

**Act No. 440/2003 Coll** of 3 December 2003,  
**on the handling of rough diamonds, the conditions of their import, export and transit, and on amendment of certain acts**  
as amended by the Act No. 60/2005, Act No. 413/2005, Act No. 70/2006, Act No. 296/2007, Act No. 124/2008, Act No. 254/2008, Act No. 227/2009, Act No. 281/2009, Act No. 187/2011, Act No. 18/2012, Act No. 308/2013 and Decree No. 344/2013

Parliament has passed the following act of the Czech Republic

**PART ONE**

**Handling of rough diamonds and the conditions of their import, export and transit**

**Heading I**

**Introductory Provisions**

**Article 1**

**Subject of the Act**

This Act provides for handling of rough diamonds and conditions for their import, export and transit and lays down conditions for carrying out certification, keeping records and control of rough diamonds (hereinafter the "Kimberley Process certification scheme") in the extent laid down by Council Regulation (EC) No. 2368/2002 of 20 December 2002 implementing the Kimberley Process certification scheme for the international trade in rough diamonds (hereinafter the "Regulation").

**Article 2**

**Definition of Terms**

For the purposes of this Act:

- a) a container<sup>1</sup> means a tamper-resistant case, that can be fitted with a seal preventing unauthorised opening,
- b) handling of rough diamonds means any handling of rough diamonds that are not enclosed in an unopened container fitted with a seal,
- c) the Secretariat means a body authorised by the participants<sup>1a</sup> to coordinate the Kimberley Process certification scheme for rough diamonds,
- d) conclusive evidence means
  1. a certificate or its authorised copy issued by the competent authority, that, during import, accompanied rough diamonds for which issuing of a European Union certificate is required <sup>1b</sup> (hereinafter a "certificate"),
  2. an invoice or other document, containing information on the seller, donor or testator and the acquirer of the rough diamonds, and from which it follows that the exported rough diamonds, for which issuing of a European Union certificate is requested, are located in the territory of the European Union according to the principles of the Kimberley Process certification scheme<sup>1b</sup>,

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<sup>1</sup> Art. 3 (b) of Council Regulation (EC) No. 2368/2002 of 20 December 2002 implementing the Kimberley Process certification scheme for the international trade in rough diamonds.

<sup>1a</sup><sup>1a</sup> Article 12 (c) of Council Regulation (EC) No. 2368/2002.

<sup>1b</sup><sup>1b</sup> Article 12 of Council Regulation (EC) No. 2368/2002.

3. a document confirming certification of stocks or a confirmation pursuant to Art. 6 of the Regulation<sup>1b</sup>, or
  4. a written declaration according to Art. 13 of the Regulation,
- e) the Directorate means the General Directorate of Customs,
- f) a designated customs office means Customs Office Praha-Ruzyně (Prague Airport),
- g) a competent employee of the Directorate means civilian employee or customs officer who carries out tasks in the scheme of certification of rough diamonds and works for the Directorate,
- h) a competent employee of the designated customs office means civilian employee or customs officer who carries out tasks in the scheme of certification of rough diamonds and works for the designated customs office.

### **Article 3**

Repealed

## **Heading II**

### **The competent authority of the Czech Republic, its organization and tasks**

#### **Article 4**

(1) The Directorate is a European Union authority<sup>2</sup>.

(2) In carrying out tasks pursuant to this Act and the Regulation, the Directorate shall cooperate with the European Commission, the competent authorities, the state authorities of other countries responsible for carrying out tasks in the framework of the scheme of certification of rough diamonds, the Secretariat and international organisations that carry out tasks in relation to the scheme of certification of rough diamonds, and shall submit to them information which the Czech Republic has pledged to provide.

(3) If the Directorate or designated customs office determines facts substantiating suspicion of financing of organised crime or terrorism, it shall immediately communicate this information to the Police of the Czech Republic (hereinafter the "Police") or intelligence services of the Czech Republic (hereinafter "intelligence services")<sup>2a</sup>.

(4) The Police and intelligence services shall provide the Directorate and the designated customs office with the necessary information in exercising their competence pursuant to this Act and the Regulation; this shall not apply if provision of information would endanger important interests of concern to the Police or the relevant intelligence services.

#### **Article 5**

The Directorate shall

- a) control and confirm the authenticity of a certificate during import; validation of the authenticity of a certificate shall be a public instrument,
- b) in export, issue a European Union certificate, which shall be a public instrument,
- c) compare the contents of the consignment with the information in the certificate through physical control, including determination of the physical-chemical properties of the rough diamonds required for their identification,

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<sup>2</sup> Article 19 of Council Regulation (EC) No. 2368/2002.

<sup>2a</sup> Act No. 153/1994 Coll., on the intelligence services of the Czech Republic, as amended.

- d) determine that the numerical value of the activity of the rough diamonds does not exceed the value permitted by the special regulation<sup>3</sup>,
- e) prepare documentation of the consignment and its contents,
- f) keep records of imports, exports and transit of rough diamonds, on registration of persons (Articles 28 and 29), on annual reports (Article 32), on completed controls and the results thereof (Article 33), on persons on whom sanctions have been imposed for violation of this Act or the Regulation, and on persons who have violated the principles of the Kimberley Process certification scheme for rough diamonds and this fact has been officially communicated to the Directorate by the competent authority; for the purposes of keeping records, it shall process personal data without the consent of the relevant persons<sup>3a</sup>,
- g) evaluate information related to handling of rough diamonds.

## **Article 6**

### **Duty to Uphold Confidentiality**

(1) The competent employee of the Directorate and the competent employee of the designated customs office shall be obliged to maintain confidentiality on facts that they learned during their activities or in connection therewith, especially on conditions relating to persons handling rough diamonds, both personal and related to their businesses. The competent employee of the Directorate and the competent employee of the designated customs office shall be bound by the obligation to maintain confidentiality pursuant to this Act even after termination of execution of their activities.

(2) The competent employee of the Directorate and the competent employee of the designated customs office are obliged to provide, upon request, the information acquired in the course of their work to a tax administrator, administrative authority and court, if such authority is ruling on a remedial measure or inheritance, if it is holding proceedings on bankruptcy and composition in the case of a person handling rough diamonds, if it is ruling on a proposal by a tax administrator seeking a determination of the nullity of acts in law of a person handling rough diamonds or distraintment regarding a tax debt.

(3) The competent employee of the Directorate and the competent employee of the designated customs office may be released from the duty to uphold confidentiality by a person handling rough diamonds, if such release is expressed in writing, giving the scope and purpose.

(4) The duty to uphold confidentiality shall not apply

- a) in relation to the Supreme Audit Office (Nejvyšší kontrolní úřad), provided it is performing audit within the scope of its authorisation and according to an approved plan<sup>4</sup>,
- b) if this is necessary in criminal proceedings to clarify circumstances indicating a crime has been committed,
- c) in relation to the Financial Analytical Office, if it demands data on the basis of a special regulation on selected measures against legitimisation of proceeds of crime or a special regulation on carrying out of international sanctions for the purpose of maintaining international peace and security, protecting fundamental human rights and fighting terrorism,
- d) in relation to the Supreme State Prosecutor's Office, if it is conducting an investigation to determine the conditions for a suit against a decision of an administrative authority pursuant to a special act,

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<sup>3</sup> Act No. 18/1997 Coll., on peaceful use of nuclear energy and ionising radiation (the Atomic Act) and amending and supplementing certain acts, as amended.

Decree No. 307/2002 Coll., on radiation protection.

<sup>3a</sup> Article 5 (2) (a) of Act No. 101/2000 Coll., on protection of personal information and on amendment of some laws.

<sup>4</sup> Act No. 166/1993 Coll., on Supreme Audit Office, as amended.

e) in relation to the Police and intelligence services pursuant to article 4 paragraph 3.

(5) The use of information acquired in the course of performing tasks in the system for certifying rough diamonds or in connection therewith for actions benefiting the person bound by such duty or benefiting other persons or for actions that might cause someone harm shall also be deemed to be a breach of the duty to uphold confidentiality.

(6) A competent employee of the Directorate and the competent employee of the designated customs office may use information in anonymous form in research, publishing and teaching.

(7) The duty to uphold the confidentiality of official secrets pursuant to a special regulation<sup>5a</sup> shall not be affected by this act.

(8) The obligation to maintain confidentiality shall also not apply in relation to the bodies of the European Union that carry out tasks connected with implementing the Kimberley Process certification scheme.

