

RESTRICTIONS ON DIAMONDS

RELATED ARTICLE: ARTICLE 3p OF COUNCIL REGULATION NO. 833/2014
FREQUENTLY ASKED QUESTIONS – AS OF 1 MARCH 2024

1. What is the diamond import ban?

Last update: 22 December 2023

On 6 December 2023, building on the statements of February and May 2023, the Leaders of the Group of Seven (G7) agreed to introduce import restrictions on non-industrial diamonds, mined, processed, or produced in Russia, by 1 January 2024, followed by further phased restrictions on the import of Russian diamonds processed in third countries targeting 1 March 2024.

The EU sanctions on Russian diamonds contained in the 12th sanctions package (Article 3p of Council Regulation No. 833/2014) are part of this concerted G7 effort to introduce an internationally coordinated diamond ban, that aims at depriving Russia of this important revenue stream estimated at EUR 4 billion per year, of which approximately EUR 1.5 billion are annual imports into the EU.

A ban is only effective if a major part of the world's diamond retail market implements such a ban. To this end, the Commission has been engaging with G7 countries and other key partners, including industry, with the aim of designing and ensuring the effective implementation of coordinated restrictive measures, including through tracing technologies.

2. What are the different stages of the diamond ban?

Last update: 22 December 2023

Article 3p of Council Regulation No. 833/2014 prohibits the purchase, import, or transfer of Russian non-industrial diamonds in several stages:

- As of 1 January 2024, diamonds (natural and synthetic) and products incorporating diamonds (jewellery) listed in Parts A, B and C of Annex XXXVIII A of Council Regulation No. 833/2014 are banned if they originate in Russia or have been exported from Russia. The same applies to such goods (of any origin) if they transited through Russia;
- As of 1 March 2024, the prohibition applies also to Russian natural diamonds as listed in Part A of Annex XXXVIII A that have been processed in a third country, consisting of Russian diamonds equal to or above 1.0 carats per diamond;
- As of 1 September 2024, the prohibition applies also to Russian natural and synthetic diamonds and jewellery incorporating Russian diamonds (all products listed in Parts A, B and C of Annex XXXVIII A) that have been processed in a third country,

consisting of or incorporating diamonds originating in Russia or exported from Russia with a weight equal to or above 0.5 carats or 0.1 grams* per diamond.

* Synthetic diamonds are measured in grams in the Combined Nomenclature (1 carat = 0.2 grams)

3. Do the thresholds of 1.0 carats and 0.5 carats refer to the weight of the diamond before it is polished, or after?

Last update: 22 December 2023

The weight thresholds apply equally to rough and polished diamonds at the time of importation into the Union.

4. Is diamond jewellery incorporating Russian diamonds banned?

Last update: 22 December 2023

Yes, as of 1 January 2024 it is prohibited to purchase, import, or transfer jewellery incorporating Russian diamonds as listed in Part C of Annex XXXVIII A of Council Regulation No. 833/2014 if it originates in Russia or has been exported from Russia. The same applies to jewellery incorporating diamonds of any origin that transited through Russia.

In addition, as of 1 September 2024, this prohibition is extended to jewellery that has been processed in a third country, incorporating diamonds originating in Russia or exported from Russia with a weight equal to or above 0.5 carats or 0.1 grams per diamond.

Furthermore, there is a ban on gold jewellery (Article 3o) and precious metal jewellery (Article 3i) from Russia.

5. Can I travel with diamond jewellery to and from Russia?

Last update: 22 December 2023

Yes, the prohibition of Article 3p does not apply to jewellery incorporating Russian diamonds for personal use of natural persons travelling to the European Union or of their immediate family members travelling with them, as long as it is owned by those individuals and not intended for sale.

A similar exemption also applies to the gold ban of Article 3o and to the ban on exports of diamond jewellery included in the luxury goods list in Annex XVIII of Council Regulation No. 833/2014 (Article 3h).

6. Does the prohibition of Article 3p also apply to restricted goods that are already within the territory of the Union before entry into force of the relevant restrictive measures?

Last update: 1 March 2024

As for all other restrictive measures prohibiting the import, transfer or purchase, (see in this regard Q.3 of the IMPORT, PURCHASE & TRANSFER OF LISTED GOODS) the restriction envisaged in Article 3p of Council Regulation No. 833/2014 does not concern

goods which are already released for free circulation within the territory of the Union (i.e. usually already placed on the market) at the time when the respective measure enters into force. For goods already in the Union but not yet released for free circulation, the provisions of Article 12e of Council Regulation No. 833/2014 apply.

For diamonds that are re-exported and wish to re-enter the EU during the sunrise period, please refer also to Question 12.

7. What sanctions other than Article 3p affect diamonds in Council Regulation No. 833/2014?

Last update: 22 December 2023

The EU already added the imports of synthetic diamonds from Russia to the import bans on 6 October 2022 (Article 3i of Council Regulation No. 833/2014).

