana Tel: +233 302664931-34 Fax: +233 302662586 Website: pmmc.gov.gh	Nana Akwasi Awuah (Esq.) Managing Director (PMMC) Email: nanakawuah@gmail.com Hajaratu Kazeem Diamond Valuer hajarakazeem@gmail.com hajaratukazeem@pmmc.gov.gh

VARIABLE:

There had not been any changes since the previous report.

B. LEGAL FRAMEWORK

Kimberley Process Certification Act, 2003 (Act 652) was enacted by the Parliament of the Republic of Ghana on 24th October 2003 and it requires that a person who has been granted a licence under section 3 of the Mineral and Mining Act 19862 shall not export rough diamonds unless that person has applied for and been issued a Kimberley Process Certificate. A copy had already been deposited with the KP Chair.

Under this Act, an exporter of rough diamonds shall submit a letter in the form below to PMMC.

- Name and address of exporter,
- Name and address of consignee,
- Date of export of rough diamonds,
- Serial number of vouchers to be exported.
- Weight and amount of total stock before and after export

PMMC issues the KP certificate on behalf of the Minister of Lands and Natural Resources. The export value and weight of the rough diamonds are handwritten on the Kimberley Process Certificate, which is in triplicate, signed by the official signatories, countersigned by the customs officer who witnesses the sealing and the exporter/representative present during the sealing of rough diamonds parcel.

Ghana abides by the Administrative Decision with respect to the implementation of the KPCS such as, the change of HS Codes, three (3) months validity of a certificate accompanying a particular parcel and the addition of the word “**mining**” to country-of-origin Ghana.

VARIABLE:

There had not been any major change in the Legal Framework since the previous report.

C. EXPORT AND IMPORT REGIME

There had been no change in the export regime since the previous report. The 2006 Gaborone Administrative Decision on Ghana that required that Digital photographs of diamond be taken and sent to the KP Chair before every shipment had been eliminated. However, diamond pictures continued to be recorded and stored prior to every shipment for reference. Inspection of parcels required by World Diamond Council Experts since December 2006 are being carried out by the Diamond Valuator.

Export Regime:

Export data are compiled on a quarterly basis, indicating the certificate number, date of export, HS code, weight (carats), value US (\$), name of exporter and destination. The data are sent in advance to the destination of parcel electronically on the day of shipment. Information sent includes the weight (carat), value, country of origin or provenance, importer, and the serial number of the certificate. KP Authorities at the destination of parcel duly acknowledge receipt and send back the Import confirmation slips. The export figures, production figures and the number of certificates

issued are sent to the KP statistical website on quarterly basis in compliance with Annex III of KPCS Core Documents.

Outgoing Shipments:

Kimberley Certificates in triplicates are issued by the implementing authority (PMMC) to only licensed companies recognized by the Government of Ghana. The original Kimberley Process Certificate is placed in the sealed parcel, a duplicate is given to the exporter (licensed buyer) and the triplicate is left in the booklet, which is kept in a safe.

All parcels of diamond are inspected to ascertain the value and origin of diamonds before the Kimberley Process Certificate is issued. The value and weight of the parcel together with the HS code of the parcel are quoted. It is then signed by officials from PMMC, Customs Division of GRA, formerly Customs Excise and Preventive Service (CEPS) and the Exporter.

A total of fifty-eight (58) Kimberley Certificates were issued in 2023 to the European Union, United Arab Emirate, and India.

Import Regime:

Incoming Shipments: Ghana had not imported any rough diamond in the reporting year. Procedures for the importing of rough diamonds are outlined below;

1. A licensed diamond company or individual will notify PMMC of an incoming import through a letter to the Managing Director and submit all documents in relation to the imports to PMMC. Also, an electronic mail would be received from the exporting Authority with the relevant information.
2. A custom declaration would be prepared on behalf of the company by PMMC for tax purposes and clearing of the goods at the airport/customs by our shipping officer.
3. Upon receipt of the goods, the Diamond Valuer would inspect the goods and ensure that the seal has not been tampered with. And inspect the details on the KP certificate and the relevant documents that accompanied the goods in the presence of the LBC.
4. The goods will be handed over to the importer with the KP Certificate and all the documents that accompanied the goods.
5. Records of the import will be updated onto our systems. And an electronic confirmation of receipt of the diamond would be sent to the exporting country.
6. The confirmation slip would be returned to the exporting country by post or via email for digital certificates.

Ghana KP Certificate:

The Ghana KP Certificate in accordance with the KPCS Core documents meets the minimum requirements as set out in Annex 1 and contains all the below information:

- Each Certificate should bear 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”
- Country of origin for shipment of parcels of unmixed (i.e. from the same) origin
- Certificates may be issued in any language, provided that an English translation is incorporated
- Unique numbering with the Alpha 2 country code, according to ISO 3166-1
- Tamper and forgery resistant
- Date of issuance
- Date of expiry
- Issuing authority
- Identification of exporter and importer
- Carat weight/mass
- Value in US\$
- Number of parcels in shipment
- Relevant Harmonised Commodity Description and Coding System
- Validation of Certificate by the Exporting Authority
- Characteristics of a Certificate (for example as to form, additional data, or security elements)
- Quality characteristics of the rough diamonds in the shipment
- A recommended import confirmation part should have the following elements:
 - Country of destination
 - Identification of importer Carat/weight and value in US\$
 - Relevant Harmonised Commodity Description and Coding System
 - Date of receipt by Importing Authority
 - Authentication by Importing Authority

VARIABLE:

There had not been any major change other than the KP certificate counts.

