

# **Info session G7 - Grandfathering**

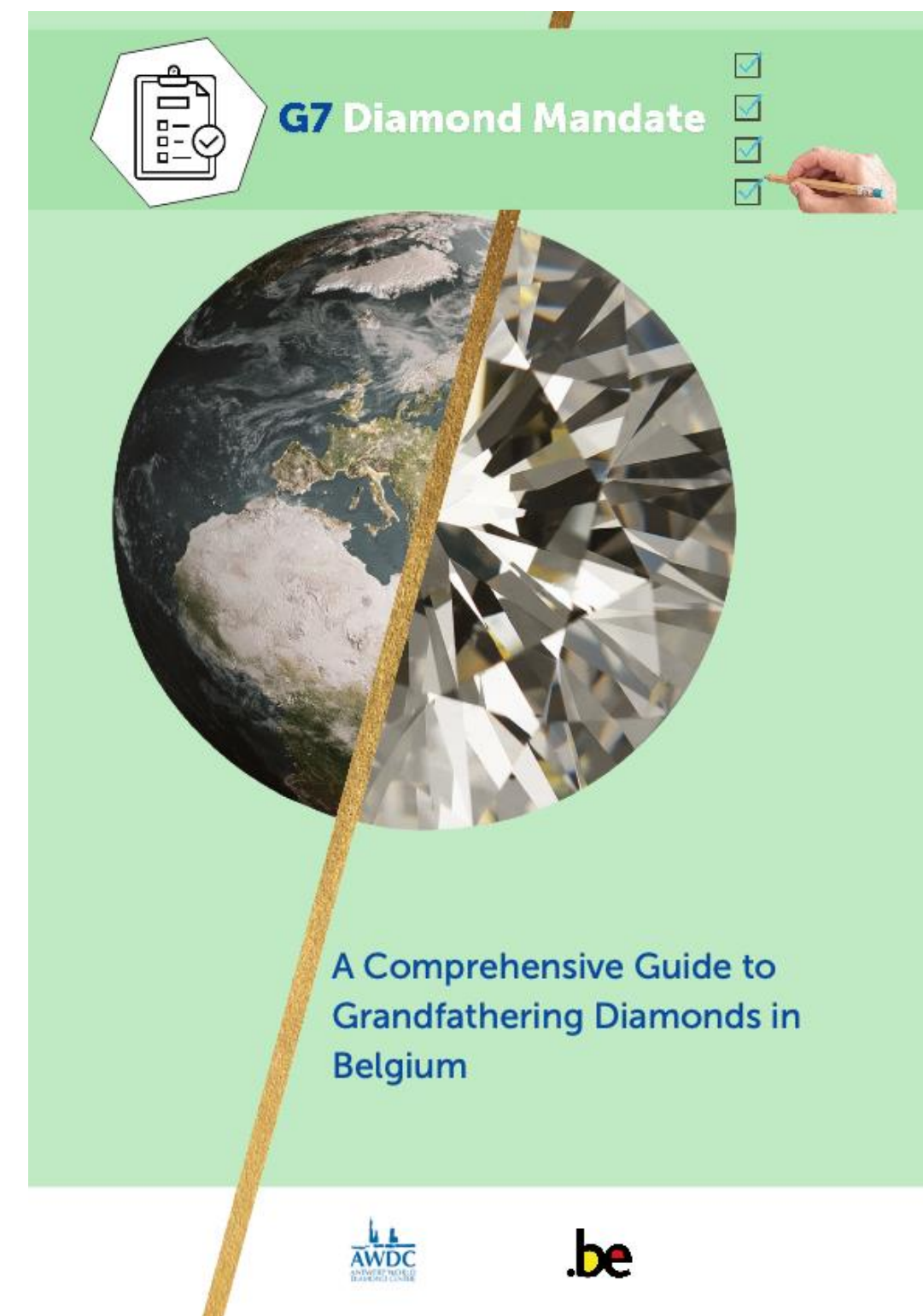
Regularization of existing stock, possible from Sept. 1, 2024



