



## **Annual Report 2011 of Thailand Under the Kimberley Process Certificate Scheme (KPCS)**

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### **2. The Legality of Thailand on KPCS (Annex I)**

**2.1 Notification of Ministry of Commerce on Export and Import of Rough Diamonds B.E. 2546 (2003) dated May 16, 2003**

**2.2 Regulation of Ministry of Commerce on the Evidences and Document for Export and Import of Rough Diamonds B.E. 2546(2003) dated May 16, 2003**



2.3 Notification of the Ministry of Commerce on the Setting an Application, Form of the Declaration on the Balance Stock of Rough Diamonds, and the Practice if Import and Export to Kingdom for Rough Diamonds B.E. 2546 (2003).

2.4 Notification of the Royal Thai Customs Department 54/2548(2005) dated September 2, 2005, requiring exporters/importers of rough diamonds under HS.code 7102.10, 7102.21 and 7102.31, i.e. to declare their KP certificate number on export/import documentation.

### **3. Import and Export Regime**

3.1 The Import of All Rough Diamonds under the Harmonized Code 7102.10, 7102.21 and 7102.31

(1) All importers of rough diamonds must register with the Department of Foreign Trade (DFT). A list of registered importers in Thailand is shown in Annex II

(2) Only imports from the KPCS participants are allowed.

(3) An importer of rough diamonds must present a certificate, issued by the authorized agency of a KPCS participant, to the Customs Office at the port of entry. The format of the certificate must be consistent with that of the exporting country from which the Department of Foreign Trade have received advice, which in turn have onward transmitted the details to the Customs Department. The Customs Department checks whether the importer is registered with the Department of Foreign Trade, expiry date of KP certificate, whether the container has been tampered with, also that the carat weight and value are consistent as stated within the KP Certificate.

3.2 The Export of All Rough Diamonds under the Harmonized Code 7102.10, 7102.21 and 7102.31

Before dispatching rough diamonds, an export certificate must be obtained from the Department of Foreign Trade and this certificate must comply with the KPCS. This certificate must be presented to the Customs Office (a sample of an export certificate of rough diamonds is shown in Annex III).



#### **4. System of Internal Control**

Any person intending to either export or import rough diamonds should first register with the Department of Foreign Trade (DFT). Upon registering, such persons should submit their existing stock of rough diamonds together with an application form. DFT shall then assign a specific identification number.

Following registration, the Department of Foreign Trade shall provide the list of rough diamonds import/export company names to the related parties: e.g. Customs Department and Thai Diamond Manufacturers Association.

#### **Import Confirmation:**

- The rough diamond importer upon receiving a rough diamonds shipment must submit a copy of the related KP certificate to DFT within three working days.
- The Department of Foreign Trade confirms receipt of rough diamond shipments back to the designated authority in the exporting country.
- Upon issuing exporting KP certificates, the Department of Foreign Trade provides details and KP certificate copy via email to the designated authority in the receiving country.
- To minimize discrepancies of import-export of rough diamond data with trading partners, Thailand has bilaterally reconciled the statistics with the trading partners before submitting the statistics to the KP website.
- To send the KP import confirmation slips to the correspondent export authorities of other trading partners, accompanied by a letter identifying the content of slips.

#### **Measures adopted in the fight against fraud, fraudulent KP certificates:**

The Department of Foreign Trade (DFT); import authority, upon receiving a copy of the KP certificate specimen, signature(s), and stamp sample(s) from the exporting country participating under KPCS, shall inform these specimens to all related organization, i.e. the Customs Department and the DFT export authority of KP certificate issued.

In case of detection of fraudulent KP certificates, rough diamonds are not allowed to be imported/exported into/from Thailand. Any importers or exporters are considered as committing offences and subject to penalties indicated in the relevant customs legislation. In addition, such activity is also subjected to the offence under Articles 27 (Examination of Goods and Prevention of Smuggling) and 99 (False Declaration) of the Customs Act B.E. 2469 (1926).

#### **The Review Visit of Thailand:**

##### The first review visit

According to the first Review Visit, held in Thailand on 27-30 August 2007, Thailand was successful in meeting the requirements of the Kimberley Process Certification Scheme. Import and export procedures applied in Thailand are fully compliant with KP requirements



also included were recommendations from the review visit team, for improving internal controls as following:

- To send the KP import confirmation slips to the correspondent export authorities of other trading partners, accompanied by a letter identifying the content of slips.
- To keep original KP certificates for a period of at least 3 years.
- To improve Thailand's KP certificate by including a tear off confirmation slip and changing the valid date of the KP certificate to 60 days.

