

### **What is the Kimberley Process Certification System (KPCS)?**

The Kimberley Process Certification Scheme (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](http://eeas.europa.eu/blood_diamonds/index_en.htm)

### **What are conflict diamonds?**

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

### **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.

### **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.

### **How do I obtain a trading license?**

The application for the issuance of a license is addressed to Directorate-General of Economy (DGE), in an electronic form through Entrepreneur's Desk (BdE). 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) or code of permanent certificate (legal person).
- Certificate of criminal record of the holder (natural person) or certificates of 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).

**Where can I submit the register form in case the BdE 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 of Economy, through the electronic address, [autorizacoes.dscsr@dgae.gov.pt](mailto:autorizacoes.dscsr@dgae.gov.pt) accompanied by the same elements described above, in 5.

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

To become a licensed diamond trader, the applicant must provide evidence that (company's director(s) or sole trader) has not been convicted of the misdemeanor and/or crimes described below:

- 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 misdemeanor 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 misdemeanor and/or that the crime conviction has been expunged.

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

Five working days.

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

The licensed diamond trader must report to DGE within 30 days:

- Change of administrators, directors or managers, which must be instructed with the respective criminal record certificates.
- The appointment or replacement of Director(s).
- The change of business name, constitutional documents and fiscal domicile.
- The cessation of business activity.

The information must be provided through BdE or, if this is not available, by e-mail to the following address: [autorizacoes.dcsr@dgae.gov.pt](mailto:autorizacoes.dcsr@dgae.gov.pt)

#### **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 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.

#### **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.

#### **For how long is it required to keep certificate copies and clients' records?**

Five years.

#### **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.

#### **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, information that can be found in Regulation No. 1191/2022, of 26 December.