



SIERRA LEONE ANNUAL REPORT 2011 FOR KIMBERLEY PROCESS CERTIFICATION SCHEME (KPCS) ATTENTION

“KP ONLY”

INSTITUTIONAL FRAMEWORK

- Provisions in the Mines and Minerals Act 2009 place the Ministry of Mines and Mineral Resources (MMMR) as the supervising and monitoring body for all minerals in Sierra Leone
- The Government Gold and Diamond Office, the body responsible for export and KP certification is under the direct supervision of MMR.
- The National Revenue Authority (NRA) which encompasses the Custom Department is another stakeholder.
- Investigations and prosecutions of cases of corruption are conducted by the Anti corruption Commission in conjunction with the Police and Office of National Security.



LEGAL FRAMEWORK:

- In the spirit of meeting the minimum requirements of the KP which includes passing a legislation to enforce the KP, the Government of Sierra Leone has drafted a bill entitled “The Precious Minerals Trading Act 2012 which deals precisely to legislate the KP.

- Part three deals with the “Export of Precious Minerals. Under this section is a title “Sierra Leonean Certificate”

- Among other things that ‘Sierra Leonean Certificate’ requires the diamonds in respect of which the application is made:
 - I. Originated in Sierra Leone



- II. Were extracted from minerals deposits in Sierra Leone
- III. Were imported from a Participant.

IMPORT AND EXPORT REGIME

- Licensing of actors from mining to export: the Government issues licenses for mine operators, dealers and exporters
- Documentation of every diamond transaction between (1) mine operators and dealers (2) dealers and exporters
- Checks on these documentations by government agencies like Mines Monitors in the Ministry of Mineral Resources, Customs Officers from the National Revenue Authority.



IMPORT AND EXPORT PROCEDURES

- The Government Gold and Diamond Office (GGDO) is the point of import and export.

- In the GGDO are the Government Diamond Valuers, the Independent Diamond Valuer, Customs Officer and a Government Monitor.
- All the above personnel have their role to play geared towards pricing, collection of duties, transparency and checks on transaction documents.

- The details of import and export are collated in the database of the GGDO which is also the basis for statistical requirements.

- The Customs Officer from the National Revenue Authority (NRA) checks bank inflows, diamond weight/carats and value.

- The Customs Officer further prepares a custom document for the diamond exporter covering



information on bank inflow, diamond weight/carat and value to be presented at the point of exit to Custom post for further verification.

- The Minister of Mineral Resources or his /her representative is the final signatory on the KP certificate. He or she could only sign after thorough vetting by the professionals in the Ministry

NUMBER OF KIMBERLEY PROCESS CERTIFICATES ISSUED FOR THE YEAR 2011

Country of Destination	No. of certificates	Carat weight	Value in USD	%AGE SHARE OF MARKET	COMMENTS
EC	152	230,187.01	81,045,033.88	65.28	.....
SWITZERLAND	18	95,593.67	26,576,815.50	21.41	.....
ISRAEL	35	8,682.86	7,242,288.72	5.83	.....
UAE	19	15,863.09	4,037,849.05	3.25	.....
CHINA	9	4,075.77	2,229,837.06	1.80	.....
USA	41	1,068.90	1,576,985.32	1.27	.....
CANADA	4	129.27	364,049.06	0.29	.....
INDIA	7	585.11	258,244.42	0.21	.....
S AFRICA	6	117.17	191,798.42	0.15	.....
ARMENIA	2	418.25	135,727.81	0.11	.....
TANZANIA	1	27.41	79,655.00	0.06	.....
AUSTRALIA	2	93.21	66,905.65	0.05	.....
RUSSIA	1	27.93	37,606.80	0.03	.....
INDONESIA	1	12.34	15,000.00	0.01	.....
UKRAINE	2	42.60	12,776.02	0.01	.....
MAURITIUS	1	61.84	1,976.00	0.00	.....
TOTALS	301	356,923.43	123,872,548.71	100%	



TECHNICAL ASSISTANCE AND DEVELOPMENT

The Government of Sierra Leone wishes to know technical assistance available to participants. Sierra Leone Government would be very grateful if this information would be posted on kpsl@ggdo.gov.sl

IDENTIFICATION OF ANY FRAUDULENT CERTIFICATES

Sierra Leone Government is pleased to state that it has no record of any fraudulent certificate for the year 2011.

IDENTIFICATION OF ANY SUSPICIOUS OR PROBLEMATIC SHIPMENTS IN 2011 AND STEPS TAKEN

GGDO/SL had a problem with shipment KP 003622. The shipment went through the normal and legal process. However, what happened when exported is not clearly known, so shipment 003622 came back under cover into the country/SL. Incidentally, police in their search for another criminal activity not related to diamonds,



discovered shipment KP 003622. The exporting body which is the GGDO was alerted. GGDO cooperated with the investigation and the current information is that the matter has been charged to court.

INSTANCES OF LAW ENFORCEMENT AND COOPERATION WITH OTHER PARTICIPANTS

The Government of Sierra Leone can report an instance of lack of cooperation from another participant. On the 22nd December 2011, diamonds attached with KP Certificate no.003660 were legitimately exported to the USA. The entry point was Newark Airport, New Jersey. The Exporter declared both the diamonds and the KP Certificate at the customs office at the above airport. However, the KP certificate was returned to the exporter which he brought back to Sierra Leone. Normally with the EU countries, the certificate is received and instantly informs the country of origin.

WDC System of Warranties Oversight



The Government of Sierra Leone has legislation on the (EITI) Extractive Industry Transparency Initiative in the Mines and Minerals Act 2009. This means all companies and individuals are bound by law to abide by the policy of disclosure. Furthermore the National Revenue Authority (NRA) annually audits Diamond dealers and exporters. The Mines and Minerals Act 2009 insists that all diamond dealers should keep all their transactions on record for inspection by Government Mines Monitors and auditors. That is why it is a must to obtain receipt books and record vouchers as part of the licenses process.