#### The second review visit

According to the second review visit held in Thailand on 5-9 March, 2012, Thailand was also constructive in meeting the requirements of the Kimberley Process Certification Scheme. Import and export procedures applied in Thailand are fully compliant with KP requirements

### **5. Procedure of releasing shipments in Thailand**

#### **Import**

1. The agent will be advised of a shipment arrival in advance.
2. Once a rough diamond shipment enters into Thailand, packages will be stored in a Strong Room where carefully recorded details of each item being timed in-out electronically under tight security laid down by regulations of Customs Department. In the mean time the authorized agent would be preparing all necessary documentation for customs clearance.
3. Customs Formality under KPCS :  
Rough diamond import under HS 7102.10; 7102.21; 7102.31 is categorized as e-Customs-red line, therefore the Importer must declare KPC numbers in the section "License/Certificate" of import entry form as specified in Customs Notification 54/2548. The authorized agent is required to meet customs officers for document verification ;
  - issuing country of the certificate must be a KP participant.
  - the original KP certificate must accompany the package; validity KPC number, and other details must be identical to the information declared in import entry form and invoice.
  - the importer must be registered with the Department of Foreign Trade, Ministry of Commerce.
4. Once the customs formality is approved, the authorized agent return to Strong Room for inspection and release of the package.

The Strong Room or Val Room is a part of the cargo security system where valuable items separately from other general items: for removal of a package from the Strong Room, the authorized agent of importer must submit an approved customs import entry form with import entry number to officers, then visit the Strong Room which requires 3 parties present;



Strong Room Officer, the authorized agent and Cargo Security Officer to witness and sign the document before releasing the package.

The package must then travel along designated directions, security will conduct a body search before allowing the loading of the package into the security truck to travel to the Last Checking Post to ensure that the consignment is matched to the document before final release from customs custody.

Deliver the package to the importer's office by security truck.

## Export

1. Once the authorized agent is advised of an export shipment, the name of exporter must be verified and prepare document for customs formality.
2. The packages will be picked up by the authorized agent.
3. Customs Formality under KPCS :
  - document verification : the customs officers will request to see an original KP certificate issued by the Department of Foreign Trade, Ministry of Commerce.
  - KP certificate number declaration; rough diamonds export under HS 7102.10; 7102.21; 7102.31 is categorized as e-Customs-red line, exporter is required to declare the number of a KP certificate in the section "License/Certificate" of export entry form as specified in the Customs Notification 54/2548. The exporter will be notified to make any correction if there is no KPC number present .
4. Package Inspection ; the customs officers will inspect the rough diamonds packages as to whether it is tamper resistant and ensure that an original KP certificate is attached with the package.
5. Deliver to designated airline.
6. Follow up until the package is loaded and the flight departs.
7. Send all documents via email to the agent abroad.
8. Follow up to the package being received by the importer.

Thailand could also be asked to confirm whether the customs inspect the contents of the packages before authorizing the export checks.

Thailand would inspect the contents of the packages only when the packages are considered suspicious.



## **6. Industry Self-Regulation & System of Warranties**

In order to strengthen the credibility of the KPCS, the rough diamonds industries within Thailand have agreed to comply and follow the World Diamond Council (WDC) proposal by creating and implementing a System of Warranties for diamonds which has been endorsed by all KP participants. All buyers and sellers of both rough and polished diamonds shall make the following affirmative statement on all invoices :

***“The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantees that these diamonds are conflict-free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds”.***

In addition, the rough diamonds industries agree to keep records of the warranty invoices received and the warranty invoices issued when buying or selling diamonds. This flow of warranties in and warranties out must be audited and reconciled on an annual basis by the company own auditors, and to show to duly authorized government agency, if requires

***Note: There have been no changes since the previous report.***



## 7. Statistics

### 7.1 Rough Diamond – Imports

#### ROUGH DIAMONDS-IMPORTS (THAILAND)

1 January - 31 December 2011

Country of Destination	Country of Origin	7102.10		7102.21		7102.31	
		Total carat	US\$	Total carat	US\$	Total carat	US\$
BELGIUM	BOTSWANA					19,231.540	6,541,262.580
	CANADA					1,973.220	1,385,887.620
	MINING			5,888.820	94,761.280	349,709.440	144,069,175.660
	RUSSIAN FED.			545.260	11,142.110	39,783.310	15,397,098.020
	S. AFRICA					13,067.300	3,657,190.550
BOTSWANA	MIXED					7,232.323	3,663,408.210
	UNKNOWN					6,442.880	2,585,629.370
CHINA	UNKNOWN					12,112.100	2,784,449.610
GUINEA	GUINEA			275.510	17,171.900	1,231.830	351,825.670
HONG KONG	MINING					381.540	85,083.420
INDIA	MIXED					3,964.920	1,506,128.310
ISRAEL	MINING			19.230	480.750	457,334.250	179,463,310.440
JAPAN	MINING			5,100.515	1,854,285.330	156.410	90,218.960
S. AFRICA	S. AFRICA					7,275.770	2,628,944.000
SRI LANKA	N/A					60,663.235	32,011,738.480
SWITZERLAND	CONGO					18.890	74,130.030
U.A.E.	MINING					9,930.310	2,669,651.240
	S. AFRICA					713.230	152,747.200
UK	AUSTRALIA			660.930	54,547.250	101.720	1,525.800
	S. AFRICA			76.560	9,570.000		
U.S.A.	UNKNOWN					236.280	119,286.740
<b>Total</b>				12,566.825	2,041,958.620	991,560.498	399,238,691.910