# What are you taking home?

This presentation & the documents listed below:

1. GF Procedure Guide – 23 pages
2. Decision tree GF (& Cheat sheet)
3. Webinar recording
4. Diamond Office Template – G7/GF Declaration
5. Updated FAQ on [awdc.be](http://awdc.be)



**G7 Diamond Mandate**  
A guide to Grandfathering  
Diamonds in Belgium

G7 SANCTION FRAMEWORK AGAINST RUSSIAN DIAMONDS

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Questions? Contact the Helpdesk: [dogf@awdc.be](mailto:dogf@awdc.be)

→ You can find them on the AWDC website: [www.awdc.be/G7](http://www.awdc.be/G7)

# What's the difference between G7 & GF?

## G7

- G7 Certificates only issued on an Import basis
- Origin requirements: Known & Not Russian
- Size requirements: equal to or larger than 0,5 carats

## GF - Grandfathering

- GF Certificates are issued for both imports & exports.
- Origin requirements: All, including Russian.  
*!! As long as the goods are not physically in Russia*
- Size requirements: All sizes

# What changes on Sept. 1?



## G7 in general:

1. Diamonds **equal to or larger than 0,5 carat** are now in scope
2. **Synthetic diamonds** equal to or larger than 0.5 carat are now also in scope  
*Synthetic rough does NOT receive a G7 Certificate, only Natural rough.*  
*Refer to the GF decision tree.*

## Grandfathering

3. The **ability to regularize your existing stock of diamonds** from Russian or unknown origin, in your possession before January 1, 2024.

# Definition of 'Grandfathered Goods'



With *Grandfathered Goods*, we mean:

**Non-industrial, natural, or synthetic diamonds (both rough and polished) of unknown or Russian origin that a company already possessed before January 1, 2024.**

- The existing stock may not be held in Russia but can be held in another G7 or non-G7 jurisdiction.
- The 'Grandfathering principle' applies to either existing stock in the possession of a Belgian-Registered Diamond Company or a foreign company.
- Grandfathered goods receive a 35-digit GF-number. This number must remain with the goods as ownership is transferred.
- Goods can only be grandfathered when an actual transaction is made.





# What is the basis ‘Grandfathered Goods’?



The ‘Grandfathering principle’ applies to either existing stock in the possession of a Belgian-Registered Diamond Company or a foreign company.

*This is the information that will be updated in the back office (stock volume)*

Natural  
Rough  
Diamonds

*Total Carats*

Natural  
Polished  
Diamonds

*Total Carats*

Synthetic  
Rough  
Diamonds

*Total Carats*

Synthetic  
Polished  
Diamonds

*Total Carats*



# Practical implementation: How can I *grandfather* my goods?



## MECHANISM A

- For stock in the possession of a **Belgian-Registered diamond company**
- Stock is held **in Belgium**.
- Stock declared for **31/12/23**

Stock declaration- based  
Grandfathering

## MECHANISM B

1. For stock in the possession of a **Belgian-registered diamond company**
  - Stock held **outside Belgium**  
OR
  - Stock declared for a different date
2. For stock in the possession of a **foreign company**
  - Stock is held **outside Belgium**.

Documentary evidence-based  
Grandfathering

# Practical implementation: Mechanism A

Export principle – BE company, stock in Belgium – Stock declaration-based Grandfathering



Mechanism A is exclusively Export based

When using **Mechanism A**, 3 different scenarios can occur:

## Scenario 1: National Trading

Trading between 2 Belgian-registered diamond companies.

## Scenario 2: Intra-EU Trading

Trading between a Belgian-registered diamond company and an EU company.

## Scenario 3: International Trading

Trading between a Belgian-registered diamond company and an foreign (outside EU) company.



# Practical implementation: Mechanism A

Export principle – BE company, stock in Belgium – Stock declaration-based Grandfathering



## Scenario 1: National Trading

Trading between 2 Belgian-registered diamond companies.

