



ANGOLA ANNUAL REPORT 2011 (SCKP)

INTRODUCTION

In compliance with minimal requirement for the KPCS regarding to the Administrative Decision on Annual Reporting, we take the opportunity to submit the 2011 KP annual report to the Kimberley Process secretariat, in which states the institutional and legal framework and export regime, system on internal controls and industry self-regulation, implementation of recommendation of Kimberley Process Review Visit in Angola, and statistics 2011.

A. Institutional Framework

The authority responsible for implementation of the KPCS in Angola is the Ministry of Geology and Mining and industry, which in turn created the Kimberley Process National Commission, which is in charge of all KP issues and procedures in Angola and basing on KP core documents.

The Institutions involved in the Kimberley Process National Commission in Angola is as follows:

1-MGMI (Authority for the implementation of the PKCS in Angola and as well as KPC issuing authorities)

2-ENDIAMA (National Company of Angola Diamonds)

3-SODIAM (Angola Company for Trading and Exporting Diamonds)

4-Corpo de Segurança de Diamantes (Diamond Security Body)

5-Ministry of Interior (National Police and National Direction of Criminal Investigation)

6-Ministry of Finance (Customs)



7-Ministry of commerce (KPC validating authority)

The Authorities involved in the process of exporting of rough diamonds after screening done by custom and Sodiam, follows the Ministry of Geology and Mines and Industries (CNPK – Angola National Commission for the KP) that certicates the goods according with the KPCS minimal requirement and finally the Ministry of commerce validate the KP certificate within the assumptions of foreign trade, in particular exports.

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B. Legal

The Angolan diamond industry has the following legal framework:

- Decree no. 56/03 of 26 August 2003(Law of establishes the rules governing the activity of export, import and transit rough diamonds)
- Decree no. 86/03 October 2003(creation of diamond security board)

The country has been implementing a new trade policy that was approved in late 2006, is based on Law 16/94 (Law of Diamonds), -B/00 Decree 7 (trade in diamonds).

New Developments

The Angolan Government has proved in September 23, 2011 a new Mining Code, will establish new rules governing all mining activity.

C. Export Regime

The export happens when there is the closing sale between producers and Sodiam or their partners.

Usually the process starts with the reconfirmation of the weighings, customs in Sodiam, the buyer and the security corps of diamonds that bear witness to the event and only then the product is boxed and sealed with sealing wax.

After this document is produced a report signed by the parties involved in the process and under the same Sodiam makes a request for certification to the Ministry of Geology and Mines and Industry (CNPK) that proved the action sends a certificate signed and stamped by the coordinator of KP Angola, an them National Director of Mines will passes the guide of the export and finally the involvement of the Ministry of Commerce to endorse the certificate and only then the product is fit for export, going



beyond the left-hander with a copy of the records involved wheels asides, as:

- Ministry of Geology and Mining and Industry
- Ministry of Commerce
- Sodiam SARL
- Diamond Security Corps
- Customs
- Customs Broker

During the year 2011, Angola has issued 136 certificates to the following destinations:

ANNUAL SUMMARY FOR DIAMOND TRADING 2011				
COUNTRY	CARAT	USD	KPC	OBS.
ISRAEL	1.118.978,98	248.684.989,76	40	
DUBAI	4.015.754,63	537.484.077,97	54	
EC	96.774,39	42.573.057,71	13	
SWITZERLAND	2.328.994,30	216.905.367,35	21	
TOTAL	8.563.431,73	1.149.692.625,78	136	

d. Internal Control System, Industrial and Self-Regulation

As stated in the last report that in we have good internal control mechanisms in the production, from the mine to the first point of export.

Concerning to artisanal mining activity, due to the extensive borders with our neighbors countries the technology LRD (Long Range Defense) has been applied by Angola Government in order to reduce the porous borders. Beside of, taking into consideration the importance of issue and basing on recommendations of last review visit led by Namibia (2009), Endiama EP the Angola National Company of Diamonds and holder of all mining rights, has started with first steps of license of artisanal miners basing on Angola new mining code as well as corresponding to recommendation of Moscow declaration for artisanal activities. This new mining code comes after approval



of Mining Activity Regulation in February 2009 by the Government which reinforces the improvement of internal control mechanisms in Angola, and always seeking to meet the KPCS minimal requirement.

E. Statistics

Recognizing that reliable and comparable data on production, trade, certificate count are an essential tool for the implementation of the certification system and in particular to identify any irregularities or anomalies, Angola had submitted complete data for 2011 on the Kimberley Process Statistic on regular basis. As for the data discrepancy, Angola Working Group on Statistics, have been reconciling the trade data with their trading partners.

F. Implementation of the recommendation of the Kimberley Process review visit or Review Mission

All recommendations left by the review committee in advance have already been implemented and that we weigh in line with the minimum requirements of KP.

- i) Angola presented to the Kimberley Process authorities a report on internal controls in the artisanal sector;
- ii) Angola as give license to the artisanal miners , to ensure that purchase of rough diamonds only from individuals with credentials, based in Moscow Declaration.
- iii). And after the WGM complete the second round of review visit to the participants, Angola will formally submit it invitation for the 3rd review visit to follow up the recommendation of last review visit.



G. Infringements

The Angolan National Police, along with Diamond Security Corps and others involved institutions, are always engaged conducting several activities along the borders and in the mining areas trying to prevent the illegally exploration, and the citizens detained (foreign and domestic) in terms of crime, are submit to legal process under National Direction of criminal investigation.

H. Miscellaneous

As soon as the second round review visit is completed Angola will formally submit the invitation for the 3rd review visit.

In February 2009 was approved the Regulation of the artisanal mining activity and in the end of 2011 was also approved the new mining code that date came forward to improve the internal control mechanisms in the diamond subsector.