

**Import and export activities of rough diamonds within the scope of Kimberley Process Certification
System (SCPK) | Law n.º 5/2015, of 15 January**

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1 - What is the Kimberley Process Certification System (KPCS)?

The Kimberley Process Certification System (KPCS) is a set of minimum requirements that rules international trade of rough diamonds between the members of the Kimberley Process (also known as participants).

For further information, visit:

<http://www.kimberleyprocess.com/>

http://eeas.europa.eu/blood_diamonds/index_en.htm

2 - What are conflict diamonds?

Conflict diamonds are rough diamonds that are introduced in international trade in order to obtain money to finance armed conflicts and civil wars.

3 - What does Kimberley Act no. 5/2015 of January 15 stipulate?

Kimberley Act no. 5/2015 of January 15 lays down the legal formalities that comply with EC Regulation no. 2368/2002 of 20 December 2002, regulating the access and exercise of the import and export activities of rough diamonds and the expert-classifier-evaluator of rough diamonds.

4 - What do I need to become a diamond trader in Portugal?

The exercise of import and export activities of rough diamonds requires the issuance of license and compliance with suitability requirements.

5 - How do I obtain a trading license?

The application for the issuance of a license to carry out import and export activities of rough diamonds is addressed to the Directorate-General for Economic Activities, in an electronic form, available online at the Single Point of Contact: <https://eportugal.gov.pt/> To complete the application, the applicant is required to provide the following information:

- Identification of the holder (name / firm or company name, nationality or mention of resident status);
- Indication of the tax domicile (natural person) or address of the head office (legal person);
- Declaration of beginning of activity (natural person), code of permanent certificate (legal person);
- Certificate of criminal record of the holder (natural person);
- Criminal record certificate for each of the administrators, directors or managers (legal person);
- Written declaration, under honor, that the suitability requirements are met (for a natural person or for each of the directors, officers or managers, if a legal person).

6 - Where can I submit the register form in case the Single Point of Contact is out of order?

The application for the issuance of a license for the exercise of import and export activities of rough diamonds is addressed to the Directorate-General for Economic Activities, through the electronic address autorizacoes.dcsr@dgae.gov.pt accompanied by the same elements as referred above.

7 - What are the suitability requirements to become a diamond trader in Portugal?

In order to become a licensed diamond trader, the applicant must provide evidence that (company's director(s) or sole trader) have not been convicted of the misdemeanour and/or crimes described below:

- conviction for felonious Bankruptcy,
- crimes against property,
- drug trafficking,
- money laundering,
- corruption,
- forgery,
- bribery and influence peddling,
- customs crimes as described in Chapter III Section II of the Customs Act no. 15/2001 of June 5.

In case there was a conviction for the misdemeanour and/or crimes described above, the company's director(s) or sole trader, must provide evidence that a five-year period has elapsed over the misdemeanour and/or that the crime conviction has been expunged.

8 - How long does it take for the license to be issued?

Five working days.

9 - What information the licensed diamond trader is obliged to report to the Register Office?

The licensed diamond trader must report to the Directorate-General for Economic Activities, within 30 days:

- Change of administrators, directors or managers, which must be instructed with the respective criminal record certificates;
- the change of business name, constitutional documents and fiscal domicile,
- the cessation of business activity.

The information must be provided through the Single Point of Contact or (if the SPC is not available) by e-mail to the following e-mail address: autorizacoes.dcsr@dgae.gov.pt

10 - What fees can the diamond trader be obliged to pay?

- The license to operate as a diamond trader is free of charge.
- To issue a KPCS certificate the The Tax and Customs Authority will charge the amount of which is fixed by order of the member of the government responsible for the area of finance.

11 - When does the expert-classifier-evaluator intervene?

The expert-classifier-evaluator intervenes in the diamond import and export procedures, when the customs verification is carried out.

12 - For how long it is required to keep certificate copies and clients' records?

Five years.

13 - What are the fines or penalties for diamond trading in Portugal?

- The absence of a license is an administrative infraction punishable in the amount ranging from €5,000 to € 25,000, if the diamond trader is a sole trader or from €10,000 to €100, 000, if the diamond trader is a company.
- The license is automatically revoked whenever the suitability requirements are not fulfilled and constitutes an administrative infraction punishable in the amount ranging from €2,500 to € 12,500, if the diamond trader is a sole trader or from € 7,500 to €75,000, if the diamond trader is a company.
- Diamond smuggling constitutes an administrative infraction if the tax credit does not exceed the amount of €15,000 or the crime proceeds do not exceed the amount of €50 000.
- Diamond smuggling is a crime punishable **between** 3 and 8 years in prison.

14 - What obligations do licensed entrepreneurs have?

Concerning general and specific duties to prevent and combat money laundering and terrorist financing, the duties, among others, of control and training, which require the possession of, respectively, a prevention manual suitable for the activity and a certificate proving attendance of a certified training action. This information can be found in Regulation No. 1191/2022, of 26 December.