

(c) Export shipments to all foreign destinations, including those filed electronically through the AES, are subject to export control regulations. This applies to mandatory, as well as voluntary AES filing. Executive Order 13312, signed July 29, 2003, implements the Clean Diamond Trade Act, which authorizes the President to implement the Kimberley Process Certification scheme in the United States. The Kimberley Process was developed to stem the worldwide movement of rough diamond exports linked to the finance of armed conflicts in certain world areas ("conflict" diamonds), specifically in some Southern African countries. The Kimberley Process Certificate serves as the mechanism to verify the absence of "conflict" diamonds from diamonds exported (reexported) from the United States.

Subpart D—Exemptions From the Requirements for the Filing of Shipper's Export Declarations

■ 4. In § 30.55, add paragraph (h)(2)(vi) to read as follows:

§ 30.55 Miscellaneous exemptions.

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(h) * * *

(2) * * *

(vi) Classified as rough diamonds under 6-digit Harmonized System subheadings 7102.10, 7102.21, and 7102.31, regardless of value.

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■ 5. Amend § 30.58 as follows:

■ a. Redesignate current paragraph (c)(6) as paragraph (c)(7).

■ b. Add a new paragraph (c)(6).

The addition reads as follows:

§ 30.58 Exemptions for shipments from the United States to Canada.

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(c) * * *

(6) Shipments of rough diamonds exported (reexported) to Canada for use or consumption in Canada.

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Subpart E—Electronic Filing Requirements—Shipper's Export Information

■ 6. In § 30.60, add a new second sentence to paragraph (a) to read as follows:

§ 30.60 General requirements for filing export and manifest data electronically using the Automated Export System (AES).

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(a) *Participation.* * * * Filing using the AES also is mandatory for all exports (reexports) of rough diamonds

regardless of destination, method of transport, or value. * * *

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■ 7. In § 30.61, add sentence (a)(5) to read as follows:

§ 30.61 Electronic filing options.

* * * * *

(a) * * *

(5) Shipments of rough diamonds exported (reexported) in accordance with the Clean Diamond Trade Act and the Rough Diamonds Control Regulations (31 CFR part 592).

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■ 8. In § 30.63, add a sentence after the second sentence of paragraph (a)(12) to read as follows:

§ 30.63 Information required to be reported electronically through AES (data elements).

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(a) * * *

(12) * * * Shipments of rough diamonds at the 10-digit Schedule B level that are classified under 6-digit Harmonized System subheadings 7102.10, 7102.21, and 7102.31 must be reported electronically through the AES.

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■ 9. Amend § 30.65 as follows:

■ a. Revise paragraphs (b) introductory text and (b)(1).

■ b. Redesignate current paragraph (b)(2) as paragraph (b)(4).

■ c. Add new paragraphs (b)(2) and (b)(3).

The additions and revisions read as follows:

§ 30.65 Annotating the proper exemption legends or proof of filing citations for shipments transmitted electronically.

(a) * * *

(b) The USPPi or the authorized agent is responsible for annotating the proper exemption legend or proof of filing citation on the bill of lading, air waybill, or other commercial loading document for presentation to the carrier prior to tendering the cargo to the exporting carrier. The carrier is responsible for transmitting the appropriate exemption legend or proof of filing citation to the CBP Port Director at the port of exportation as stated in § 30.21 and § 30.22 of this part. Such transmittal shall be without material change or amendment of the exemption legend or proof of filing citation as provided to the carrier by the USPPi or the authorized agent. The exemption legend or proof of filing citation will identify that the shipment information has been accepted as transmitted and electronically filed using the AES. The exemption legend or proof of filing citation must appear on

the bill of lading, air waybill, or other commercial loading documentation and the manifest and must be clearly visible and include any of the following:

(1) The exemption legend or proof of filing citation will include the statement, "NO SED REQUIRED—AES," followed by the filer's identification number and a unique shipment reference number referred to as the External Transaction Number (XTN) or the returned confirmation number provided by AES when the transmission is accepted, referred to as the Internal Transaction Number (ITN).

(2) Shipments of USML articles must meet the predeparture reporting requirements in the ITAR (22 CFR parts 120–130).

(3) For shipments of rough diamonds, the proof of filing citation shall include the statement, "NO SED REQUIRED—AES," followed by the returned confirmation number provided by the AES when the transmission is accepted, referred to as the ITN. The ITN is required to be shown on the Kimberley Process Certificate for all exports (reexports) of rough diamonds to certify that the diamonds have been controlled through the Kimberley Process Certification Scheme, as defined in section 3 of Public Law 108–19 of the Clean Diamond Trade Act and implemented in the Rough Diamonds Control Regulations (31 CFR part 592).

Subpart H—General Administrative Provisions

■ 10. Revise § 30.95 to read as follows:

§ 30.95 Penalties for violations.

(a) *Exports (reexports) of rough diamonds.*

The Clean Diamond Trade Act, section 8(c), authorizes the Bureau of Customs and Border Protection (CBP) and the Bureau of Immigration and Customs Enforcement (BICE), as appropriate, to enforce the laws and regulations governing exports of rough diamonds, including with respect to the validation of the Kimberley Process Certificate by the exporting authority. The Treasury Department's Office of Foreign Assets Control (OFAC) also has enforcement authority pursuant to section 5(a) of the Clean Diamond Trade Act (the Act), Executive Order 13312, and the Rough Diamonds Control Regulations (31 CFR part 592). The CBP, the BICE, and OFAC, pursuant to section 5(a) of the Act, are further authorized to enforce provisions of section 8(a) of the Act that provide for the following civil and criminal penalties: