



FEDERATIVE REPUBLIC OF BRAZIL
MINISTRY OF MINES AND ENERGY
SECRETARIAT OF GEOLOGY, MINING AND MINERAL
PROCESSING

ANNUAL REPORT - 2009

KIMBERLEY PROCESS CERTIFICATION SCHEME
KPCS



Brazil
March, 2010

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Pictures and Illustrations – Nahass, S – Brazil, 2009

I – INTRODUCTION

Brazil became Participant of the Kimberley Process Certification Scheme – KPCS , on October 30th, 2003, when its adhesion was announced during the Plenary of KPCS, held in Sun City, South Africa.

All activities with regard to the KPCS have been coordinating by the Ministry of Mines and Energy, with the participation of the Ministry of the Development, Industry and Foreign Trade - MDIC, Ministry of Finance - MF and the Ministry of the External Relations – MRE, and the Ministry of Justice with the cooperation of Federal Police, and is joining to that team now the Agency of Intelligence of Federative Republic of Brazil. Brazil remains using all institutional effort in order to carry out all activities forecasted with respect to the KPCS mainly those ones regarding to the legalization of the informal small-scale mining for alluvial rough diamonds.

In December 2007 it was created a Brazilian Forum of the Kimberley Process congregating representatives members of government, private companies, civil society, cooperatives, small scale mining, with the main target of minimizing some problems with regard to the emission of the KPC in Brazil, as well as to discuss and present solutions on production, trade and smuggling of rough diamond.

II – OBJECTIVE

The main objective of this report is to fulfill the regulation in accordance with Section VI, paragraph 11 of the KPCS document. It regulates that each Participant needs to prepare and to become available to the Chair of the Kimberley Process and the others Participants information on an annual basis on the way in which they are implementing the requirements of the KPCS.

III – INSTITUTIONAL FRAMEWORK

The Kimberley Process - KP in Brazil has been implemented by the Ministry of Mines and Energy through the Secretariat of Geology, Mining and Mineral Processing (former Secretariat of Mining and Metallurgy) and The National Department of Mineral Production. Other government representatives involved are: the Ministry of Development, Industry and Foreign Trade, through the Department of Operations of Foreign Trade; The Ministry of Justice, through the Secretariat of Legislative Issues, and Federal Police; The Ministry of Finance, through the Secretariat of the Federal Revenue; the Ministry of External Relations, through the Division of Market Access, and the Brazilian Intelligence Agency, which are respectively responsible for the following attributions, in accordance with the following table:

Table I

INSTITUTIONS	ORGANIZATIONS	ATTRIBUTIONS
FEDERAL GOVERNMENT	Brazilian Intelligence Agency	<ul style="list-style-type: none"> Collaborating with DNPM and Federal Police in order to combat the Smuggling
MINISTRY OF MINES AND ENERGY (MME)	Secretariat of Geology, Mining and Mineral Processing (SGM)	<ul style="list-style-type: none"> General Coordination Focal Point
	National Department of Mineral Production (DNPM)	<ul style="list-style-type: none"> Issuing and Control of Certificates Statistical Data (Production) Statistical Data Bank
MINISTRY OF DEVELOPMENT INDUSTRY AND FOREIGN TRADE (MDIC)	Department of External Trade (DECEX)	<ul style="list-style-type: none"> Exports and Imports Statistical Data Consumptions Statistical Data
MINISTRY OF JUSTICE (MJ)	Secretariat of Legislative Issues (SAL) Federal Police (PF)	<ul style="list-style-type: none"> Combat the Smuggling
MINISTRY OF FINANCE (MF)	Secretariat of Federal Revenue (SRF)	<ul style="list-style-type: none"> Issuing of Certificate* Customs Control
MINISTRY OF EXTERNAL RELATIONS (MRE)	Division of Market Access (DACESS)	<ul style="list-style-type: none"> Facilitator Reception and Distribution of Documentation Interchange among the Embassies and Ministries

(*) SRF can issue a new certificate when a legal content of a remittance is opened due to some suspicion, not proven.