In addition, there is a ban to import, transfer, and purchase gold jewellery as of 22 July 2022 (Article 3o) and precious metal jewellery (Article 3i) from Russia (added on 6 October 2022). To the extent diamonds are set in those products they are covered.

Diamonds and jewellery are subject to an export ban of luxury goods to Russia if the value is at least 300 EUR (Article 3h and Sections 10 and 18 of Annex XVIII). This includes for example synthetic/reconstructed diamonds, diamond dust and diamond jewellery, and some other luxury products, such as watches whether or not incorporating diamonds.

8. What is the traceability-based verification and certification mechanism for rough diamonds?

Last update: 1 March 2024

The EU will establish a robust traceability-based verification and certification mechanism for rough diamonds within the G7 as of 1 March 2024 (the ‘G7 Certification Scheme’).

The traceability-based verification will apply to rough diamonds of a carat size above certain thresholds (1.0 carats or above as of 1 March 2024, and 0.5 carats or above as of 1 September 2024). For imports into the Union during the so-called “sunrise period” between 1 March 2024 and 31 August 2024, please see Question 12 below.

While several scenarios exist, in principle, identifying information of a rough diamond will first be onboarded (registered) into a traceability platform in the producer country. Once the rough diamond arrives at the G7 import node, a verification, including a physical check of the diamond, is performed by the competent authorities. In addition, a blockchain-based G7 ledger (‘the distributed ledger’) will query validated traceability systems to obtain already existing information about the diamond to be imported in a G7 jurisdiction. A G7 certificate is then issued and added to the G7 ledger after successful verification.

The system of G7 certification will be operational as of 1 March 2024 in a pilot phase to be fully operational as of 1 September 2024. During this ‘sunrise period’, economic operators can choose to use either the traceability-based certification or other evidence when importing

into the Union (for further details regarding accepted evidence proving the non-Russian origin see Question 12 below). As of 1 September 2024, the use of the traceability-based certification will be mandatory for imports of diamonds with a size of 0.5 carats or above.

The G7 Certification Scheme will work by using and expanding on existing tracing technologies and controls. Producers of diamonds will be able to onboard the required information to the traceability platform, which is then verified through the distributed ledger and certified at the G7 import node (for further details on the import node for rough diamonds, see Question 9).

The blockchain-based G7 ledger is a standalone software ledger accessible to competent authorities (including all customs authorities of the Member States) and will be inter-operational with several existing solutions facilitating the G7 Certification Scheme.

9. What do I need to know before I plan to import diamonds into the Union?

Last update: 1 March 2024

Importers shall provide evidence of the country of origin of the diamonds or products incorporating diamonds used as inputs for the processing of the product in a third country, if the diamonds are above a certain carat size as follows:

As of 1 March 2024, all rough diamonds (CN codes 7102 31 00 and 7102 10 00) of 1.0 carats or above wishing to enter the EU market will be required to pass through a so-called ‘rough import node’, located in Antwerp (Belgium) for initial verification (including physical check) and certification. Belgium already today handles 99.99% of the EU’s import of rough diamonds. As of 1 September 2024, the threshold is lowered to 0.5 carats or above.

The Authority for the verification of diamonds (listed in Annex XXXVIII B) is the following:

Federal Public Service Economy at the Diamond Office

Hoveniersstraat 22

B-2018 Antwerpen

Belgium

A G7 certificate identifying the diamond will be issued in the rough node.

The verification at the importation of polished diamonds is intended to be based on the G7 certificates that follow the rough diamond through the production/polishing process.

For imports into the Union during the so-called “sunrise period” between 1 March 2024 and 31 August 2024, please see Question 12 below.

10. What is the link with Kimberley Process (KP) certification?

Last update: 1 March 2024

The KP has a key role to play in controlling rough diamonds and ensuring that they are conflict free. The sanctions on Russian diamonds apply to both rough and polished diamonds. The system of implementation of the sanctions on diamonds will complement KP certification and verifications.

The control measures of the ban on Russian diamonds will be implemented in phases. From 1 January 2024 the use of KP certificates will be accepted as evidence of country of origin for imports of rough diamonds. From 1 March a traceability system in the form of a Blockchain based G7 ledger will be in use but KP certificates will still be accepted as evidence of country of origin if no Russian diamonds are mixed with other origins. While mixed parcels will be accepted, as the certificates for such parcels do not disclose the origin, it is therefore needed to provide, in addition to the KP certificate, evidence proving that diamonds, over the weight threshold, are of non-Russian origin. As of 1 September 2024, the obligation to use the G7 ledger for rough diamonds will be mandatory under the EU's restrictive measures while the KP certification requirements will continue to apply. However as of 1 September 2024, only KP certificates with single origin or De Beers DTC mixed origin, will be accepted (see Question 12).

