



United States Department of State

Washington, D.C. 20520

**WARNING CONCERNING KIMBERLEY PROCESS
ENFORCEMENT AND COMPLIANCE CONCERNS, INCLUDING
SEMI-CUT DIAMONDS FROM ZIMBABWE**

December 15, 2009

In recent weeks, a number of Kimberley Process-related enforcement and compliance items have arisen. This Warning addresses each of them briefly.

First, two attempts have been made to present Kimberley Process Certificates (KPCs), allegedly from Ghana and Sierra Leone, respectively, for purposes of importation into the United States. In one instance, U.S. Customs and Border Protection (CBP) identified the potential fake certificate; in the second, a U.S. customs brokerage notified the Department of State of its concern of a potential fake certificate. In both cases, the Department of State confirmed with the relevant authorities that the KPCs in question were counterfeit. Redacted copies of these certificates are attached to this Warning.

Second, two diamonds traders in the United States have reported being contacted by companies in Cameroon purporting to offer rough diamonds for sale. Please note that Cameroon is not a Kimberley Process participant. Thus, no rough diamonds may be imported from, or exported to, Cameroon. The complete list of Kimberley Process participants may be found at: <http://www.state.gov/e/eeb/diamonds/docs/113716.htm> or http://www.kimberleyprocess.com/structure/participants_world_map_en.html. Traders are advised to proceed with caution when dealing with any unsolicited offers for rough diamonds received over the Internet.

Third, rough diamond traders are reminded of CBP guidance concerning tamper-resistant containers, which can be found at:

http://www.cbp.gov/xp/cgov/trade/trade_programs/diamonds/updated_req.xml. It is

critical to note that a re-sealable sandwich bag placed inside an express courier envelope is not deemed a tamper-resistant container.

Fourth, the United Republic of Tanzania recently reported to the Kimberley Process that a large shipment of rough diamonds was stolen at the O.R. Tambo International Airport. Please see the attached letter from Tanzania with a further description of the goods and incident. Please report any information about this shipment, or any concerns with stolen rough diamonds, to the Department of State at the e-mail and phone number listed below.

Finally, the Kimberley Process recently issued a press release concerning semi-cut diamonds, in response to media reports concerning alleged cutting and polishing operations underway in Zimbabwe. In addition to the concerns about Zimbabwe, this statement covers more general issues of rough diamond tariff classification and should be reviewed carefully. The statement is attached and is also available by downloading the document found at: <http://www.kimberleyprocess.com/download/getfile/951>.

Questions concerning the authenticity of KPCs or other compliance issues addressed in this Warning may be directed to the Special Advisor for Conflict Diamonds at 202-647-2856, USKimberleyProcess@state.gov.

Brad Brooks-Rubin
Special Advisor for Conflict Diamonds
U.S. Department of State
202-647-2856
USKimberleyProcess@state.gov

0000982



REPUBLIC OF GHANA
MINISTRY OF MINES

GHD0000

PRECIOUS MINERALS MARKETING
COMPANY LIMITED



PMMC

KIMBERLEY PROCESS CERTIFICATE

HS CODE	CARAT	VALUE(US\$)
7102.27	5904.08	9,940,000
[REDACTED]		

Chief Accountant
PRECIOUS MINERALS
MARKETING CO. LTD.

PMMC Best Stamp

Country of Origin SIERRA LEONE
Number of Parcels (2) PARCELS

It is hereby certified that rough diamonds in this consignment have been handled in accordance with the provision of the Kimberley Process Certification Scheme for rough diamonds UNDER THE AUTHORITY OF THE REPUBLIC OF GHANA

30TH OCTOBER 2009 [REDACTED]
Date of Issue Name of Exporter Address of Exporter

29TH NOVEMBER 2009 [REDACTED]
Date of Expiry Name of Importer Address of Importer

[REDACTED] [REDACTED] [Signature]
Exporter Representative Customs Officer Authorized Signature

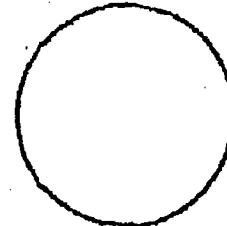
0000982



GHD0000

IMPORT CONFIRMATION
CERTIFICATE

This is to certify that the rough diamonds accompanied by this certificate were imported into [REDACTED] from [REDACTED] and verified in compliance with the Kimberley Process Certification Scheme for rough diamonds. Copy of Certificate to accompany confirmation.