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IV – LEGAL FRAMEWORK

The legal framework for implementation of the KPCS consists of a specific KPCS law adopted in 2003 (**Law No. 10.743, of 9th October 2003**), a Regulation adopted in 2003 (**Joint Regulation No. 397 of 13th October 2003**, adopted jointly by the DNPM (National Department of Mineral Production, in Portuguese) within the Ministry of Mines and Energy – MME and the Secretariat of the Federal Revenue within the Ministry of Finance, and a **Regulation No. 295, of 1st of September 2006**, adopted by the General Director of the DNPM, that replace the Regulation No. 209 of 5th of August 2005. The internal controls over diamonds mining required by the KPCS to provide assurances as to the origins of diamonds produced are based on the relevant provisions of Brazil's general mining legislation.

Law No. 10.743 replaces the provisional legal instrument No. 125 of 30 July 2003 that initially allowed Brazil to fulfill the minimum requirements for becoming a Participant. It sets out the conditions under which rough diamonds can be exported from or imported into Brazil; determines the institutions responsible for implementation of the KPCS and their respective tasks; and lays down the penalties applicable for infringements of the law.

Joint Regulation DNPM/SRF No. 397 and **DNPM Regulation No. 295** set out in detail the procedures that apply to export and import and notably lay down the conditions that have to be met for a parcel of rough diamonds to be granted a KPC for export. Both Regulations foresee that the issuance of a KPC is to be based on the information provided by the exporter or his legal representative. Joint Regulation 397 provides that “at the discretion of the DNPM, and in exceptional cases, a technical evaluation may be requested in order to confirm the authenticity of the information given by the exporter”.

Regulation No. 295 establishes new requirements and a new electronic system for the issuance of KP certificates. Applications are available at <http://www.dnpm.gov.br>. A Report of Commercial Transactions has also been established to monitor diamond production and trade (copy in Annex).

Regulation No. 192 It has the same content of Regulation No. 295 with some modifications and inclusions (**Annex 1**).

It may be pointed out that before Brazil has become Participant of the KP, two important mineral Laws have already been published, that are:

Law No. 7,805, Art. 21 of the 18th of July 1989

Any illegal mining activity (any activity without DNPM's permit) is a crime whose responsible must be arrested.

Law No. 9,605, Art. 55 of 12th February 1998

Mineral prospecting and mining activities without environmental permits are crimes whose responsible must be arrested also.

V – IMPORT AND EXPORT REGIME

V. 1 – Exports

In accordance with Regulation No. 192, the import and export of rough diamonds must follow the prior approval to be accomplishing the issue of the KPC, by the DNPM.

The prior approval for the export or the import of rough diamonds will be requested by means of the following application process addressed to the General Director of DNPM:

