



Foreign &
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Dear Colleagues

**EU RESTRICTIVE MEASURES AND THE KIMBERLEY PROCESS AGREEMENT ON
MARANGE DIAMONDS**

On 1 November at the Kimberley Process (KP) Plenary meeting in Kinshasa, agreement was reached on the export of diamonds from the Marange region of Zimbabwe. Under the terms of this agreement Zimbabwe may export rough diamonds from mines in the Marange region which have been certified as KP compliant. There are currently two mining sites in the Marange region which have been certified as KP compliant, those operated by Mbada and Marange Resources. The results of the recent KP assessment of the Anjin mining site have yet to be announced.

UK companies should be aware however that the Zimbabwe Mining Development Corporation (ZMDC), which has a substantial stake in both Mbada and Marange Resources, remains subject to EU Restrictive Measures. EU Restrictive Measures prohibit the making available of funds or economic resources to the 31 entities or 163 individuals targeted by the EU Restrictive Measures. Any transaction through which funds or economic resources were made available, directly or indirectly (including through a third party), to or for the benefit of ZMDC would be in breach of these Measures.

There are criminal penalties in place for breaches. If there is uncertainty you are advised to seek independent legal advice to ensure your activity does not cause you to be in breach of the EU Restrictive Measures.

A full list of EU Restrictive Measures can be found on the HM Treasury website at:
http://www.hm-treasury.gov.uk/fin_sanctions_zimbabwe.htm

Diamond mines outside of the Marange region are not affected by the new agreement nor are subject to EU Restrictive Measures. They can continue to export freely under the KP.

Yours sincerely

Nick Jagger
Head of Government Diamond Office