

GJEPC

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Sponsored by the Ministry of Commerce & Industry

6th April 2022

To,
All the Members of GJEPC

The ongoing conflict has resulted in the US state department putting sanctions on precious metals & precious stones sourced from Russian Federation (Russia). On 11th March 2022, The Executive order of the President of USA, prevents import of rough and polished diamonds of Russian origin.

However, as per OFAC, rough that underwent “substantial transformation” which includes cutting and polishing in other countries remains legal. “Substantial transformation” means the goods have gained value through a fundamental change in form and appearance.

Due to the ambiguity, to seek more clarity and to safeguard the interest of our members, GJEPC sought advice from Mr. Rohan Shah to draft a declaration, which can be used by members of GJEPC when selling goods to retailers/ customers and seeking a declaration on the origin of diamonds/gold.

Please find below the proposed/recommended language of the declaration for your perusal:-

We hereby certify that, to the best of our knowledge and as per written assurances received from our suppliers, the Diamonds* covered by the accompanying invoice:

1. Have undergone substantial transformation in India,
2. Have not been obtained in violation with any applicable laws of sanctions currently issued by the U.S. department of Treasury’s office of Foreign Assets Control (OFAC),
3. Have not been processed from rough diamonds originating from Russian Federation (Russia)

OR

1. Have been sourced from Russian Federation (Russia)
2. under invoices dated on or before __ February/March 2022 or have been sourced from non-Russian sources,

***Can be replaced by the words – “Diamonds / Gold used to manufacture the jewellery covered by the accompanying invoice”**

The above declaration is only an advisory and may be used by the members only if they agree to the below disclaimer:-

- Each member should have their own systems and procedures open to audit against such declarations. In case of any misdeclaration, knowingly or unknowingly given by any member, Council in no way will be responsible for the resultant dispute, trade or legal whatsoever with the buyer/dispute with the US Govt.
- Considering the current situation, it is advised that members devise trackable systems to differentiate between goods produced/procured for US/Western markets averse to Russian origin and OTHER (Gulf/China/India) markets.
- Members should ensure that the declaration is given on a separate letter with each invoice.
- It is advised that members should take such written declarations from their suppliers to give one in turn

Thanking you,

With best regards,

sd/-

Chairman

GJEPC