- To fulfill the National Cadastre of Diamond Trade (CNCD) available on-line. All producers, dealer-traders (buyer/sellers), importers and exporters are required to register themselves in the CNCD through an electronic application form. The form is submitted to the General Director of the DNPM, printed and filed in DNPM Regional Offices (Districts). A CNCD must report his sales dating back to October 1, 2005.
- To write a Commercial Transactions Report (RTC) in agreement with the Section III of the Regulation No. 192. It is a monitoring and control instrument of production and trade for rough diamonds. All data presented in this report is submitted to the DNPM monitoring.
- The KP Certificate may only be issued for rough diamonds originated from production areas monitored by DNPM (Article 16).
- The Article 27 defines what kind of monitoring must be made by DNPM before sealing a package of rough diamonds for export.
- The central feature of the control of exports is SISCOMEX (Integrated System of External Trade, in Portuguese). It is the Brazil's on-line system of control and monitoring of all kind of exports. The system provides a direct link between the Central Bank of Brazil, the Secretary of Revenue of the Ministry of Finance, and the DNPM. It is accessed directly by both exporters and authorities to register, monitor and verify products destined for export as they move from the exporter through approval processes until they leave the country. As part of the commitment to the Brazilian KPCS, it was created a separate category within SISCOMEX for rough diamonds. The category imposes an additional requirement to physically examine and verify shipments of rough diamonds as they leave the country.
- The export process begins with the issuance of the KPC. There are 60 days available after the issuances of the KPC to the exporter deliver the stones to the importer. After this date the certificate will be expired. After receives the KPC, the exporter logs onto the SISCOMEX (from any internet connection) and registers the intention to export. The exporter provides detailed information including contact information, a description of the goods including weight, value of the parcel, place of origin, and destination. The exporter is responsible for the accuracy of the information emitted into SISCOMEX.
The DNPM is notified of the intention to export through SISCOMEX, and can verify the information against available data through the KPC application.
- Almost all official exports of rough diamonds leave Brazil by air. The Federal Revenue and the Federal Police manage the customs office at the airport jointly. Customs monitors all exports through the SISCOMEX. When a shipment of rough diamonds appears on the system, the customs officer is prompted by the system to physically inspect the parcel, and Agents check for a valid KPC, ensuring that the information on the certificate is consistent with the information recorded in SISCOMEX, and have training to assess if the description matches with the parcel. If any inspection inconsistencies are noted, the inspecting officer must contact the DNPM's KPC issuing office to verify the validity of the

certificate. Federal Revenue is authorized to open the parcel for a thorough inspection, and can issue a replacement of the original KPC if no illegality is found. Should an agent wish to open a sealed parcel, both the DNPM and the exporter would be notified and are required to be present.

V. 2 – Imports

The importers must send a copy of the KPC issued by the exporting country to the DNPM in Brasilia, which verifies the authenticity of signatures through an electronic record of issuing countries authorities. Separately, the importer provides a declaration to the DNPM, his identification number in the Registry of Contributors of the Secretary of Federal Revenue, his full address, the description of the imported merchandise, and its weight in carats, the value of the parcel in U.S dollars, and the origin of the diamonds. When the shipment is received at customs, the agent notifies the DNPM, which authorizes the import. The original certificate remains at the point of entry, in the possession of the importer. DNPM through the focal point confirm receipt of the shipment with exporting countries.

V.3 – Characteristics of the Brazilian KPC

The Brazilian certificate fulfills all the security features and requirements set out in Annex I of the KPCS document and as per the attached checklist. It was elaborated by the *Casa da Moeda do Brasil* (Brazilian Currency House), the government's company responsible for making coins and Brazilian bills, as well as of some countries of South America and Africa. The Brazilian KPC has the following security features, in accordance with the following characteristics:

1. Latent image – When the certificate is held horizontally at eye level to the light, letter “K” can be seen inside the brown ellipse guilloche.
2. Micro-text (Tactile mark): under a magnifying glass, tiny words (DNPM RECEITA FEDERAL DNPM ...) can be seen on the strip in the middle of the Certificate.
3. Ornamental border (Tactile mark): design is perceptible to the touch, and under a magnifying glass, tiny words (KIMBERLEY SRF KIMBERLEY SRF...) can be seen around the internal part of the ornamented border.
4. Six-digits number.
5. Watermark (Offset mark - DNPM): when the Certificate is held up to the light, the letters of the DNPM become visible.
6. Brazilian Blazon (Offset mark): appears inserted in the bottom of the Certificate.
7. Offset mark U.V. reactive (an image, and letters can be seen under U.V. light).
8. Tactile mark, and under a magnifying glass, tiny words (KIMBERLEY SRF KIMBERLEY SRF...) can be seen around the border of the brown ellipse guilloche.
9. Special back ground printing: thin sinuous lines color the entire Certificate

V.4 – Evidences that prove that the rough diamonds are not conflict diamond.

