

Ref: GJC/KP/AD-VALOREM/2020-21/ 5140

Date: 26<sup>th</sup> December 2020

To  
All Members of GJEPC across India

**Sub: Collection of 0.02% AD-VALOREM on Import of Rough Diamonds for Generic promotion of Diamonds from the members based on such value as declared in the KP Certificate.**

Dear Members,

Seasons Greetings from the Gem & Jewellery Export Promotion Council and Wishing you all a very Happy New Year!

The Gem & Jewellery Export Promotion Council (GJEPC) has collaborated with Natural Diamond Council (NDC) earlier known as Diamond Producers Association (DPA) to promote and drive consumer demand for Diamond Jewellery in the target markets of the US, HK/China & India.

The campaign is primarily focused on jewellery crafted with small diamonds which is Indian Diamond Industry's forte. With an estimated spends of USD 70 million (Rs. 500 Cr) annually in the key target markets, this campaign by Natural Diamond Council is a 360° integrated promotion program and the only Industry driven generic promotion campaign, undertaken to boost demand for diamond Jewellery amongst the end consumers. This effort by NDC backed by leading miners across the globe is supported by GJEPC on behalf of the Indian diamond Industry. Post De Beers' campaign of "Diamond is Forever", that estimated marketing spends of USD 200 Million y-o-y until 2005, there was a dire need to promote the category through a large format global campaign of this stature, especially, in the present times wherein we are striving to bring our businesses back to pre-Covid levels.

GJEPC, with the sincere effort to promote Diamonds and diamond Jewellery globally on behalf of the India Diamond trade, partnered with Natural diamond Council for this mega promotion activity since its inception in 2016. Since then, GJEPC has contributed INR 2 crores in the year 2016-17 and committed for 2 Million US\$ (INR 14 Crs) during each Financial Year starting with 2017-18 and continued in subsequent years.

After detailed discussions and deliberations, the proposal for collection of Ad-Valorem was placed in the 50<sup>th</sup> Annual General Meeting of the Council held on Tuesday, 20<sup>th</sup> December 2016. The resolution to this effect was duly passed/approved by the members and the results of the E-voting process (Scrutinizers' Report and Chairman's Report) were circulated to all the members on December 23, 2016.

In this regard, GJEPC has been sending the invoices to members since April 2017 and has been following up with the members for payment. The Council has thus started collecting the 0.02% (2 paise per 100 in INR) based on USD value mentioned on the KP certificate since April 2017 from all the members who import rough diamonds.

**THE GEM & JEWELLERY EXPORT PROMOTION COUNCIL**

मुख्य कार्यालय: ए डब्ल्यू - १०१०, टॉवर ए, जी ब्लॉक, भारत डायमंड बोर्स, बांद्रा-कुर्ला कॉम्प्लेक्स,  
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Council is pleased and expresses gratitude to 400+ Indian Diamantaires who have actively supported this campaign through a contribution of 0.02% ad valorem on import of Rough Diamonds across last 3 years of the campaign.

We wish to thank the members who have contributed for the promotion of diamonds on regular basis and are continuing to do so. However, you will agree that it will be very unfair if only some members are contributing to this initiative the benefit of which is available to the whole diamond trade. It is only just that the burden of marketing of diamonds which is so essential to maintain and grow the demand of diamonds and therefore value of our inventory is shouldered by each and every member of diamond trade. Not doing generic promotion by paying 0.02% (2 paise per 100 INR) is not an option in the current market situation as it may result in members writing off stock loss of 15-20% annually from their inventory.

The collected amount will be exclusively used for diamond promotion in International Markets and a separate bank account has been created for the same.

Recently due to Covid 19 situations and subsequent lockdown the deadline for payment of Advalorem amount was extended by the CoA till 30<sup>th</sup> June 2020. However, looking at the current market situation further action has not been proposed on those members from whom outstanding amount is receivable.

Based on the suggestions received from the trade members, the Diamond Panel Committee of the Council, decided that the Advalorem Invoice will be sent along with the KP Fees Invoice from the system as soon as the Import KPC is processed for endorsement.

The members may note the below calculation and process for payment of the Advalorem amount:

- The amount of USD mentioned on the KPC / import Invoice will be converted in INR on the basis of daily exchange rate as available on RBI website. The 0.02% of amount will be calculated on the converted INR and the same is inclusive of applicable taxes (15% ST before 30<sup>th</sup> June 17 / 18% GST after 30<sup>th</sup> June 17).
- For example : If the USD Value on KPC is 10000\$ - Converted amount in INR @ ER 70.00 (daily exchange rate) will be INR 7,00,000/- **The Promotion fund/ad-valorem @0.02% will be INR 140/- only including applicable Taxes.**
- **The payment of ad-valorem will be collected on same day based on the data captured from the Import KP Certificate endorsed by GJEPC.**
- The Invoice for KP Fees and Advalorem amount for each KP Certificate will be generated and e-mailed through the system directly on daily basis.

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- Amount of the ad-valorem will have to be paid by Cheque / DD payable to "The Gem & Jewellery Export Promotion Council" immediately on receipt of the invoice/s to avoid delay in processing of KP applications.
- In case there is any outstanding payment payable by a Member, as per decision taken in the meeting of CoA held on 21<sup>st</sup> May 2018 provisions under **Article 8.2b of the Articles of Association of the Council would be applicable including publishing the name on the GJEPC website, the services given by GJEPC to the member companies may be affected including delay in KP application and / or charging of non-members fees for each KP Certificate.**

**The above will be applicable with effect from 1<sup>st</sup> January 2021 onwards.**

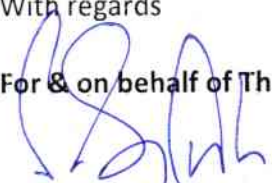
Members are requested to note the above and start paying the Advalorem payment & Kp fees along with the KP application immediately by Cheque or through payment gateway to avoid delay in processing of KP applications. We also wish to request to all those members who have not paid the Advalorem to please clear the old pending dues to help this cause of building the diamond equity for better future.

For queries, with regard to payment procedure etc, members are requested to contact the Toll Free Number: 1800-103-4353 / Missed Call Number : +91-7208048100 or by e-mail [advaloreminvoice@gjepcindia.com](mailto:advaloreminvoice@gjepcindia.com)

We seek your support in the generic promotion of diamonds as done through Natural Diamond Council by generously contributing to the promotion fund created by GJEPC. This will in turn help in increasing the sale of natural diamonds and thus help in getting better price for cut and polished natural diamonds.

With regards

For & on behalf of The Gem & Jewellery Export Promotion Council

  
Sabyasachi Ray  
Executive Director

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