

MEMBER ALERT

Russia Sanctions Implementation & Launch of JVC Dedicated Sanctions Page

By: The JVC Legal Team

Today, March 1, 2024, the G7 government-coordinated restrictions begin on rough and polished diamonds of Russian Federation-origin. All G7 governments (United States of America, Canada, France, Germany, Italy, Japan, the United Kingdom and the European Union) have agreed to restrict Russian-origin diamonds of certain sizes from entering the G7, even if they are cut & polished (“substantially transformed”) in a third country before import. The purpose of the sanctions is to prevent the Russian Federation from continuing to use the financial systems of the G7 to fund its unjustified war in Ukraine. Alrosa, the state diamond mining corporation which is partially owned by the government of the Russian Federation, uses the country’s diamonds to raise revenue that directly contributes to the war in Ukraine.

In the U.S., the restriction was implemented by an [Executive Order](#) on December 22, 2023 with subsequent determinations by the [Office of Foreign Assets Control](#) and guidance issued yesterday from [Customs & Border Protection](#). In summary, importers of rough & polished diamonds 1.0 carat or higher into the U.S. must make a self-declaration upon import that the diamonds did not originate in the Russian Federation and if necessary, provide documentary supply chain evidence to show proof.

The G7 has indicated that starting on September 1, the threshold will drop to 0.5 carats and include finished jewelry, laboratory-grown diamonds, and watches. The G7 technical committee is working on a traceability mechanism for diamonds that will be tested between March 1 and September 1, the “sunrise period”. We don’t yet know either how this will be structured nor how it will be enforced.

JVC is launching a [dedicated Sanctions webpage](#) today with links to all relevant U.S. and G7 documents, a wide-ranging Frequently-Asked Questions section, and additional resources. Members of the trade are encouraged to check back regularly, as JVC will continue to update and add to these questions as necessary. JVC members with additional questions may reach out directly, or book a one-on-one member chat via the member portal.

JVC continues to work alongside the jewelry industry and with the U.S. government to clarify the requirements and provide input regarding what is achievable in the market. Members are strongly encouraged to stay in touch with us about how the Sanctions are affecting their businesses so that we can provide the U.S. government with updated information as the process continues.

JVC's dedicated Sanctions webpage is available at <https://jvclegal.org/sanctions-resources/>.

Thank you,
Your JVC Team