- No physical verification is required.
- The goods do not pass through the Diamond Office, they do not receive a GF number.
- Both the supplier and the buyer of the Grandfathered Goods inform Diamond Office by email, by using the ‘Diamond Office Template – G7/GF Declaration’ template.

→ [DOGF@awdc.be](mailto:DOGF@awdc.be)

### Diamond Office Template – G7/GF Declaration

Date		
Company Name		
Shipment	G7 number issued	G7
	Goods in scope for G7, no G7-number issued yet	<input type="checkbox"/>
	Goods not in scope	<input type="checkbox"/>
	GF-number issued	GF
	Goods from stock on 31 December 2023 (Russian or unknown origin)	<input type="checkbox"/>
	Goods from stock on 31 December 2023 (known, non-Russian origin)	<input type="checkbox"/>
Consignment	<input type="checkbox"/>	
Supplier	Company Name	
Buyer/consignee	Company Name	
Trading Type	National <input type="checkbox"/>	Intra-EU <input type="checkbox"/> International <input type="checkbox"/>
Volume of goods		Carats of natural, non-industrial rough diamonds
		Carats of synthetic/lab-grown non-industrial rough diamonds
		Carats of natural, non-industrial polished diamonds
		Carats of synthetic/lab-grown, non-industrial polished diamonds
Declaration	G7	<input type="checkbox"/> "I hereby declare that the non-industrial, natural and/or synthetic diamonds in this shipment were not mined, extracted, produced, or manufactured wholly or in part in the Russian Federation, notwithstanding whether such diamonds have been substantially transformed into other products outside of the Russian Federation."
	Grandfathering	<input type="checkbox"/> "I hereby declare that the non-industrial, natural, or synthetic diamonds in this shipment were part of my stock on 31 December 2023."

Signature Supplier..... Signature Buyer/Consignee.....



# Practical implementation: Mechanism A



Export principle – BE company, stock in Belgium – Stock declaration-based Grandfathering

## Scenario 2: Intra-EU Trading

Trading between a Belgian-registered diamond company and an EU company.

You can choose whether you want to get your goods physically checked and receive a GF-number or not.

### WITH A GF NUMBER

- If you do want to receive a GF-number: the goods have to pass through D.O., accompanied by all required documents for export.
- The supplier of the Grandfathered Goods informs the Diamond Office by email, by using the 'Diamond Office Template – G7/GF Declaration'  
DOGF@awdc.be
- The issued GF-number must remain with the goods by further trading.

### NO GF-NUMBER

- If you don't want to receive a GF-number: the goods **don't** have to pass through D.O.
- The supplier of the Grandfathered Goods informs the Diamond Office by email, by using the 'Diamond Office Template – G7/GF Declaration'  
DOGF@awdc.be
- The issued GF-number must remain with the goods by further trading.

