



SIERRA LEONE: KIMBERLEY PROCESS ANNUAL REPORT 2018

Sierra Leone takes note of the new suggestions for the new annual report template. Sierra Leone would work responsibly to adhere to these new guidelines.

PART A

INSTITUTIONAL FRAMEWORK:

The Ministry of Mines and Mineral Resources is one of the organs responsible for the implementation of the Kimberley Process Certification Scheme. This body is the policy wing with the overall mandate to make policies in the mineral sector. The Minister, Deputy and the Permanent Secretary are all signatories to the KP Certificate. This is to ensure that all diamonds leaving the shores of Sierra Leone are approved and vetted by the policy makers.

The National Minerals Agency (NMA) is another institution that is mandated by law to implement the Kimberley Process (The NMA ACT 2012). It has the responsibility to implement policies adopted by the Ministry of Mines and Mineral Resources. The Directorate of Precious Minerals that is within the National Minerals Agency (NMA) is the custodian of the KP Certificate. The Directorate of Precious Minerals (PMT) is the diamond export office. The PMT is the directorate that starts the issuance of the KP Certificate and later forward to the Directorate of Mines for vetting before it is finally sent to the Ministry of Mines and Mineral Resources for final signature. The Mines Monitoring officers who interface with the players on the ground or on the field fall now within the National Minerals Agency.

The National Revenue Authority the umbrella body for Customs Department is also another institution that is involved in the implementation of the Kimberley Certificate. The assigned custom officer to Precious Minerals within the National Minerals Agency is one of the signatories to the KP Certificate. The custom officer is charged with the responsibility to observe the valuation process and report export duty collection to the National Revenue Authority

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B: LEGAL FRAMEWORK:

The Mines and Minerals Act 2009, The National Minerals Agency Act 2012, and The Finance Act 2015 which has now been revised and is known as The Extractive Industry Revenue Act 2018 are all legal instruments that make provision for the implementation of the Kimberley Process, tax collection and license fees.

The Transnational Organized Crime Unit (TOCU) has created a Board of which the National Minerals Agency is a member. This body is made up of security agencies, revenue generating agencies, Immigration, Pharmacy Board as well as law officers. This body is meant to fast track the fight against smuggling, falsification of KP Certificates, illegal drugs and human trafficking.

C: IMPORT AND EXPORT REGIME**EXPORT 2018**

Country	Trade with	Trade type	Date	H.S Code	Carats	Value USD
Sierra Leone 1	European Union	Export	Q1,2018	7102.31	27,606.56	16,189,170.72
Sierra Leone 2	European Union	Export	Q1, 2018	7102.21	21108.84	1,105,204.52
Sierra Leone 3	Switzerland	Export	Q1, 2018	7102.31	26073.92	8,633,621.47
Sierra Leone 4	Switzerland	Export	Q1, 2018	7102.21	41927.49	715,320.88
Sierra Leone 5	United Arab Emirates	Export	Q1 2018	7102.31	4695.40	1,061,786.93
Sierra Leone 6	United Arab Emirates	Export	Q1,2018.	7102.21	4134.13	151,503.30
Sierra Leone 7	United States of America	Export	Q1, 2018	7102.31	74.65	98,317.84
Sierra Leone 8	United States of America	Export	Q1,2018	7102.21	101.31	53,735.71
Sierra Leone 9	India	Export	Q1,2018	7102.31	483.32	55,581.80
Sierra Leone 10	Israel	Export	Q1,2018	7102.31	15.86	53,131.00
Sierra Leone 11	Botswana	Export	Q1,2018	7102.31	10.97	35,384.38
Sierra Leone 12	Switzerland	Export	Q2,2018	7102.31	87,871.27	27,821,968.44
Sierra Leone 13	Switzerland	Export	Q2, 2018	7102.21	103,962,28	1,081,928.07
Sierra Leone 14	European Union	Export	Q2, 2018	7102.31	94.03	108596.75
Sierra Leone 15	European Union	Export	Q2,2018	7102.21	23136.93	1,095,518.68