The DNPM will emit the Brazilian KPC only after the exporter to prove that the rough diamonds were extracted from a legalized area by the DNPM, in accordance with the paragraph 2nd, article 1st of the Law No. 10.743, of 9th October 2003. If the exporter is not the owner of the mineral rights, he must present the purchase invoices, in order to prove that the rough diamonds were properly extracted from mines or “garimpos”

protected by the mineral legislation of the Country. Until now no evidence was found indicating that diamonds from African conflict zones had reached Brazil.

V.5 – Issues of Kimberley Process Certificates

In 2009, 28 certificates were issued by the DNPM, and it had received 11 certificates, in accordance with the following tables:

Table II – CERTIFICATE COUNT STATISTICS EXPORTS IN 2009

1 st . Quarter		2 nd . Quarter		3 rd . Quarter		4 th . Quarter	
Number	Country	Number	Country	Number	Country	Number	Country
301*	UAE	309	Belgium	308	China	318	Cancell
302	Israel			310	Belgium	319	Cancell
303	USA			311	Belgium	320	Expired
304**	USA			312	Belgium	321	USA
305	USA			313	China	322	USA
306	Expired			314	China	323	Israel
307	USA			315	Belgium	324	China
				316	Expired	325	Belgium
				317	UAE	326	USA
6 certificates 1 expired 0 cancelled • (*) 2 parcels • (**) 3 parcels		1 certificate 0 expired 0 cancelled		8 certificates 1 expired 0 cancelled		6 certificates 1 expired 2 cancelled	

Source: DNPM – MME, adapted by Nahass.S

COUNTRY	KPC COUNT
U.S.A.	7
EC	6
CHINA	4
Israel	2
UAE	2
TOTAL	21

Table III – CERTIFICATE COUNT STATISTICS IMPORTS IN 2009

1 st . Quarter		2 nd . Quarter		3 rd . Quarter		4 th . Quarter	
No	Country	No	Country	No	Country	No	Country
210599	Belgium	213339	Belgium	217693	Belgium	18415	USA
		18231	USA	211195	Belgium	223979	Belgium
				17584	USA	17907	USA
				17851	USA	18636	USA
1certificate		2 certificates		4 certificates		4 certificates	

Source: DNPM; adapted by Nahass, S.

COUNTRY	KPC COUNT
USA	6
EU	5
TOTAL	11

Source: DNPM; adapted by Nahass, S.

V.6– Rough Diamonds – Brazilian Exports and Imports 2009

Data related to imports and exports of rough diamonds referring to 2009 are presented below:

Table IV– BRAZILIAN ROUGH DIAMONDS – EXPORT DATA OF 2009

COUNTRY	DATE	HS CODE	CARAT (ct)	VALUE (US\$)	US\$/ct
European Union	Q2	7102.10	906.40	80,000.00	88.26
European Union	Q2	7102.10	73.78	9,137.65	123.85
European Union	Q2	7102.10	196.92	24,388.54	123.85
European Union	Q3	7102.31	44.22	350,000.00	7,914.97
European Union	Q3	7102.10	107.10	35,000.00	326.80
European Union	Q4	7102.10	6,139.81	161,801.61	26.35
TOTAL			7,468.23	660,327.80	88.42
U.S.A.	Q1	7102.31	43.30	45,000.00	1,039.26
U.S.A.	Q1	7102.21	4.92	250.00	50.81
U.S.A.	Q1	7102.31	82.99	95,000.00	1,144.72
U.S.A.	Q1	7102.10	7,000.00	127,610.00	18.23
U.S.A.	Q1	7102.10	8,427.96	185,000.00	21.95
U.S.A.	Q1	7102.10	248.17	69,750.00	281.06
U.S.A.	Q3	7102.10	202.10	26,273.00	130.00
U.S.A.	Q4	7102.10	560.20	72,826.00	130.00
U.S.A.	Q4	7102.10	41.70	12,300.00	294.96
TOTAL			16,611.34	634,009.00	38.16
China	Q2	7102.10	44.00	11,000.00	250.00
China	Q3	7102.10	386.07	185,117.00	479.49
China	Q3	7102.10	283.59	142,700.00	503.19
China	Q4	7102.10	103.81	16,610.00	160.00
TOTAL			817.47	355,427.00	434.78
Israel	Q1	7102.10	1,384.42	179,974.60	130.00
Israel	Q4	7102.31	15.86	14,000.00	882.73
TOTAL			1,400.28	193,974.00	138.53
U.A.E.	Q1	7102.10	6,633.24	107,944.00	16.27
U.A.E.	Q3	7102.10	3,004.63	61,117.00	20.34
TOTAL			9,637.87	169,061.00	17.54
GRAN T O T A L			35,935.19	2,012,798,80	56.01