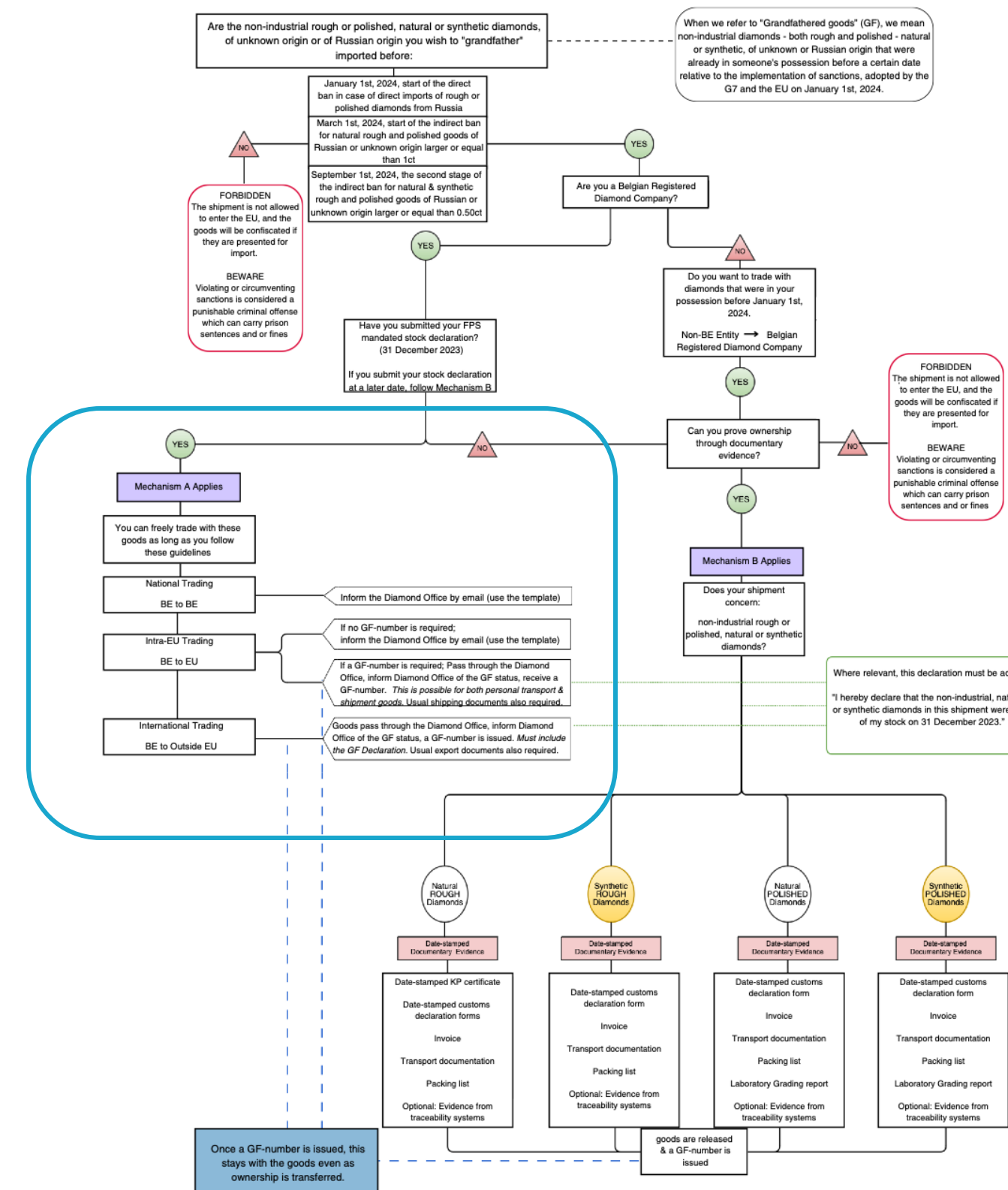
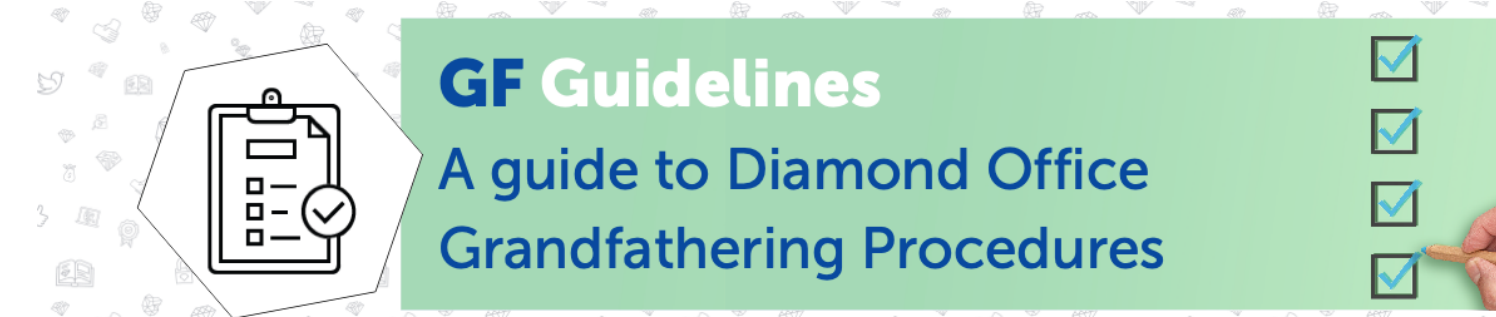
# Practical implementation: Mechanism A

Export principle – BE company, stock in Belgium – Stock declaration-based Grandfathering

## Scenario 3: International Trading

Trading between a Belgian-registered diamond company and an foreign (outside EU) company.

