

Ukraine
Ministry of Finances

Decree

09.04.2003

№ 276

Kyiv

**Establishing of registration
procedures of accompanying
documents and introduction
of rough diamonds into
turnover in compliance with
the requirements of
Kimberley Process
Certification Scheme**

To implement the Resolution of the Cabinet of Ministers of Ukraine No 307 of 12 March 2003 “Ukrainian import procedure for rough diamonds to custom territory of Ukraine and Ukrainian export procedure for rough diamond from custom territory of Ukraine”:

1. To establish additions:

The registration procedure for accompanying documents and introduction of rough diamonds into turnover in compliance with the requirements of Kimberley Process Certification Scheme;

standard of the Kimberley Process Certificate for diamonds as being exported from custom territory of Ukraine.

Minister of Finance of Ukraine

signature

Registration procedures of accompanying documents and introduction of rough diamonds into turnover in compliance with the requirements of Kimberley Process Certification Scheme

General Provisions

1. The procedure is defining peculiarities of registration of accompanying documents for rough diamonds as being transferred through custom border of Ukraine and introduction of rough diamonds into turnover in compliance with the requirements of international Kimberley Process Certification Scheme.

General control of custom registration and introduction of rough diamonds into turnover is realising according to the existing legislation in the area.

2. The categories of diamonds subjected to control are those that come within trade codes under the Ukrainian Commodity Description and Coding System for export-import operations 7102.10, 7102.21, 7102.31.

3. The following definitions apply:

use of diamonds, operation with diamonds – meanings of the terms are according to Ukrainian Law “State regulation of mining, production and use of precious metals and gem stones, and control over operation on them” No 637/97-BP of 18.11.1997 (with changes and additions);

country of origin – the country where rough diamonds were mined or extracted;

second country of origin – the last country in export-import operation chain, from which the diamond shipment enters to Ukraine;

parcel – means one or more diamonds that are packed together and transferred through custom border of Ukraine;

authorised body for realization of import is an organisation, designated by state bodies of country-participant of the Kimberley Process to register and control presence of the Kimberley Process Certificate for diamonds as being imported into the territory of the country, and provide other measures for realisation of the requirements of Kimberley Process Certification Scheme;

authorised body for realization of export is an organisation, designated by state bodies of country-participant of the Kimberley Process to register and to issue the Kimberley Process Certificate for diamonds as being exported from the territory of the country;

receiver (importer) – a person, in favour whom import of diamonds into custom territory of the country of destination is being realised;

sender (exporter) – a person, on behalf of whom export of diamonds from custom territory of the country-sender is being realised;

the Kimberley Process Certificate (hereafter referred to as the Certificate) – a specified document of a relevant content issued by body of export and identify shipment of rough diamonds in compliance with the requirements of Kimberley Process Certification Scheme.

4. Import of diamonds to the territory of Ukraine and export of diamonds from the territory of Ukraine is allowed only if shipment is accompanied by the Kimberley Process Certificate.

5. State Gemmological Centre of Ukraine (hereafter referred to as SGCU) is responsible for issuing and registration of the Certificates, and all other issues related to implementing of Kimberley Process requirements in Ukraine.

SGCU creates and maintains database for diamonds, as being imported into and exported from custom territory of Ukraine; conducts expert control of shipments of diamonds and verifies foreign Certificates; conducts administrative issues of cooperation with Kimberley Process Participants; stays update on all changes related to the list of Kimberley Process Participants as well as fulfil others functions as national body import-export of rough diamonds in compliance with Kimberley Process Certification Scheme.

The director of SGCU designates people to conduct procedures related to KPCS. They act according to the approved SGCU regulations in consent with Ministry of Finance of Ukraine.

6. The Certificates and other documentation as the grounds for account, receiving and transference of diamonds are required to be kept by subjects of management for a period of 5 years.

Import and introduction of rough diamonds into turnover

7. SGSU authorities make expert reports for diamonds as being imported into custom territory of Ukraine only if shipment is accompanied by the Kimberley Process Certificate.

In case of absence of the Certificate shipment of diamonds can not be custom registered.

SGSU authorities conducting necessary expertise and registration of accompanying documents may be involved in the procedure at check-point as well as in zone of custom control, including territories and premises of enterprises keeping diamonds under custom control. The involvement is conducted on initiative of receiver (an authorized official) after turning to SGCU with a relevant application.

8. Expert verification and legalisation of documentation for diamond shipment include:

- confirmation of all data related to issuing of the Certificate by country-participant of Kimberley Process Certification Scheme;
- validation of the Certificate;

- examination of information indicated in the Certificate and other accompanying documents on compliance with the diamonds in the shipment.

Each shipment is to be registered separately.

On results of examination SGCU authority makes an expert report in accordance with standard form. All revealed violations of KPCS requirements or disparities related to information about diamonds and actual shipment is to be reflected in the report. Until all disparities are solved by interested party diamonds can not be registered. If the disparities are result of mistakes of export authority introduction of the shipment of diamonds is possible only on results of correcting of the mistakes and sending of official information about the fact to address of SGCU.

9. After finishing of examination authority of SGCU issues two copies of the Certificate, verifies them by own signature and seal, and gives it to client with the original of expert report for a subsequent custom registration.

SGCU maintains original of the Certificates, accompanying the imported shipments of diamonds, registers them and sends confirmation (coupon from the Certificate form) on receiving of diamonds to the designated export authorities that issued the Certificate.

10. Transition of diamonds can be realised without registration of the Certificates only if parcel exported from custom territory of Ukraine in the same condition it was imported in.

11. Using of diamonds imported into custom territory of Ukraine after coming into force of this decree and realisation of operations with them is allowed only with presence of relevant copies of the Certificates.

Export of diamonds

12. A designated authority of SGCU conducts registration of accompanying documents for diamonds exporting from Ukraine before custom legalisation of the diamonds into free use regime outside of custom borders of Ukraine. It is conducted on initiative of receiver (an authorized official) after premature turning to SGCU with a relevant application and providing diamonds for expertise.

13. Registration of documents for diamonds not originated from Ukraine include:

- expert report and examination of diamonds on compliance with previously imported diamonds, as well as compliance of information stated in accompanying documents (contract, invoice, etc);
- issuing of expert report and Ukrainian KP Certificate.

Each shipment is registered separately.

Approving of compliance of exporting diamonds with previously imported diamonds ascertains on the grounds of comparison of their characteristics stated in a specified expert report of SGCU for importing shipments of diamonds.

Originals of expert report and the Certificate is to be sent to client for custom legalisation.

14. Shipment of diamonds as being exported has to be packed and sealed under control of SGCU authority. The SGCU authorised person certifies enclosure of the Certificate into the package. After that, SGCU authority supplies the information about the issued KP Certificate to the import authority of the country of destination.

15. The procedure for export of diamonds originated from Ukraine, is the same except approving procedure on compliance with diamonds entered previously. The exporter must prove the place of diamond origin and legality of operation with diamonds.

Requirements for the Certificate registration

16. SGCU conducts checking of foreign Certificates and registration of Ukrainian Certificates on the grounds of written request of sender or receiver (designated authority). The application should be put in forms given in Annexes 1 and 2. Copies of presented accompanying documents are to be added (contract, invoice, etc.)

17. Expert report of SGCU is a required document for registration the Certificates and custom legalization of diamond in free use regime within custom territory of Ukraine. Custom officials may require its presence also in cases of custom registration of any natural stones or artificial materials visually similar to rough diamonds.

18. SGCU does not register the Certificates for diamonds provided for export from custom territory of Ukraine if country of destination is not Kimberley Process Participant.

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