Sierra Leone 16	United States of America	Export	Q2, 2018	7102.31	460.45	372,387.90
Sierra Leone 17	United States of America	Export	Q2, 2018	7102.21	155.37	12,200.80
Sierra Leone 18	United Arab Emirates	Export	Q2,2018	7102.31	437.10	363,754.57
Sierra Leone 19	UAE	Export	Q2,2018	7102.21	228.23	15,040.80
Sierra Leone 20	Turkey	Export	Q2, 2018	7102.31	168.05	138,184.70
Sierra Leone 21	Australia	Export	Q2, 2018	7102.31	109.23	128,638.42
Sierra Leone 22	Australia	Export	Q2,2018	7102.21	243.20	29,184.00
Sierra Leone 23	Switzerland	Export	Q3, 2018	7102.31	59370.86	20,987,307.21
Sierra Leone 24	Switzerland	Export	Q3,2018	7102.21	60238.88	584,727.21
Sierra Leone 25	European Union	Export	Q3,2017	7102.31	25011.87	16,319,492.75
Sierra Leone 26	European Union	Export	Q3,2018	7102.21	23,750.84	976,576.25
Sierra Leone 27	UAE	Export	Q3,2018	7102.31	3423.91	1,018,117.98
Sierra Leone 28	UAE	Export	Q3,2018	7102.21	662.51	72,545.11
Sierra Leone 29	United States of America	Export	Q3,2018	7102.31	140.59	149,798.74
Sierra Leone 30	United States of America	Export	Q3,2018	7102.21	42.00	1260.00
Sierra Leone 31	India	Export	Q3,2018	7102.31	89.19	112,534.32
Sierra Leone 32	India	Export	Q3, 2018	7102.21	4.94	1131.26
Sierra Leone 33	Israel	Export	Q3,2018	7102.31	17.95	51,390.85
Sierra Leone 34	Switzerland	Export	Q4,2018	7102.21	72285.54	480,341.92
Sierra Leone 35	Switzerland	Export	Q4,2018	7102.31	88766.24	25,939,761.44
Sierra Leone 36	European Union	Export	Q4,2018	7102.21	13687.19	565,583.08

Sierra Leone 37	European Union	Export	Q4,2018	7102.31	18564.60	11,087,621.47
Sierra Leone 38	UAE	Export	Q4,2018	7102.21	213.65	32216.90
Sierra Leone 39	UAE	Export	Q4, 2018	7102.31	1766.11	526,230.86
Sierra Leone 40	Israel	Export	Q4, 2018	7102.31	54.56	127,811.86
Sierra Leone 41	China , People's Republic of	Export	Q4, 2018	7102.31	106.02	156,134.30
Sierra Leone 42	Japan	Export	Q4, 2018	7102.31	22.47	53,595.10
Sierra Leone 43	Turkey	Export	Q4, 2018	7102.31	55.11	50,000
Sierra Leone 44	Korea Republic of	Export	Q4,2018	7102.31	11.15	49,060.00
Sierra Leone 45	United States of America	Export	Q4, 2018	7102.21	230.08	8928.25
Sierra Leone 46	United States of America	Export	Q4,2018	7102.31	143.86	31,540.84

	Sub totals	Grand Totals
Carats		741,586.38
Value US\$		157,063,757.39

IMPORT 2018

Country	Trade With	Trade Type	Date	HS Code	Carats	Value US\$
Sierra Leone	United Arab Emirates	Import	Q2,2018	7102.31	2514.63	37,719.45

	Sub Totals	Grand Totals
Carats		2514.63
Value US\$		37,719.45

The Precious Minerals Trading (PMT) Directorate of the National Minerals Agency is the point of import and export in Sierra Leone. All licensed diamond exporters are expected to give 24hrs notice to start his or her export valuation, documentation and the issuance of KP Certificate. The goods or diamonds are received at the PMT where it is verified and weighed before being distributed to the various valuers and sorters.

The PMT has a three system approach for diamond valuation. The three values come from the licensed exporter, the Government and the independent valuer contracted by Government. The highest value among the three is accepted upon which the export duty is determined. The final outcome (price) of the value and carat is put into the KP Certificate and other information like the consignee address, licensed no, date and time of expiration. The certificate is signed by the Customs Officer from the National Revenue Authority (NRA), the Director of Precious Minerals from the National Minerals Agency and the Minister of Mines and Mineral Resources or his/her representative from the Ministry of Mines and Mineral Resources.

After all necessary paper work and the completion of the KP Certificate, the certificate is sealed together with the diamond box in a transparent polythene bag bearing weight in grams, dimension in centimeters, Random numbers and date of issuance. The KP certificate has only one exit point and that is the Freetown International Airport. Exports of diamonds must pass through customs at the airport for final clearance

Imports are real, but if they do, it must come through customs through the National Revenue Authority at the Freetown International Airport. The diamond must come from a country that is a member of the KP and must be accompanied by their KP Certificate or a KP Technical Certificate. Most of the rough diamonds that come into Sierra Leone are goods that have been exported and brought back mainly as a result of unable or failure to sell. Advance notification and confirmation documents are noted as follows. All countries are notified through electronic mail especially UAE and Belgium.

INTERNAL CONTROL:

Internal control is one of the most important benchmarks in the KP guidelines. This is the traceability aspect from mine to export. In countries like ours that is involve in artisanal mining, it is often very difficult to reconcile production figures as against the export figures. The Mines Monitors that interface with these players on the field are faced with several challenges in the implementation of their work

Internal control starts with issuance of licenses at all levels from miners to dealers and to exporters. Each of these players is provided with receipts and record books to register winnings at any level in the market supply chain. Some of the players in the chain deliberately refuse to

report their winnings for fear of financial harassment from higher authorities. This is one challenge in getting accurate figures at the production level. Another challenge is that,, Mines Monitors are often compromised because of poor conditions of service. In such a situation it is difficult to get accurate production figures from the artisanal mining sector. Unlike the artisanal mines, the industrial sector records are well in place and it is easier to reconcile production figures with export figures.