- The goods must be physically checked and pass through D.O., accompanied by all required documents for export.
- The goods will receive a GF-number.
- The issued GF-number must remain with the goods by further trading.





# What is the basis ‘Grandfathered Goods’?



The ‘Grandfathering principle’ applies to either existing stock in the possession of a Belgian-Registered Diamond Company or a foreign company.

Natural  
Rough  
Diamonds

*Total Carats*

Natural  
Polished  
Diamonds

*Total Carats*

Synthetic  
Rough  
Diamonds

*Total Carats*

Synthetic  
Polished  
Diamonds

*Total Carats*



# Practical implementation: Mechanism B



Import & Export principle – BE/foreign company, stock outside BE, documentary evidence-based GF

Mechanism B is for both Import & Export based

Export: 1. Belgian company who declares their stock on date other than for 31/12/23  
2. Company who did not declare their stock on time

Import: 1. Belgian company who's stock is held outside of Belgium  
2. Foreign entity with stock held outside of Belgium

When using **Mechanism B**, 2 different scenarios can occur:

## Scenario 1: International Trading

Trading between a foreign company and a Belgian-registered diamond company.

## Scenario 2: Consignment goods

Stock owned by a BE company, held outside BE, being returned by a foreign entity.

# Practical implementation: Mechanism B



Import & Export principle – BE/foreign company, stock outside BE, documentary evidence-based GF