Source DNPM/MME - 2008 (Adapted by Nahass S.)

In accordance with Table VI, the most expressive exports of rough diamonds, year 2009, were mainly directed to USA, UAE and EU in terms of weigh, around 94% of the total amount. However, taking in account the value, the most expressive exports were mainly directed to EU, USA and Chine, around 81% of the total amount, as it can be verified in the following illustrations:

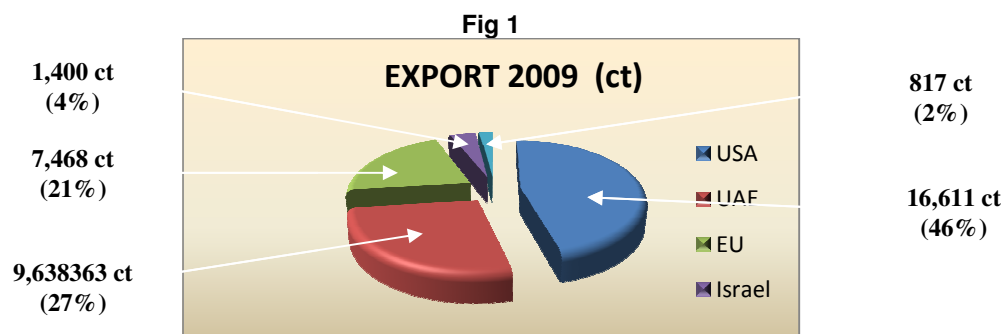


Fig. 2

**Table V – BRAZILIAN ROUGH DIAMONDS – IMPORT DATA OF 2009**

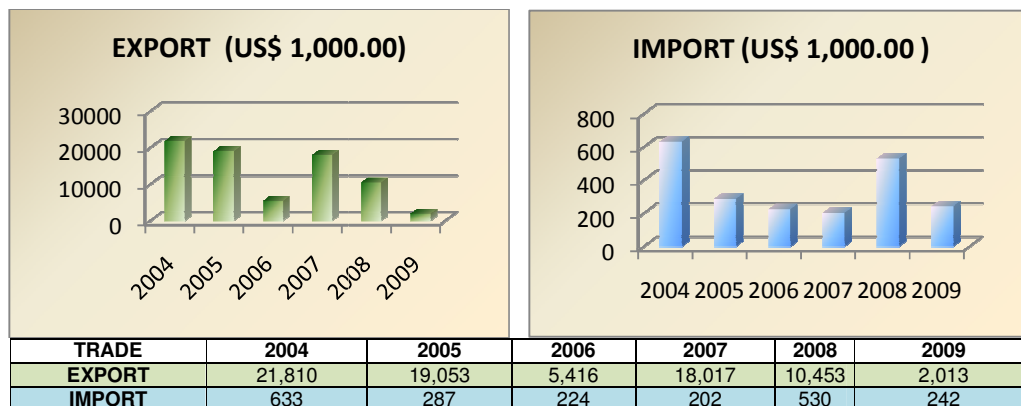
COUNTRY	DATE	HS CODE	CARAT (ct)	VALUE (US\$)	US\$/ct
European Union	Q1	7102.31	116.64	67,399.00	577.84
European Union	Q2	7102.31	111.54	66,924.00	600.00
European Union	Q3	7102.31	70.79	28,316.00	400.00
European Union	Q3	7102.21	3.41	162.40	47.62
European Union	Q4	7102.31	64.87	37,300.25	575.00
TOTAL			367.25	200,101.65	544.86
U.S.A.	Q2	7102.21	3,000.00	4,650.00	1.55
U.S.A.	Q3	7102.21	350.00	7,850.00	22.43
U.S.A.	Q3	7102.21	300.00	2,800.00	9.33
U.S.A.	Q4	7102.21	1,069.65	24,037.46	22.47
U.S.A.	Q4	7102.21	280.00	2,805.00	10.01
U.S.A.	Q4	7102.21	8,000.00	12,400.00	1.55
TOTAL			12,999.65	54,542.46	5.15
GRAN TOTAL			13,366.90	254,644.11	19.05