However, it could safely be said that there is a system in place to capture all diamonds mined within Sierra Leone, that is, one must be a licensed holder, records and receipts are provided to all legitimate players at all levels, monitors are employed to inspect, verify and collect data from the record and receipt books provided from mine to export. The obstacle we have is effective and efficient implementation. At export level records are checked, bank statements are required, taxes are paid before the KP Certificate is issued. The reason for the bank statement is to satisfy the anti-money laundering Act. A sizeable and effective Compliant Officers (Mines Monitors) have been employed few months ago. The mine monitors are now referred to as Compliant Officers.

STATISTICS:

TABLE-2: OVERVIEW OF KPC COUNT FOR IMPORT – EXPORT DURING 2017

Country	KPC COUNTS			
	Trade with	Type	Date	count
Sierra Leone	European Union	Export	Q1, 2018	18
Sierra Leone	Switzerland	Export	Q1, 2018	3
Sierra Leone	United Arab Emirates	Export	Q1, 2018	5
Sierra Leone	United States of America	Export	Q1, 2018	4
Sierra Leone	India	Export	Q1, 2018	1
Sierra Leone	Israel	Export	Q1, 2018	1
Sierra Leone	Botswana	Export	Q1, 2018	1
Sierra Leone	Switzerland	Export	Q2 2018	5
Sierra Leone	European Union	Export	Q2, 2018	25
Sierra Leone	United States of America	Export	Q2, 2018	4
Sierra Leone	United Arab Emirates	Export	Q2, 2018	7
Sierra Leone	Turkey	Export	Q2, 2018	2
Sierra Leone	Australia	Export	Q2,2018	1
Sierra Leone	Switzerland	Export	Q3,2018	3
Sierra Leone	European Union	Export	Q3, 2018	16
Sierra Leone	United Arab Emirates	Export	Q3, 2018	3
Sierra Leone	United States of America	Export	Q3, 2018	2
Sierra Leone	India	Export	Q3, 2018	1
Sierra Leone	Israel	Export	Q3, 2018	1
Sierra Leone	Switzerland	Export	Q4, 2018	3

KPC COUNTS CONTINUED

Country	Trade with	Type	Date	Count
Sierra Leone	European Union	Export	Q4, 2018	22
Sierra Leone	United Arab Emirates	Export	Q4, 2018	3
Sierra Leone	Israel	Export	Q4. 2018	1
Sierra Leone	China, People's Republic of	Export	Q4, 2018	2
Sierra Leone	Japan	Export	Q4, 2018	1
Sierra Leone	Turkey	Export	Q4, 2018	1
Sierra Leone	Korea, Republic of	Export	Q4, 2018	1
Sierra Leone	United States of America	Export	Q4, 2018	1
Grand total				138

MISCELLANEOUS

PART B:

KP REVIEW VISITS: it is unfortunate to report that three years ago a Review Visit was done in Sierra Leone and up to date a report has not been presented to the National Minerals Agency (NMA). The NMA is still looking forward to this report so as to determine its strength and weaknesses in the supply chain.

DRAFT POLICIES: Sierra Leone has drafted a policy to create an act for the artisanal mining sector. It is awaiting cabinet and parliamentary approval

REVIEW: The new Government ushered in have promised to review the Mines and Minerals Act 2009 and other mining agreements

THE KIMBERLEY PROCESS REGIONAL APPROACH: This initiative started four years ago in the capital city of Abidjan where four countries in the Mano River Union that is; Sierra Leone, Guinea, Cote d'Ivoire and Liberia decided to come together and look at their common problems and challenges in the diamond industry through the Kimberley Process. The most recent meeting was held in the capital of Monrovia, Liberia. This initiative seems to be very successful as other regions like the Central African countries wants this idea to be replicated.

Recommendations have now been tabled for the attention of the four heads of States for implementation through the Mano River Union entity. Amongst these recommendations are, harmonization of mining laws in areas possible, to embark on a geological survey to identify artisanal mining areas as it is believing that ARM is exhausted, the establishment of a Diamond Academy to train valuers, sorters and other related issues etc.

SLKP MULTISTAKEHOLDER TASKFORCE: As you may recall, the KP Multi Stakeholder Taskforce which is an extension of KP International, to keep KP activities moving within Sierra Leone is likely to continue to strengthen what we have achieved and plough into new areas. At a recent meeting held before the commencement of KP Intercessional in June 2019 in Mumbai, India, would be participants were informed on the current issues of reforms and review as well as first timers were informed and educated in detail about the KP is all about and issues tthat would likely dominate KP discussions at the coming June 2019 intercessional.

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