

Implementation of the Kimberley Process certification scheme for the international trade in rough diamonds. Recast

2021/0060(COD) - 12/03/2021 - Legislative proposal

PURPOSE: to implement the Kimberley Process certification scheme for the international trade in rough diamonds.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Council Regulation (EC) No 2368/2002 implementing the Kimberley Process certification scheme for the international trade in rough diamonds has been substantially amended several times. Since further amendments are to be made, it is necessary, in the interests of clarity, to recast the Regulation.

The new Regulation will replace the various acts incorporated in it, while fully preserving their substance.

CONTENT: the proposal for a recast of Council Regulation (EC) No 2368/2002 aims to establish a system of certification and control of imports and exports of rough diamonds within the EU for the purpose of implementing the Kimberley Process certification scheme, with a view to preventing the trade in conflict diamonds from being used to finance acts of violence by rebel movements and their allies to undermine legitimate governments.

Import regime

The proposed Regulation prohibits the import of rough diamonds into the EU or Greenland unless three conditions are met:

- the rough diamonds are accompanied by a certificate validated by the competent authority of a participant;
- the diamonds are transported in tamper-resistant containers, and the seals applied at export by that participant are not broken;
- the certificate clearly identifies the consignment to which it refers.

Where an EU authority establishes that these conditions are met, it shall confirm this on the original certificate and provide the importer with an authentic and forgery-resistant copy of that confirmed certificate. Otherwise, the shipment shall be detained.

Export regime

For a shipment of rough diamonds to be exported from the EU and Greenland, it must be transported in a tamper-resistant container and accompanied by a forgery-resistant certificate issued by the EU authority of the exporting country.

The EU certificate will be valid for export for up to two months from the date of issue. If the rough diamonds are not exported within this period, the Union Certificate will be returned to the issuing Union authority.

Monthly reports

The competent authorities of EU countries must submit monthly reports to the Commission on the import and export certificates that have been issued and validated by them. The originals of the certificates submitted for verification must be kept for a minimum period of three years by the Union authority.

Industry self-regulation

Organisations representing traders in rough diamonds which, for the purposes of implementing the Kimberley Process certification scheme, have established a system of warranties and industry self-regulation, may apply to the Commission for listing in Annex V of the Regulation.

Such organisations will be required to undertake to sell only diamonds from legitimate sources in compliance with the provisions of the relevant UN Security Council resolutions and the Kimberley Process Certification Scheme and to provide a written guarantee on the invoice accompanying each sale that the rough diamonds sold are not conflict diamonds.

Due diligence

To enhance the effectiveness of the certification scheme, the Regulation contains provisions to prevent circumvention or attempted circumvention. Likewise, providers of ancillary or directly related services should exercise due diligence in establishing that the provisions of this Regulation are duly applied.