D. SYSTEM OF INTERNAL CONTROLS AND INDUSTRY SELF- REGULATION

As part of measures to streamline internal controls, all small-scale diamond miners are required to renew their license when they expire. Also, the local miners and traders have formed an association known as the Ghana Diamond Winners Association (GDWA) to further strengthen internal controls and increase industry self-regulation. Ghana registered one large scale Company in 2023 they are at the stage of prospecting and are yet to start full explorations.

Internal controls

Before every export, the government Valuator in PMMC personally inspects the parcel to ascertain the fairness of value put on the parcel and origin of the diamonds. Discrepancies in average prices observed and corrected thereon are quite few. After inspection, the parcel is sealed in a tamper proof container in the presence of a Custom Officer and the Exporter.

In line with the Administrative Decision on Ghana during the 2006 K.P. Plenary in Botswana, Ghana continues to register its miners and local traders as a way of preventing illegal diamonds from being sold in its territory and strengthening internal controls. A total of five (5) Licensed Buying Companies (LBC) otherwise known as Exporters were licensed by PMMC in the year under review. And a total of twenty-four (24) green card holders otherwise referred to as Buying Agents were registered and permitted to trade with the LBCs in the diamond house. One (1) large scale company was registered in 2023.

Penalty

The Minister suspends or cancels the license issued to an exporter if holder;

- a) Fails to submit a report required under sections 4 and 5 of the Act
- b) Breaches provision of the Act relating to export and import of rough diamonds
- c) Submits statements which turn out to be false

The following penalties are stated in the Law:

A person who breaches any provision of the Act shall be liable to summary convictions to a fine not exceeding 500 penalty units (US\$2000) or a term of imprisonment not exceeding 2 years or both.

Measures adopted to fight against fraud, fraudulent certificates and suspicious shipments

The Ghana Diamond Winners Association (GDWA) and the Licensed Buyers (LBCs) meet quite often with PMMC, Minerals Commission and the Ministry of Lands and Natural Resources to devise means of preventing conflict diamonds entry into Ghana. PMMC ensures that all Kimberley Process rules and regulations are adhered to by the exporters and other stakeholders.

Both local miners/buyers and the registered licensed buyers (LBCs) which are mainly foreign companies have collaborated and assisted to ensure problem free and smooth execution of the process. No trader or company has been convicted yet.

VARIABLE:

There had not been any major change since the previous report.

E. STATISTICS

Information on exports with details such as HS code, Weight/carat, Value US\$ and Destination is sent to the importing country after every shipment. In addition trade, production and certificate counts are also posted on the scheme's website quarterly - in line with Administrative Decision of the KPCS.

Figures of exports and production had already been posted on the KP Statistical website.

VARIABLE:

There had not been any major change other than changes in the production and export figures in the year under review.

F. IMPLEMENTATION OF RECOMMENDATIONS OF KIMBERLEY PROCESS REVIEW VISITS AND/OR REVIEW MISSIONS

Ghana is scheduled to be peer reviewed in the first week of April 2024.

G. INFRINGEMENT AND COOPERATION WITH RESPECT TO ENFORCEMENT

The Precious Minerals Marketing Company Ltd (PMMC), the authorized Rough Diamond Export and Importing Authority of Ghana and the implementers of the KPCS continues to collaborate with all industry stakeholders to enforce and execute the core mandates of the KPCS.

The major stakeholders include;

- The Ministry of Lands and Natural Resources (MLNR) – the official coordinator and regulators responsible for law making, issues of development with regards to mining, taxes, and royalties of precious minerals.
- The Minerals Commission (MINCOM) – responsible for sustainable extraction of mineral resources, compliance, and registration of miners.
- Customs Division of Ghana Revenue Authority (GRA) – law enforcers and providers of a common platform for export and import registration for clearance and payment of taxes, duties on goods and commodities etc
- The Ghana Geological Survey Authority (GGSA) – mandated to advise, promote, and research on geoscientific issues concerning mineral resources, groundwater, environmental, geo-hazards, and land use planning to support sustainable development.

H. MISCELLANEOUS

1. Ghana remains a member of the following Working Groups: Monitoring (WGM), Alluvial and Artisanal Production (WGAAP), Diamond Experts (WGDE) and Working Group on Statistics (WGS).

2. Best Practices

All funds meant for diamond purchases are wired through one central account of PMMC on behalf of the Licensed Buying Companies (Exporter).

NB: All information provided in this report has been carefully reviewed and is of undisputed origin.

KP Technical Team, Ghana