

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

Ref.IECD.No.3 /04.02.02/2001-2002

August 30, 2001

The Chairmen/Chief Executives
of all commercial banks

Dear Sir,

Credit extended to Diamond Exporters
Embargo on import of conflict diamonds –
Liberia

Please refer to our circular IECD No.7/04.02.02/2000-2001 dated December 5, 2000 on the above subject. UN Security Council Resolution No.1343(2001) has further imposed ban on the direct or indirect import of all rough diamonds from Liberia, whether or not such diamonds originated in Liberia. Accordingly, it has been decided that the banks should obtain afresh the modified undertaking in the enclosed format from all their clients who are being extended credit for doing any business relating to diamonds.

2. Further, the UN Security Council Resolutions No.1173, 1176, 1306 (2000) and 1343(2001) adopted so far on conflict diamonds require that any violation of the ban/prohibition imposed should be reported to the UN immediately. In view of this, you may report to us promptly violation of provisions of these UN Regulations as and when noticed. Half-yearly statements mentioned in paragraphs 2 and 3 of the above referred circular may be discontinued forthwith from the half-year ended June 2001.

3. Please acknowledge receipt.

Yours faithfully,

(Smt. R.K.Makhija)
General Manager

Annexure to Circular IECD No. 3 /04.02.02/2001-2002
dated 30 August 2001

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 Nos.1173, 1176 and 1343(2001) or the conflict diamonds which come from any area in Africa including Liberia 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 all rough diamonds from Sierra Leone and/or Liberia whether or not such diamonds originated in Liberia in terms of UN Security Council Resolution No.1306(2000) which prohibits the direct or indirect import of all rough diamonds from Sierra Leone and 1343 (2001) which prevents such import from Liberia.

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.”