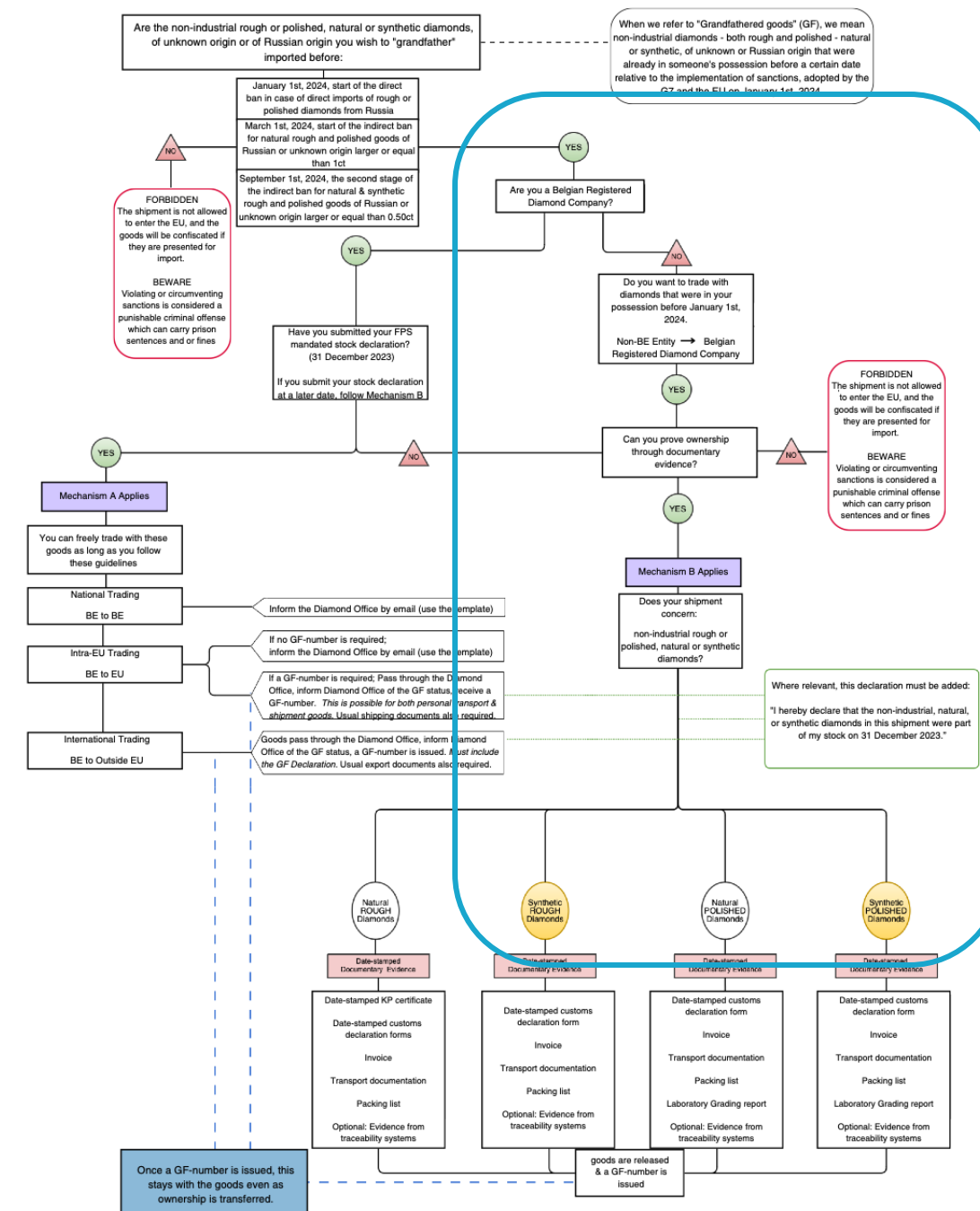
## Scenario 1: International Trading

Trading between a foreign company and a Belgian-registered diamond company.

- Prepare your goods for shipment to Belgium. Goods must be accompanied by all required date-stamped import documents.
- The goods receive a GF number.
- The issued GF-number must remain with the goods by further trading.

### GF Guidelines A guide to Diamond Office Grandfathering Procedures

### G7 Diamond Mandate A guide to Grandfathering Diamonds in Belgium



#### DOCUMENTARY EVIDENCE-BASED CHECKLIST:

Documents that prove ownership of the goods prior to January 1, 2024, are considered documentary evidence. The following documents are mandatory, except for evidence from a traceability system, which is optional.

#### For grandfathering NATURAL ROUGH DIAMONDS:

- Diamond Office Template - Regularisation Stock - Document
- Date-stamped KP certificate
- Date-stamped customs declaration forms
- Invoice
- Packing List
- Date-stamped Transport documentation
- Optional: Evidence from traceability systems

#### For grandfathering NATURAL POLISHED DIAMONDS:

- Diamond Office Template - Regularisation Stock - Document
- Date-stamped customs declaration form
- Invoice
- Date-stamped Transport documentation
- Packing list
- Laboratory Grading report
- Optional: Evidence from traceability systems

#### For grandfathering SYNTHETIC/LAB-GROWN ROUGH DIAMONDS:

- Diamond Office Template - Regularisation Stock - Document
- Date-stamped customs declaration form
- Invoice
- Packing List
- Date-stamped Transport documentation
- Optional: Evidence from traceability systems

#### For grandfathering SYNTHETIC/LAB-GROWN POLISHED DIAMONDS:

- Diamond Office Template - Regularisation Stock - Document
- Date-stamped customs declaration form
- Invoice
- Date-stamped Transport documentation
- Packing list
- Laboratory Grading report
- Optional: Evidence from traceability systems





# Practical implementation: Mechanism B



Import & Export principle – BE/foreign company, stock outside BE, documentary evidence-based GF

## Scenario 2: Consignment goods

Stock owned by a BE company, held outside BE, being returned by a foreign entity.

- Prepare the goods for shipment to Belgium. Goods must be accompanied by all required date-stamped documents (especially the shipping documents from when the goods first left Belgium).
- The BE company must inform D.O. that these goods are consignment goods, from their declared stock.
- The goods receive a GF number.
- The issued GF-number must remain with the goods by further trading.



