

Amendments to Part 591—Rough Diamonds (Sierra Leone & Liberia) Sanctions Regulations

Section 591.201 of subpart B of the regulations, prohibiting the importation of rough diamonds from Sierra Leone and Liberia, is revised to implement section 3 of Executive Order 13312, which amended Executive Order 13194 to control rough diamonds from Sierra Leone through the KPCS and also amended Executive Order 13213 to remove licensing and other authorities with respect to rough diamonds from Liberia. As revised, the prohibition in § 591.201 is limited in scope to rough diamonds from Liberia and is not subject to possible licensing or other administrative action. A note is added to § 591.201 to refer the reader to new part 592, which now controls the importation into, and the exportation from, the United States of rough diamonds from Sierra Leone and other countries.

Section 591.301 of subpart C is removed to reflect the removal of Sierra Leonean rough diamonds from the scope of part 591 and the replacement of the certificate of origin regime of the Government of Sierra Leone with the KPCS in new part 592. Section 591.302, defining the term effective date, is revised to delete the reference to Sierra Leone. Section 591.306 is revised to reflect the KPCS definition of the term rough diamond. Section 591.308 is revised to delete the references to Sierra Leone in the term rough diamonds from Sierra Leone and Liberia. Section 591.309 is revised to conform the definition of the term “United States” to section 3(10) of the Clean Diamond Trade Act.

Section 591.404 of subpart D, relating to the transshipment or transit of rough diamonds through the United States, is revised to delete the reference to rough diamonds from Sierra Leone. Sections 591.405 and 591.406, relating to the direct or indirect importation of rough diamonds and the importation into and release from a bonded warehouse or foreign trade zone of rough diamonds are revised to delete the references to Sierra Leone.

New Part 592—Rough Diamonds Control Regulations

Section 592.201(a) of subpart B of the regulations implements section 1(a) of Executive Order 13312, which implements section 4(a) of the Clean Diamond Trade Act and the KPCS. Section 592.201(a) prohibits, subject to possible exceptions described below, the importation into, or exportation from, the United States of any rough

diamond, from whatever source, on or after July 30, 2003, unless the rough diamond is controlled through the KPCS. Section 592.201(b) implements section 4(b) of the Clean Diamond Trade Act by excepting from the prohibitions of § 592.201(a) importations from, or exportations to, any country with respect to which the Secretary of State has waived the prohibitions pursuant to section 4(b) of the Clean Diamond Trade Act and section 2(a)(i) of Executive Order 13312.

Section 592.202 implements section 1(b) of Executive Order 13312 by prohibiting any transaction by a United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in section 1 of the order. Section 592.202 also implements section 1(c) of the order by prohibiting any conspiracy formed to violate any of the prohibitions of the order.

Subpart C of part 592 provides definitions of terms used in the regulations, including exporting authority, importing authority, Kimberley Process Certificate, Kimberley Process Certification Scheme, and rough diamond. Subpart D sets forth interpretive guidance with respect to the regulations. For example, §§ 592.403 and 592.404 provide guidance with respect to the transshipment or transit through the United States of rough diamonds and the importation into and release of rough diamonds from a bonded warehouse or foreign trade zone, respectively.

Subpart E of part 592 sets forth provisions relating to required records and reports. Penalties for violations of the regulations are described in subpart F of the regulations.

Request for Comments; Procedural Requirements

Because the regulations involve a foreign affairs function, the provisions of Executive Order 12866 and the Administrative Procedure Act (5 U.S.C. 553) (the “APA”) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date are inapplicable. However, because of the importance of the issues addressed in these regulations, this rule is being issued in interim form and comments will be considered in the development of final regulations. Accordingly, the Department encourages interested persons who wish to comment to do so at the earliest possible time to permit the fullest consideration of their views. Comments may address the impact of

the regulations on the submitter’s activities, whether of a commercial, non-commercial or humanitarian nature, as well as changes that would improve the clarity and organization of the regulations.

The period for submission of comments will close October 3, 2003. The Department will consider all comments received before the close of the comment period in developing final regulations. Comments received after the end of the comment period will be considered if possible, but their consideration cannot be assured. The Department will not accept public comments accompanied by a request that a part or all of the submission be treated confidentially because of its business proprietary nature or for any other reason. The Department will return any such submission to the originator without considering it in the development of final regulations. In the interest of accuracy and completeness, the Department requires comments in written form.

All public comments on these regulations will be a matter of public record. Copies of the public record concerning these regulations will be made available not sooner than November 3, 2003 and will be obtainable from OFAC’s Web site (<http://www.treas.gov/ofac>). If that service is unavailable, written requests for copies may be sent to: Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Ave., NW, Washington, DC 20220, Attn: Chief of Records Division.

Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601–612) does not apply.

Paperwork Reduction Act

The collections of information related to the regulations are contained in 31 CFR part 501 (the “Reporting and Procedures Regulations”). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information have been previously approved by the Office of Management and Budget under control number 1505–0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

List of Subjects

31 CFR Part 591

Administrative practice and procedure, Blocking, Certificate of origin, Conflict diamonds, Diamonds, Exports, Exporting authority, Foreign