Source DNPM/MME - 2009 (Adapted by Nahass S.)

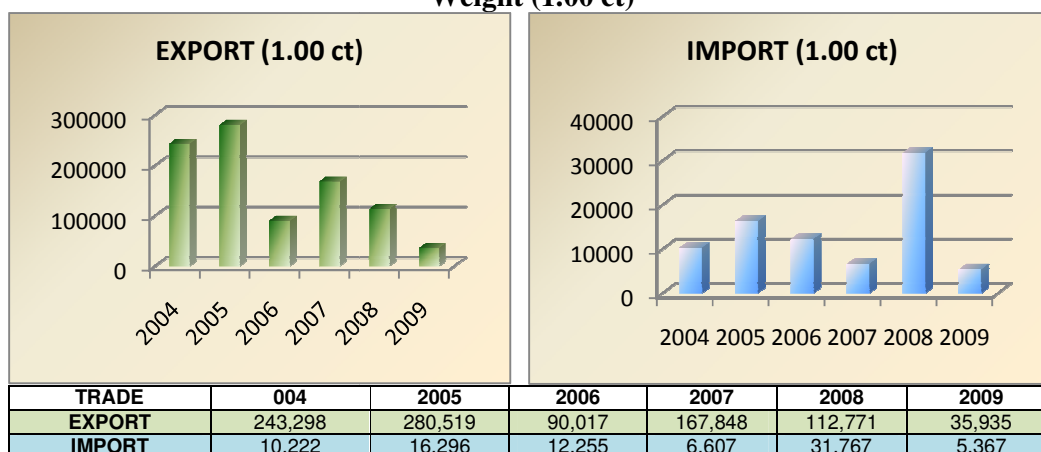
Brazil imported in 2009 a total of 5,366.90 ct corresponding to US\$ 242,244.11 and the supplier countries for rough diamonds are USA and European Community. Most of rough diamonds imported into Brazil by USA are industrial, but gemstones were also imported from Belgium. The total amount imported in value or in weigh this year, is decreased considerably as compared to the previous year.

Table VI – EXPORTS AND IMPORTS - 2004/2009

Value (US\$ 1,000.00)



(Source: DECEX – MF, DNPM – MME, adapted by Nahass, S.) –

Table VII- EXPORTS AND IMPORTS – 2004/2009**Weight (1.00 ct)**

(Source: DECEX – MF, DNPM – MME, adapted by Nahass, S.) – Ct

In 2009 the estimated production of rough diamond was the following;

Table VIII – Brazilian Production

HALF 2009	WEIGHT (1.00 ct)	VALUE (US\$ 1.00)	US\$/ct
1st	11,454	393,660	34.37
2nd	9,699	436,455	45.00
TOTAL	21,153	830,115	39.24

VI – INCOMING SHIPMENTS

Brazil received in 2009, 6 certificates from the USA, and 5 from European Community and all shipments were in accordance with the provisions of the KPCS, as it was stated in the item *V. 2 – Imports (page 10)*.