### **Heading III**

#### **Release of Rough Diamonds into a Customs Procedure**

##### **Article 7**

A customs declaration for release of rough diamonds into a customs procedure shall be submitted by the declarant at the designated customs office, unless this Act or the Regulation lay down otherwise. The declarant shall be obliged to submit the consignment together with the customs declaration to the designated customs office. The declarant shall provide for transport of the consignment to the designated customs office at his own expense and risk.

##### **Import**

##### **Article 8**

(1) The designated customs office shall carry out the customs proceedings unless this Act or the regulation lay down otherwise.

(2) The designated customs office shall verify the correctness and completeness of accepted customs declarations.

(3) From the instant of submitting the consignment to the designated customs office to the issuing of a decision in the customs proceedings, this consignment shall be under direct customs supervision.

##### **Article 9**

(1) Rough diamonds that do not have the status of European Union goods may be transported to the territory of the Czech Republic

a) by air only at selected international European Union airports, which shall be the Praha-Ruzyně airport, the Brno - Tuřany airport and the Ostrava - Mošnov airport,

b) or by postal transport.

(2) A person who transported rough diamonds by postal transport or by air to a selected international airport shall be obliged to immediately submit them to the designated customs office. This shall not apply if rough diamonds are transported to location under territorial jurisdiction of another customs office.

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<sup>5a</sup> Act No. 412/2005 Coll., on protection of confidential facts and on security eligibility.

(3) If rough diamonds are transported to location under jurisdiction of another customs office they shall be immediately submitted to this office (hereinafter the „selected customs office“).

(4) The selected customs office during the import of rough diamonds to the territory of Czech Republic shall control that the consignment is accompanied by a certificate, shall control the intactness of the container and its seals, shall place its customs seal on the container and shall release the consignment into the customs transit procedure. The designated customs office shall be the customs office of destination.

(5) If the consignment is not accompanied by a certificate or if the container or its seal has been violated, the selected customs office shall not open the consignment, shall document the damage and shall draw up an official record thereof. The selected customs office shall affix its customs seal and transport the consignment under direct customs supervision to the designated customs office at the expense of the declarant.

(6) The selected customs office shall immediately notify the designated customs office and the Directorate of the entrance and all information on the consignment.

(7) Rough diamonds that do not have the status of European Union goods, transported to the territory of the Czech Republic by other means of transport than set forth in paragraph 1 above must be submitted to the designated customs office.

### **Article 10**

(1) When the consignment is submitted, the competent employee of the Directorate and the competent employee of the designated customs office together shall control the condition of the container and its seals and shall subsequently open the container and each parcel contained therein.

(2) The declarant shall have the right to be present during control of the condition of the container and its seals and the subsequent opening of each parcel.

### **Article 11**

(1) The proceedings of identity of the imported rough diamonds with the certificate accompanying them shall be commenced by the Directorate through opening the container.

(2) During the proceedings pursuant to paragraph 1 above, the customs proceedings shall be suspended.

(3) The competent employee of the Directorate shall control the authenticity and validity of the certificate and shall compare the content of the consignment with the information given in the certificate.

### **Article 12**

If the conditions laid down by this Act, the Regulation and the directly applicable European Union legislation establishing the Union Customs Code are fulfilled, the designated customs office shall issue a decision in which the rough diamonds are released into the proposed customs procedure.

## **Export**

### **Article 13**

(1) The designated customs office shall verify the correctness and completeness of accepted customs declarations for export.

(2) Following commencement of the customs proceedings, the competent employee of the Directorate and the competent employee of the designated customs office shall control the submitted container, the rough diamonds, the conclusive evidence pursuant to Article 2 (d)

and whether the declarant stated all the information required for issuing a European Union certificate.

(3) The declarant shall have the right to be present during control pursuant to paragraph 2.

#### **Article 14**

(1) The Directorate shall be competent in the proceedings on issuing a European Union certificate.

(2) The proceedings pursuant to paragraph 1 above shall be commenced when the Directorate accepts the container, the rough diamonds, the conclusive evidence and information required to issue a European Union certificate.

(3) During the duration of the proceedings pursuant to paragraph 1 above, the customs proceedings shall be suspended.

