

RAPAPORT

To: Office of Foreign Asset Control
US Department of Treasury
Treasury Annex / Freedman's Bank Building
1500 Pennsylvania Avenue, NW
Washington DC 20220

Sent Via Registered Mail

From: Martin Rapaport
Chairman
Rapaport Group

February 28, 2023

Dear Madam/Sir,

Our Rapaport USA Inc. and Rapaport Diamond Corporation companies are US entities active in the diamond trade. Our companies own and manage RapNet the world's largest diamond trading network, as well as Rapaport Auctions which transacts tens of millions of dollars of diamonds annually. In addition, our publishing division is the primary source of diamond price and market information worldwide.

Please answer the following questions on an urgent basis.

Is it permissible for a US entity to trade or import into the United States, polished diamonds manufactured from rough diamonds purchased from Alrosa after April 7, 2022, whereby the diamonds were manufactured or "substantially transformed" outside of Russia by non-sanctioned entities?

Does "substantial transformation" of a product purchased from a "sanctioned entity" render the resultant product free of sanction restrictions?

I am available via email rap@diamonds.net or via our NY office +1-212-354-9100. Please feel free to contact me for additional information.

Thank you,

Martin Rapaport
Chairman
RAPAPORT