Source: Department of Foreign Trade, Ministry of Commerce, Thailand.



## 7.2 Rough Diamond - Exports

In general, upon receiving a request for rough diamonds export, the Department of Foreign Trade (DFT) shall check the submitted documentation carefully and if correct shall issue and export certificate to the exporters. The DFT shall immediately inform the relevant designated authority in the importing country by email so they can expect and be prepared to receive and check the shipment when it arrives in their territory.

### ROUGH DIAMONDS - EXPORTS (THAILAND) 1 JANUARY - 31 DECEMBER 2011

Country of Destination	Country of Origin	7102.10		7102.21		7102.31	
		Total Carats	US\$	Total Carats	US\$	Total Carats	US\$
BELGIUM	(MINING)BOTSWANA					4,810.370	2,582,952.500
	(MINING)RUSSFED					5,551.050	2,154,723.530
	(MINING)S. AFRICA					5,610.280	1,470,142.570
	MINING****			588.740	9,411.820	142,013.335	52,749,584.330
BOTSWANA	MINING****					1,531.995	1,217,978.210
CHINA	MINING****					49,041.080	6,078,061.370
	(MINING)RUSSFED					1,941.380	629,322.200
HONG KONG	(MINING)BOTSWANA					111.120	25,498.330
	MINING****					4,387.890	744,300.000
	(MINING)RUSSIAN FEDERATION					67.010	27,413.390
INDIA	(MINING)GUINEA			380.560	22,862.730	2,145.200	599,225.760
	(MINING)S. AFRICA	1,000.000	132,700.000			355.110	25,200.000
	MINING****					10,440.035	1,702,711.420
	(MINING)RUSSFED					287.032	21,240.370
ISRAEL	MINING****					309,048.544	125,210,718.780
JAPAN	MINING****			51.490	14,273.400	194.616	54,536.250
LAOS	MINING****					30,561.560	8,167,706.630
SRI LANKA	MINING****					976.170	1,132,753.620
SWITZERLAND	(MINING)BOTSWANA					0.500	470.820
	(MINING)CANADA					401.225	73,935.870
	MINING****					6,645.794	1,861,758.200
U.A.E.	(MINING)RUSSFED					166.170	51,509.570
	MINING****					2,092.530	690,430.270
UNITED KINGDOM	(MINING)AUSTRALIA			633.990	57,800.790	98.180	2,392.640
	(MINING)S. AFRICA			303.460	45,249.590		
<b>Total</b>		1,000.000	132,700.000	1,958.240	149,598.330	578,478.176	207,274,566.630

Source: The Department of Foreign Trade, Ministry of Commerce, Thailand





### 7.3 Rough Diamonds – KP Certificate Count

#### Rough Diamonds – KP Certificate Count (1 January – 31 December 2011)

Country	Imports	Exports
Belgium	366	222
Botswana	22	6
China	24	40
Guinea	3	0
Hongkong	1	6
India	6	19
Israel	501	362
Japan	11	4
Laos	0	48
South Africa	10	0
Srilanka	49	6
Switzerland	1	52
U.A.E.	17	2
United Kingdom	4	6
usa	7	0
<b>Total</b>	1022	773

Source: The Department of Foreign Trade, Ministry of Commerce.



## **8. Miscellaneous**

- 8.1** Thailand attended the Kimberley Process Plenary Meeting 2010 to update and exchange information compliance with the KPCS implementation.
- 8.2** Since 2008, Thailand has collected, submitted and reported rough diamonds trade, KP certificate count data as well as the reconciliation process based on the KP issued date to define the quarter. This objective is to minimize discrepancies of the data between Thailand and trading partners, also provide uniform pattern of reporting KP based data.
- 8.3** It should be noted that when import of rough diamonds confirmation is requested, the name of both the importer and exporter should be stated to enable us to check and provide the requested information both promptly and precisely.

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