

**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.7/04.02.02/2000-2001

December 5, 2000

The Chairmen/Chief Executives
of all commercial banks,

Dear Sir,

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

Please refer to our Circular IECD No.1/04.02.02/2000-2001 dated July 13, 2000 on the above subject. UN Security Council Resolution No.1306 (2000) has further imposed a prohibition on the direct/indirect import of all rough diamonds from Sierra Leone. Accordingly, it has been decided that the banks should obtain an undertaking in the enclosed revised format from such of the clients who are extended credit for doing any business relating to diamonds.

2. You are also advised to furnish the details (name and address) of diamond industry clients from whom an undertaking in the revised format has been obtained so as to reach us on or before December 31, 2000. Any future addition/deletion may also be advised to us on a half yearly basis as at the end of June and December.

3. Further, you may furnish at half yearly intervals, a statement containing information regarding alleged violations, of the prohibition imposed, so as to reach us within a period of 15 days from the end of the half-year to which it relates. In case, there is no information, a 'nil' statement may be sent. The first such return should relate to the period ending December 2000.

4. Please acknowledge receipt.

Yours faithfully,

(Smt.R.K.Makhija)
General Manager

Encls : as above

**Annexure to Circular IECD No.7/04.02.02/
-2000-2001 dated December 5, 2000.**

**Form of an undertaking to be obtained by
banks from the clients who are 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 Council 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 and further undertake not to do direct or indirect import of rough diamonds from Sierra Leone in terms of UN Security Council Resolution No.1306 (2000) which prohibits the direct or indirect import of all rough diamonds from Sierra Leone.

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 such diamonds."