Name of Importing Authority

Date of Receipt of parcel

Reg. No. of parcel

Signature of Importing Official

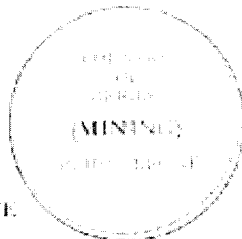
26/11/09



002675

THE SIERRA LEONE GOVERNMENT
MINISTRY OF MINERAL RESOURCES
GOVERNMENT GOLD AND DIAMOND OFFICE

Product: ROUGH DIAMOND
Product: DIAMANT BRUT



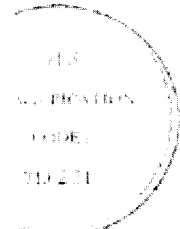
KIMBERLEY PROCESS CERTIFICATE

It is hereby certified that the above-mentioned rough diamonds were mined in Sierra Leone on the 6th Day of October, 2009.

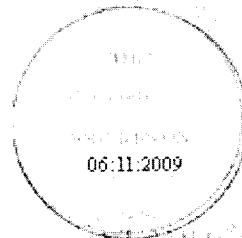
It is further certified that the above-mentioned rough diamonds have been imported into Sierra Leone in accordance with the provisions of the Kimberley Process Certificate (KPC) No. 002675.

It is further certified that the above-mentioned rough diamonds were mined in Sierra Leone in accordance with the provisions of the Kimberley Process Certificate (KPC) No. 002675. The above-mentioned rough diamonds were mined in Sierra Leone in accordance with the provisions of the Kimberley Process Certificate (KPC) No. 002675.

UNDER THE AUTHORITY OF THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE

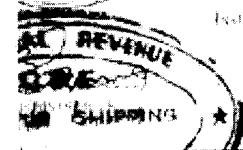


	CARAT	VALUE (US\$)
COM	4,500.00	5,500,000.00
INDUSTRIAL		
TOTAL	4,500.00	5,500,000.00



Dated this 6th Day October, 2009

Issued at FREETOWN, Republic of Sierra Leone



[Signature]
Minister of Mineral Resources

[Signature]
Director of Mineral Resources

002675

IMPORT CONFIRMATION
CERTIFICATE
CERTIFICAT DE CONFIRMATION
D'IMPORTATION

This rough diamond has been imported into Sierra Leone in accordance with the provisions of the Kimberley Process Certificate (KPC) No. 002675.

It is further certified that the above-mentioned rough diamonds were mined in Sierra Leone in accordance with the provisions of the Kimberley Process Certificate (KPC) No. 002675.

Issued at FREETOWN, Republic of Sierra Leone

Director of Mineral Resources

Director of Mineral Resources

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF ENERGY AND MINERALS

Telegrams "ENERGY".
Telephone: 255-22-2117156-9
Fax: 255-22-2137142
e-mail: madini@africaonline.co.tz



754/33, SAMORA AVENUE
P.O. Box 2000
DAR ES SALAAM

In reply please quote:
Ref. No. CDA. 168/330/01/71

November 17, 2009

Hon. Bernhard Esau (MP),
Chair,
Kimberley Process,
Ministry of Mines and Energy,
Private Bag 13297, No. 1 Aviation Road,
Windhoek, NAMIBIA

Hon. Chair,

**Re: THEFT OF DIAMOND PARCEL FROM TANZANIA EXPORTED BY M/S
WILLIAMSON DIAMONDS LIMITED EN ROUTE TO BELGIUM**

Reference is made to above captioned subject.

We would like to bring to your attention that a diamond parcel from Tanzania, which was sealed on 19th October, 2009 weighing 14,931.35 carats with an estimated value of US\$ 2,880,257.42 was stolen on 22nd October, 2009 whilst in transit through O.R. Tambo international airport, Johannesburg en route to Belgium. We issued a Kimberley Process certificate No. TZ 00000939 dated 19/10/2009 for export of rough diamonds (Annex 1). This parcel was exported by the Williamson Diamonds Limited (WDL) company to Antwerp, Belgium and followed all the procedures under KPCS.

The theft has been reported to the South African Police Services Organized Crime Unit (case No. 354/10/2009) on 22nd October, 2009 and efforts were made to try to recover the diamond parcel but until now they have not been recovered.

