

The House of Parliament has finally approved the Kimberly Law on 24, November 2004 which has become effective following its publication in the Official Gazette on the 2nd of December 2004. This law has actually inflicted an embargo on rough diamond trade in the Lebanese republic from this date until the acceptance of Lebanon as a K.P. participant.

The control systems of the Minister of Economy and Trade and the Special Committee are in articles 3 and 4 of the law 645/2004.

The internal control systems are hereafter.

Customs formalities:

1- The customs declaration is submitted, including the full address of the importer or the exporter in addition to the following documents:

a- In case of Import:

- The original invoice.
- A detailed list of packing if the invoice does not include the proper details.
- A copy of the "bill of lading".
- The value declaration sample (DEV).
- A valid and validated Kimberley process Certificate.
- A former import license issued by the Minister of Economy and Trade.

b- In case of Export:

- The original invoice and all the documents related to the goods.
- The Kimberley Certificate, which is considered as an export license, is issued by the Special Committee overseeing the Kimberley Process. The certificate expires after 60 days of its issuance.

c- In case of Transit

- A valid and validated Kimberley Process Certificate.
- If the seal is broken, item 4 a and 4 b are applied.

2- A special register is opened in the International Beirut Airport Customs office and the post and parcel clearance Customs office to register all the import/export licenses or/and K.P. certificate.

3- After the registration of the import/export license, the declaration is given its path and is transmitted to the red channel for inspection and control.

4- The customs officer shall verify during the physical inspection, the following issues:

a- The declared rough diamonds are in a parcel properly wrapped and sealed in compliance with the regulations. In case the parcels have been opened, the imported goods or the ones in transit are returned to their source and the exported goods returned inside the country, after the communication with the Kimberley Process export authority.

b- The compliance of the rough diamonds with the Kimberley certificate. In case of any discrepancies between the goods and the certificate, the following procedures are taken:

- A confiscation of the shipment and a preparation of a confiscation report, of which an authenticated copy is delivered to the concerned party.
- The customs office notifies the Special Committee overseeing the Kimberley process and transmits an authenticated copy of the confiscation report to the latter committee.

In all cases, the Customs prosecution and regulation are due in relation to the information on the manifest or in case of any other customs breaches.

5- The Customs office organizes a detailed quarterly register of the Import /Export operations including all the information on each operation and submits it to the Special Committee overseeing the Kimberley process.

6- In case the passenger is accompanying the rough diamonds in-transit Customs Officers' shall:

- Assure the safety of the parcels and their compliance with the accompanying Kimberley process Certificate given that the transit position appears clearly on the mentioned Certificate.
- Withhold the rough diamonds as a consignment until its riding out of Lebanon and escorting to the airport.

7- Import conformation (stamp by the custom and return by the K.P. committee).

Procedures taken upon the confiscation of rough diamonds:

Upon the confiscation of rough diamonds and related documents by the customs officers, articles 14 and 15 of the law 645/2004 are applied:

Article 14: The customs officers, upon confiscating the rough diamonds and related documents, shall explain to the violator the reasons of confiscation and the procedure to have them returned. The customs officers shall take necessary measures to keep them in a secure storage.

Article 15: The customs officers shall refer the confiscation report and the file to the Special Committee who refers it to the competent judicial authorities in order to take the necessary measures according to applicable laws.

Customs Officers' special competence in inspecting rough diamonds and restraining violations

These authorities are specified in article 24 of the law 645/2004:

Article 24: In addition to their effective legal competences, the customs officers shall:

1. Have access to all documents related to the import/export of rough diamonds
2. Inspect any place or conveyance, other than a dwelling- place, to open any parcel or container where the officer has reasons to believe that there are rough diamonds or any documents to which this Law applies
3. Examine rough diamonds or any other documents related to them, take measurements and conduct tests or analyses that do not affect their value

4. Register any violations to the present Law, and withhold any conveyance and whatever means used in the operation of smuggling rough diamonds in accordance with the provisions of article 19 of this law.

Industry Self Regulation

The diamond trade and industry in Lebanon is undertaking the necessary steps to implement industry self regulation according to the standards proposed by the World Diamond Council (WDC). This includes a.o. the necessary mention of the warranty on every invoice; the keeping of records of warranties received and warranties issued; the independent auditing of these records and reporting of these findings to the K.P. special committee.

Polishing and cutting

Based on the current legislation of the customs and the Consumer Protection in the Ministry of Economy and Trade, polishers and cutters of rough diamonds have to submit quarterly reports of rough diamonds that are polished to the K.P. special committee.