

**Credit extended to Diamond Exporters  
Embargo on import of conflict diamonds**

RESERVE BANK OF INDIA  
INDUSTRIAL & EXPORT CREDIT DEPARTMENT  
CENTRAL OFFICE  
CENTRAL OFFICE BUILDING  
POST BAG - 10030  
MUMBAI - 400 001.

IECD.No.1/04.02.02/2000-2001

July 13, 2000

The Chairmen/Chief Executives  
of all commercial banks

Dear Sir,

Credit extended to Diamond Exporters  
Embargo on import of conflict diamonds

It has been brought to our notice that conflict diamonds which comprise less than 4% of the total global value of diamonds play a large role in funding the rebels in the civil torn areas of Sierra Leone, Angola and Congo. Trading in conflict diamonds has been banned by U.N.Resolution No.1173 and 1176. Since there are no direct imports of rough diamonds from any of the diamond mining countries, there is no possibility of any direct import of conflict diamonds into India. However, with a view to ensuring that no support is extended to any trading in conflict diamonds and the legitimate trading in non-conflict diamond is not affected, it has been decided that banks should obtain an undertaking from such of the clients who have been extended credit for doing any business relating to diamonds. You are therefore, requested to obtain the undertaking in the enclosed format from your clients.

Please acknowledge receipt.

Yours faithfully,

(S.S.Gangopadhyay)  
Chief General Manager

Encl : 1

Annexure to Circular IECD No.1/04.02.02-2000-20001  
dated July 13, 2000

**Form of an undertaking to be obtained  
by banks from the clients who have been  
extended credit for doing any business  
relating to diamonds**

"I hereby undertake not to knowingly do any business in the conflict diamonds as have been banned vide UN Security Resolution No.1173 and 1176 or the conflict diamonds which come from any area in Africa controlled by forces rebelling against the legitimate and internationally recognised government of the relevant country.

I am also giving my consent to the withdrawal of all my credit entitlements if at any time, I am found guilty of knowingly having conducted business in conflict diamonds".