



## ADVISORY NOTICE

**Friday April 8, 2022**

The United States Jewelry Council (USJC) continues to follow the unfolding humanitarian crisis in Ukraine, where, on Thursday February 24, 2022, Russian Federation forces launched an unprovoked invasion contrary to international law, which has led to thousands of civilian deaths & casualties.

In response, the United States and other governments have condemned Russia's actions and instituted sanctions on many companies and individuals in Russia. The goal of these sanctions is to stop the flow of money from western countries to the Russian Federation and narrow the pathway for Russian goods to get to market.

The U.S. also issued a ban on the importation of certain Russian goods, including rough and polished diamonds. The import ban stops U.S. companies from legally purchasing these sanctioned products directly from Russia. The sanctions also prevent U.S. companies from selling luxury goods to Russian citizens located in Russia. These sanctions are published by the U.S. Department of Treasury Office of Foreign Assets Control (OFAC). Further information can be found here:

- [Specially Designated Nationals And Blocked Persons List \(SDN\) Human Readable Lists | U.S. Department of the Treasury.](#)
- [Other OFAC Sanctions Lists | U.S. Department of the Treasury](#)
- [Sanctions List Search \(treas.gov\)](#)

In addition, many Russian banks have been limited from accessing the SWIFT banking system, which makes international transactions difficult or blocks them altogether. Major credit card companies including Visa, Mastercard and American Express have also blocked Russian citizens from using their cards to purchase goods outside of Russia.

U.S. sanctions prohibit entities from importing banned articles into the U.S. The following articles are banned from importation into the U.S.:

- rough non-industrial diamonds that were mined in the Russian Federation. This includes diamonds that were mined **prior** to the Ukraine conflict.
- polished diamonds that were manufactured (cut & polished) in the Russian Federation. This includes diamonds that were manufactured **prior** to the Ukraine conflict.
- bullion sold by any Russian Government institution or one of the Russian banks under U.S. sanction.

Importantly, none of the above articles may be imported into the U.S. even if they are purchased from non-Russian sources. Additionally, the above articles may not be imported into the U.S. even if they are already owned by a U.S. entity, but are currently located outside of the U.S. For example, if a company purchased a diamond that was cut & polished in the Russian Federation in 2019, and it is currently located in the company's Israel office, that diamond may not be imported to the U.S.



# U.S. JEWELRY COUNCIL

**The U.S. government’s guidance and rules may change at any time, and without warning. The USJC urges its collective memberships to keep themselves current on the latest developments.**

Separately from the OFAC sanctions, the U.S. Government has been consistently advising U.S. businesses to adhere to the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNEs) as well as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (DDG CAHRAs).

The USJC accepted the OECD DDG CAHRAs as an essential tool for the US industry in 2017. The OECD DDG CAHRAs outline best practices regarding upstream sourcing for those companies that claim adherence to the OECD guidance. For more information, the USJC urges its collective memberships to read the full OECD Due Diligence Guidance which can be found here:

- [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.](#)

In 2011, the Diamond Manufacturers & Importers of America (DMIA), Jewelers of America (JA) and the Jewelers Vigilance Committee (JVC) [all members of the USJC], together with Tiffany & Co., published the 1<sup>st</sup> edition of the “Diamond Source Warranty Protocol”, which is a template for members of the industry to pass on to their attorneys to incorporate into their commercial contracts with their suppliers, to assist in determining those goods that they do NOT want supplied.

The USJC adopted the Protocol in 2016 and has since published updated versions to include all precious stones and precious metals, as well as other jewelry products. Further information can be found here:

- [USJC Protocol – United States Jewelry Council.](#)

**Given the serious ethical, reputational and legal risks surrounding the purchase of precious metals and/or precious stones, the USJC strongly advises its collective memberships to immediately take all available measures to ensure they are not inadvertently violating OFAC sanctions or other US laws.**

**The USJC recommends that, in addition to the regular incorporation of the USJC Source Warranty Protocol into supply contracts, that U.S. importers of polished diamonds and bullion products require their overseas suppliers to add the following language to all invoices and memos:**

- **For polished diamonds:**  
*“The seller hereby guarantees that the diamonds invoiced and/or sent by memo and contained herein were not manufactured in the Russian Federation.”*
- **For bullion:**  
*“The seller hereby guarantees that the bullion invoiced and contained herein was not sold by any Russian Government institution or any of the Russian banks under U.S. sanction”*

**The USJC recommends that U.S. importers of rough diamonds engage in the utmost caution when importing rough diamonds into the United States and to contact their attorneys to craft contractual language specific to their circumstances.**