11. Where can I find the list of goods covered by the diamond ban of Article 3p?

Last update: 22 December 2023

The goods subject to the diamond ban are listed in Annex XXXVIII A of Council Regulation No. 833/2014:

Part A

	CN code	Description
	7102 10	Unsorted diamonds
	7102 31	Non-industrial diamonds, unworked or simply sawn, cleaved or bruted
	7102 39	Non-industrial diamonds, other than unworked or simply sawn, cleaved or bruted

Part B

	7104 21	Synthetic or reconstructed diamonds, unworked or simply sawn or roughly shaped
	7104 91	Synthetic or reconstructed diamonds, other than unworked or simply sawn or roughly shaped

Part C

Ex	7113	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal, incorporating diamonds
Ex	7114	Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious metal, incorporating diamonds
Ex	7115 90	Other articles of precious metal or of metal clad with precious metal, incorporating diamonds, not elsewhere

		specified, excluding platinum catalysts in the form of wire cloth or grill
Ex	7116 20	Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed), incorporating diamonds
Ex	9101	Wristwatches, pocket-watches and other watches, including stopwatches, incorporating diamonds, with case of precious metal or of metal clad with precious metal

12. What requirements do I need to consider for importation of rough or polished natural diamonds between 1 March 2024 and 31 August 2024 (“sunrise period”)?

Last update: 1 March 2024

The G7 certification mechanism in the “sunrise period” between 1 March 2024 and 31 August 2024 is optional. Importers into the Union in that period may choose between providing documentary evidence for importation of both rough and polished natural diamonds into EU customs territory (provided that goods of CN codes 7102 31 00 and 7102 10 00 with a weight equal to or above 1.0 carat are submitted without delay to the authority in Annex XXXVIII B, see Question 9) or importing via to the authority in Annex XXXVIII B using documentary evidence leading to the issuance of a G7 certificate.

To import rough or polished natural diamonds into the EU using documentary evidence, a set of minimum information is required to be prepared and available prior to, or at the time of importation.

For rough and polished natural diamonds, the following cumulative information is required to be available.

- Mining country of origin.
- Names of buyer and seller.
- CN codes and description.
- Number of parcels in a shipment.
- Weight in carat of the diamond(s) if at least one diamond (if multiple diamonds are shipped in a parcel) is of 1.0 carat or above.
- Value of the diamonds.
- Place of importation, exportation, and route of transportation as applicable depending on the lifecycle of the diamond(s) prior to importation in the EU.

The type of documents containing the above information required for submission with entry may vary. But it is the importer’s responsibility to ensure the documentation meets all the above information requirements. As an illustrative and non-exhaustive list, please consider the below examples of documentation.

For rough natural diamonds	For polished natural diamonds
<ul style="list-style-type: none"> • KP certificates with single origin (De Beers DTC mixed origin* accepted) for diamonds at or above 1.0 carat. • KP certificates with mixed origin accompanied by documentary evidence, proving that no diamonds at or above 1.0 carat in the shipment are mined in Russia, are recognised during a transition period between 1 March 2024 to 31 August 2024, after which only KP certificates with single origin or De Beers DTC mixed origin* will be accepted. 	<ul style="list-style-type: none"> • Signed attestation or supplier declaration confirming that none of the diamonds at or above 1.0 carat in the shipment are mined in Russia.
<p>Additional documents proving the required information may include:</p>	<p>Evidence supporting the attestation or supplier declaration is mandatory and may include:</p>
<ul style="list-style-type: none"> • Customs declaration form • Invoice • Packing list • Transport documentation, e.g. waybill document • Evidence from traceability systems 	<ul style="list-style-type: none"> • Customs declaration form • Invoice • Packing list • Transport documentation, e.g. waybill document • Laboratory grading report • Evidence from traceability systems

While optional (except for goods of CN codes 7102 31 00 and 7102 10 00 with a weight equal to or above 1.0 carat), it is recommended that importers consider using the G7 import node in Belgium (see Question 9 above) by the end of the sunrise period (31 August 2024) to obtain a G7 Certificate, to support transition to the requirement starting 1 September 2024. Rough diamonds are preferably imported using single origin KP certificates. Rough diamonds imported using mixed origin KP certificates will be able to receive a G7 certificate, provided documentary evidence demonstrates (including for imports in the EU) non-Russian

provenance of diamonds during the sunrise period (1 March – 31 August 2024). The documentary evidence does not apply to De Beers DTC mixed origin* KP certificates.

Canada will develop a node to issue G7 certificates for Canadian diamond mining producers, which will be operational by 1 September 2024.

* De Beers' so-called 'Botswana Sort' diamonds are accepted because they consist of aggregated diamonds not mined in Russia (Botswana, Canada, Namibia and South Africa).