We take this opportunity to inform you so that the KP family could be informed and cautioned to be aware of the stolen diamonds produced from the WDL mine at Mwadui, Shinyanga, Tanzania.

Please find attached herewith the relevant documents accompanied the diamond parcel.

Handwritten signature of Salim S. Salim.

Salim S. Salim
for PERMANENT SECRETARY



Kimberley Process Certification Scheme Secretariat - Namibia

Ministry of Mines and Energy | Private Bag 13297 | No. 1 Aviation Road, Windhoek, Namibia

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Email: kpcs.namibia@kimberleyprocess.com | Website: www.kimberleyprocess.com



PRESS RELEASE

CLARIFICATION ON REPORTS STATING THAT "SEMI-CUT" DIAMONDS WOULD FALL OUTSIDE THE KIMBERLEY PROCESS CERTIFICATION SCHEME

Windhoek, 30 November 2009.

As response to recent reports in the media on how the Kimberley Process Certification Scheme (KPCS) could be circumvented by cutting and polishing a single facet to rough diamonds, the Kimberley Process would like to emphasize that these remarks are substantively incorrect.

It is incorrect that semi-cut diamonds fall outside the scope of the KPCS.

Indeed, the mentioned reports refer to a situation that existed until 2004. However, since that date, in order to close possible loopholes (such as the one alluded to in the reports), the definition of rough diamonds has been modified by the World Customs Organisation (WCO) upon suggestion by the Kimberley Process. Semi-cut diamonds are classified in tariff provisions of the Harmonised Commodity Description and Coding System (HS-System) which fall squarely within the scope of the KPCS's definition of "rough diamonds" and, consequently, semi-cut diamonds remain subject to the requirements of the KPCS.

Polishing a single or a few small facets will not transform rough diamonds into polished diamonds and make these "fall off the KPCS' radar" as was reported in the media. Rather, semi-cut diamonds are regarded as rough diamonds and their import or export remains subject to the requirements of the KPCS.

In case of uncertainty, information on what constitutes a rough diamond is included in the Explanatory Notes to the HS-Coding System (Heading 7102) available at the WCO or at your local customs agency, the local Kimberley Process Authority or the KP Working Group of Diamond Experts.

For further information contact:

KPCS Secretariat- Namibia: kpcs.namibia@kimberleyprocess.com

Ministry of Mines and Energy | Private Bag 13297 | No. 1 Aviation Road, Windhoek, Namibia

Tel: +264 61 2848234 | Fax: +264 61 2848203

Email: kpcs.namibia@kimberleyprocess.com | Website: www.kimberleyprocess.com

Background

The Kimberley Process started when Southern African diamond-producing states met in Kimberley, South Africa, in May 2000, to discuss ways to stop the trade in 'conflict diamonds' and ensure that diamond purchases were not funding violence.

In December 2000, the United Nations General Assembly adopted a landmark resolution supporting the creation of an international certification scheme for rough diamonds. By November 2002, negotiations between governments, the international diamond industry and civil society organisations resulted in the creation of the Kimberley Process Certification Scheme (KPCS). The KPCS document sets out the requirements for controlling rough diamond production and trade. The KPCS entered into force in 2003, when participating countries started to implement its rules.

The Kimberley Process Certification Scheme now has 49 Participants (equalling 75 countries with the European Community counting as a single Participant), including all major diamond producing, trading and polishing centres, and counts on the active participation of civil society and industry groups.

The Kimberley Process Certification Scheme (KPCS) imposes extensive requirements on its members to enable them to certify shipments of rough diamonds as 'conflict-free' and prevent conflict diamonds from entering the legitimate trade. Under the terms of the KPCS, participating states must meet 'minimum requirements' and must put in place national legislation and institutions; export, import and internal controls; and also commit to transparency and the exchange of statistical data. Participants can only legally trade with other participants who have also met the minimum requirements of the scheme, and international shipments of rough diamonds must be accompanied by a KP certificate guaranteeing that they are conflict-free.

KP participating countries and industry and civil society observers gather twice a year at intersessional and plenary meetings, as well as in working groups and committees that meet on a regular basis. Implementation is monitored through 'review visits' and annual reports as well as by regular exchange and analysis of statistical data.