VII – INTERNAL CONTROLS SYSTEM

The Brazilian KPCS is implemented by the MME through the SGM and is operationally managed by the DNPM. The SGM is responsible for overall coordination of the KPCS in Brazil and it is Brazil's focal point on KPCS. The DNPM is responsible for issuing and control of the KPCs, as well as it encloses another areas of responsibilities, as it was stated in the item III – INSTITUTIONAL FRAMEWORK.

The main work of the DNPM is to inquire the issuing of exploration permits and mining concession rights for all minerals in Brazil. Its duties have also expanded to include the collection of fees and duties. Many of the elements of the work carried out as part of the KPCS (alluvial diamonds) are paralleled by the licensing and data collection on other minerals (mostly gold and tin).

The core of the previous system of internal controls is the point in the process where the application for a KPC is cross referenced with the *Cadastro Mineiro* (which is a publicly accessible database) and contains all the exploration permit and mining concession rights.

The first step in obtaining a KPC consists in obtaining an Application Form, which could be downloaded from the DNPM's website or obtained from any of the 25 regional DNPM offices. The exporter is responsible for the accuracy of the data. The DNPM processes approximately 30,000 requests per year for the entire Brazilian mineral sector. However, the staff working on diamonds have dealt with very small numbers of requests for KPC for exports purpose. The DNPM official checks the certificate number in the SIGMINE database.

The "*Cadastro Mineiro*" checks if there is a receipt or chain of sales receipts as appropriate, verifies the carat weight but is not trained to verify value yet, which is currently left to the exporter to declare. The lack of official valuation has been identified by the DNPM as an area for reform and it has hired staff to be trained. An export can be made directly by a mining company or by a buyer who may have purchased from a miner, or from other buyers. In the latter case, a series of receipts is required to show each sale, with the receipt from the first point of sale including the number of the mining title. We are aware that many areas were identified for immediate improvement.

Once the mining title and receipts have been checked, an individually numbered physical file is created and stored at the regional office. The official then faxed a copy of the request form to the head office in Brasilia where the relevant official checks if the regional office did generate the KPC request and then proceeded to enter the data and issued the KPC. The centralized database recording the data from the export certificates was sited in the Brasilia office. The physical files for each export remained in the regional office where the request for export was originally lodged.

VIII - INDUSTRY SELF-REGULATION

All diamond traders have been taking a fresh look at Brazilian rules and regulations. The respect for these regulations has been heightened by the need to have a valid Kimberley Process Certificate before their rough diamonds leave the Country, but there is still more measures that could be done to bring the same sense of order that exists today in the formal mining sector to the equally important diamond dealing sector.

There were very few diamond polishing companies in Brazil who employed almost 2,000 workers at the peak of their success.

IX- STATISTICS

The official data of statistic export and import are accomplished by the DNPM and it is based on the issuing of Kimberley certificates. DNPM carries out this function through 25 regional DNPM offices. Each office is responsible for collecting and processing the KPCS applications in its jurisdiction, including the verification of application information prior to the issuance of a KPC. Each regional DNPM office is responsible for submitting the verified application, by fax, to the head DNPM office in Brasilia, where KPCs are issued.

DNPM has developed a new registration system that has as an objective to provide a more accurate levels of production of the country, and the production of 2009 was calculated taking in account the data of production declared through the "Report of Commercial Transactions".

On that sense, the total Brazilian production in 2009 was US\$ 830,115.00, corresponding to 21,153 carats, that is, a lower yield than the amount of rough

diamonds exported in 2009. This apparent discrepancy can be explained by storage of diamonds from previous year.”.

