



Dear Members,

On Friday, the United States released an executive order that impacts our industry. In accordance with information released by U.S. regulatory agencies, and based on the guidance published by the JVC (copied below this email) we have developed the following general guidance for our members. As always, please reach out with any specific questions.

Rough Diamonds

Rough diamonds that were mined in Russia may not be imported into the United States. This includes diamonds that were mined prior to the Ukraine conflict.

Unless you are sure that the rough diamonds you are importing are **not** of Russian origin, we urge you to exercise extreme caution and contact either your attorneys or the DDC for the most current information available.

Polished Diamonds

Whether a polished diamond may be imported is dependent on where it was cut and polished. **As long as a polished diamond was not manufactured in Russia, it may be imported into the U.S.** (subject to any other already existing sanctions). For example, a rough diamond, mined in Russia, but cut and polished in India, may be imported.

Polished diamonds manufactured in Russia may not be imported into the U.S. This includes diamonds manufactured prior to the Ukraine conflict.

Important Notes

- 1. This is a developing situation. The U.S. government's guidance and rules may change at any time, and without warning. We urge our**

members to keep themselves current on the latest developments and contact us in the case of questions.

2. In addition to following the guidance above, we urge our members importing polished diamonds to ask their overseas suppliers to add the following language to all invoices and memos: **“The seller hereby guarantees that the diamonds invoiced and/or sent by memo and contained herein were not manufactured in the Russian Federation.”**

3. All the guidance above applies even where you already own the goods. For example, if you own a diamond that was manufactured in Russia, and it is currently located in your Israel office, you may not import that diamond to the U.S.

4. If you are importing goods pursuant to agreements dated prior to March 11, 2022, please see the OFAC guidance [available here](#).

This email is based on currently available information. Please see the JVC's notice to their members below for further details.

JVC MEMBER ALERT

REVISED Updated Guidance Re: Russian Diamond Ban and Related Sanctions

On Friday, March 11, President Biden announced a ban on importation of certain Russian Federation products, including diamonds. This action was taken in response to the continued aggression of the Russian Federation against Ukraine. Since that announcement, the Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued additional FAQ guidance on the importation ban that clarifies what U.S. jewelry businesses must do going forward.

The ban on importation of diamonds from Russia is limited to U.S. harmonized tariff codes 7102.31.00 and 7102.39.00, which are the tariff codes for “unworked or simply sawn, cleaved or bruted” diamonds (or what the trade generally refers to as “rough diamonds”) and the tariff code for polished diamonds. Rough diamonds from Russia and diamonds cut & polished in Russia are both blocked from import into the U.S.

Under U.S. Customs regulations and interpretation based on the OFAC FAQs, rough diamonds from the Russian Federation which are cut and polished in a second country are “substantially transformed” by the cutting and polishing, becoming a product of that second country. Under this guidance, rough diamonds imported from Russia into a country that has not implemented sanctions or a ban and then cut and polished are currently legal to import into the U.S. as they will fall under a separate harmonized tariff code.

It is certainly possible that countries which have traditionally been cutting centers for rough diamonds may also implement a ban on importing Russian diamonds, further limiting their pathways into the U.S. In addition, the U.S. government could decide to further limit imports of those products which originate in Russia and are substantially transformed elsewhere, or add

additional harmonized tariff codes to the importation ban. JVC recommends that members proceed with extreme caution regarding diamond imports, as the risk of additional future limitations is high.

The full FAQ from OFAC is available [here](#).