### Scenario 2: Consignment goods

Consignment goods: Belgian stock being returned by a foreign entity. The owner of this stock is a Belgian-registered diamond company with stock currently held outside of Belgium and returning to Belgium.

**Principle:** A foreign entity is returning Belgian stock held outside of Belgium. Upon return, if the Belgian-registered Diamond Company can prove the goods were in their possession before 31 December 2023, the goods will receive a GF-number.

- Ensure that all the required date-stamped import documents, especially the shipping documents from when the goods first left Belgium (Documentary Evidence-Based Checklist), accompany your shipment.
- The Belgian-registered Diamond Company must inform the Diamond Office that these are consignment goods from their declared stock.
- Upon receiving the goods and documents, the FPS Economy will review and issue a GF-number.
- The goods have now been regularized; the GF-number must remain with the goods as their ownership is transferred.
- The usual Diamond Office (D.O.) fee of 0,035% will be applied.

### Steps to follow:

1. Submit your goods to the Diamond Office.
2. Complete the template (Diamond Office Template - Regularization Stock) indicating these are consignment goods.
3. Ensure all required documents accompany the goods (Ref: Documentary Evidence-Based Checklist)
4. You will receive a GF-number for this shipment.
5. Ensure the GF-number remains with the goods when they are further traded.



### 3.1.3.2. Practical examples of Mechanism B - Belgian Entity Stock - Consignment

**Example 1: Belgian consignment stock held outside of Belgium by a Belgian-registered diamond company (pre-January 1st, 2024)**

*Here is a fictional example:* Imagine diamond company X, a Belgian-registered Diamond Company that submitted a stock declaration with the FPS Economy, has a stock of 60 carats of non-industrial polished goods. These consist of goods of Russian or unknown origin that the company already owned before January 1, 2024. Company X sent 20 carats of the non-industrial polished goods on consignment to company Y, which is based in the US. These goods were sent in December on consignment, and the client now says they no longer need them, so they are sent back to Belgium. As these goods are from company X, and they can prove they were theirs and shipped from Belgium before the 31st of December 2023 through date-stamped export documents, these goods can be grandfathered with the necessary documentary evidence.

This is an example of Mechanism B.

**Example 2: Belgian consignment stock held outside of Belgium by a Belgian-registered diamond company (January 1st, 2024 – September 1st, 2024)**

*Here is a fictional example:* Imagine diamond company A, a Belgian-registered Diamond Company that submitted a stock declaration with the FPS Economy, has a stock of 60 carats of non-industrial polished goods. These consist of goods of Russian or unknown origin that the company already owned before January 1, 2024. Company A sent 10 carats of the non-industrial polished goods on consignment to company B, which is based in a non-G7 country. These goods were sent in April 2024 on consignment, and the client now says they no longer need these goods, so the goods are sent back to Belgium. These goods are from company A, and they can prove they were theirs and shipped from Belgium (after the 31st of December 2023 but before the 1st of September 2024); these goods can be grandfathered with the necessary documentary evidence.

This is an example of Mechanism B.



# What's new – wrap up



	January 1st 2024	March 1st 2024	September 1st 2024
Russian ban			
Goods in scope G7: ≥ 1 carat limit			
Goods in scope G7: ≥ 0,5 carat limit			
Synthetic diamonds in scope (G7 + GF)			
Grandfathering possible (Scope: all sizes)			

# What's next?



**All the information will be published to the AWDC website**

1. GF Procedure Guide – 23 pages
2. Decision tree GF (& Cheat sheet)
3. Webinar recording
4. Diamond Office Template – G7/GF Declaration
5. Updated FAQ on [awdc.be](http://awdc.be)

Want to receive updates straight to your mailbox? Register for the newsletter through: [awdc.be/newsletter](http://awdc.be/newsletter)

Still have questions? Contact the helpdeks [DOGF@awdc.be](mailto:DOGF@awdc.be)