X - MISCELLANEOUS

A - SUB-GROUP ON ALLUVIAL PRODUCTION

The 2004 Ottawa Plenary meeting of the Kimberley Process, decided to mandate the Working Group on Monitoring to establish an ad-hoc sub-group to address the challenges facing alluvial producers and promote the exchange of best practices. In that context the mandate from Plenary provides that membership of the sub-group should be drawn primarily from alluvial diamond-producing countries. It is therefore proposed that the sub-group should be open to all alluvial diamond-producing Participants in the KPCS.

As a first indication, the sub-group could thus comprise the following alluvial producers as members: Angola; Brazil; Central African Republic; Democratic Republic of Congo; Ivory Coast; Ghana; Guinea; Guyana; Namibia; Sierra Leone; South Africa; Tanzania; Togo; Venezuela.

The Working Group on Artisanal and Alluvial Production (WGAAP) accomplished in October 2009 a meeting in Coromandel city, Brazil, with the Chair of WGAAP, representatives of Guyana, Brazilian Institutions, cooperatives, rough diamond miners, and representatives of the community involved, in order to discuss all problems related to the extraction and trade of rough diamonds, as well as the subjects that we should present during the Plenary of Namibia. All participants had the opportunity to visit a small mining mechanically operated, at the same time, mined in a area ceded by the owner of that mine by miners (garimpeiros) of a local cooperative, as a result of an agreement between the owner of mineral rights and the cooperative that is promoted by the MME through the DNPM.



Opening meeting (L-R): Samir – Diógenes – Teodoro – Dione – João César – Mvika - Kampta



Plenary meeting



Mechanized operation



Alluvial artisanal operation at the same mining area



f

Participants and miners (garimpeiros)

Brazil has participated to the Intersessional and Plenary of KP in Namibia. During the Plenary Brazilian delegates have had a meeting with our neighbors of Guyana in order to discuss all problems with regard to the rough diamond alluvial production. As result of this meeting, it was scheduled another meeting to be held in Brazil, in 2010, in order to present to the participants from Guyana and Venezuela the “modo operandi” of the Brazilian KP, and discuss solution to resolve the faced problems on alluvial rough diamond production, mainly with regard to illicit trade of rough diamond in the transboundary areas between these three countries, in view that the three countries are conscious that the problem of the illegality of the artisanal mining is very difficult to be resolved, and there are still a lot of things to be undertaken.

Some representatives members of the Brazilian civil society have participated in all KP activities as members of the Brazilian Delegation.

Bilateral Agreements between Brazil and African countries involved in Kimberley Process have been discussed so far. Technical Interchange Programs, especially the share of techniques and knowledge between Universities and Geological Surveys have been implementing . It is important to say that Brazil is open to new programs and Bilateral Agreements, especially that ones which concern to African countries.

The DNPM and the Federal Police have been currently establishing the mineralogical characterization of the diamonds of producing areas, in order to obtain data that will permit to facilitate, besides other tools, to identify the origin area of the rough diamond parcels.

Preliminary researches on mineralogical characterization of rough diamonds have been carrying out in Paraná (Tibagi) and in Rondônia (Roosevelt aboriginal area) States so far.

The **Kimberly Process Brazilian Forum - KPBF**, was created on December 18, 2007 with the main objective of developing the activities with respect to the Brazilian KP, as well as to discuss problems, solutions, and to improve and facilitate the process regarding the issuing of the certificates origin, under the Brazilian laws. It is composed by stakeholders involved with the Brazilian rough diamonds as private companies, government institutions, civil society, cooperatives etc.
The members of the KPBF Coordination General are:

João César de Freitas Pinheiro – General Coordinator (Chairman)
Dario Rocha – Deputy General Coordinator
Samir Nahass – Secretary General
Francisco Porto Filho – Deputy Secretary General

B) MISSIONS ABROAD

In 2009, the Chairman of Kimberley Process Brazilian Forum, Dr. João César has participated in a KP review visit to Venezuela.

C) DISCREPANCIES

Very few discrepancies were faced during 2009 and all of them were solved

Brasília, March 2010

Samir Nahass
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