(4) The competent employee shall control that the declarant provided conclusive evidence pursuant to Article 2 (d) and correct and complete information required for issuing a European Union certificate and that the container submitted by the declarant corresponds to the transport of rough diamonds pursuant to this Act and the Regulation, and shall carry out comparison of the submitted rough diamonds with the information given by the declarant, including the approximate current prices thereof.

#### **Article 15**

(1) The competent employee of the Directorate and the competent employee of the designated customs office shall place the rough diamonds or parcels containing them in the container together with an authorised copy of the European Union certificate and shall affix a seal to the container. The declarant shall obtain the European Union certificate.

(2) The declarant shall have the right to be present during placing of the contents in the container and affixing of the seal thereto.

#### **Article 16**

(1) Only the designated customs office shall be authorised to release rough diamonds into the export customs procedure while maintaining the conditions laid down by this Act, the Regulation and directly applicable European Union legislation establishing the Union Customs Code.

(2) The person for whom the rough diamonds were released for export shall be obliged to provide for their transport to the European Union exit customs office approved by the designated customs office at his own expense and risk. The designated customs office shall lay down a deadline for submitting the consignment to the exit customs office, the route and the manner of transport of the consignment. The consignment shall be under customs supervision during the duration of the transport.

(3) If the rough diamonds released in export are to leave the territory of the European Union from a site lying in the territory of the Czech Republic, they must leave it only at the designated customs office or a selected customs office under whose jurisdiction belong international airports pursuant to Article 9 (a).

(4) The selected customs office shall control the intactness of the container and its seals and shall control that the consignment is accompanied by a certificate pursuant to the Regulation. If the container or its seal has been violated, or the consignment is not accompanied by a certificate pursuant to the Regulation, the selected customs office shall not open the consignment, shall document the condition of the consignment, including the documents that accompany it, and shall draw up an official record thereof, shall affix its customs seal to the consignment and shall send it to the designated customs office under direct customs supervision at the expense of the declarant. The designated customs office

and the Directorate shall deal with the consignment mutatis mutandis pursuant to the provisions of Articles 13 to 16 and paragraphs 1 to 3 above.

(5) The customs office pursuant to paragraph 3 shall immediately notify the designated customs office and the Directorate of the exit of the consignment and all information on the consignment.

#### **Article 17**

Repealed

#### **Article 18**

Repealed

#### **Article 19**

Repealed

### **Heading IV**

#### **Transit of Rough Diamonds**

#### **Article 20**

(1) Rough diamonds may be released into the external transit customs procedure only at customs offices pursuant to Article 16 paragraph 3.

(2) If rough diamonds enter the territory of the Czech Republic at some other customs office than the customs offices pursuant to paragraph 1, they must be transported in the customs transit procedure to the designated customs office. In justified cases, especially if there is a danger that the rough diamonds could escape from customs supervision or otherwise endanger the basic goals of the Kimberley Process certification scheme, the customs office shall provide for transport of the consignment to the designated customs office under direct customs supervision at the expense of the declarant.

(3) The customs office shall control the intactness of the container and its seals and shall control that the consignment is accompanied by a certificate pursuant to the Regulation. If the container or its seal has been violated, or the consignment is not accompanied by a certificate pursuant to the Regulation, the customs office shall not open the consignment, shall carry out documentation of the condition of the consignment, including the documents accompanying it, and shall draw up an official record thereof. The customs office shall affix its customs seal to the consignment and transport it under direct customs supervision to the designated customs office at the expense of the declarant. The designated customs office and General Directorate of Customs shall deal with the consignment mutatis mutandis pursuant to Heading III.

#### **Article 21**

Repealed

#### **Article 22**

Repealed

#### **Article 23**

Repealed

#### **Article 24**

Repealed

## **Article 25**

Repealed

## **Article 26**

### **Customs transit procedure**

(1) Only the customs offices pursuant to Article 16 paragraph 3 shall be authorised to release rough diamonds into the customs transit procedure while maintaining the conditions laid down by this Act, the Regulation and the directly applicable European Union legislation establishing the Union Customs Code. Only customs offices pursuant to Article 16 paragraph 3 shall be transit customs offices in the territory of the Czech Republic for transport of consignments of rough diamonds in the customs transit procedure.

(2) In releasing rough diamonds into the customs transit procedure, the customs office of expedition shall control the intactness of the container and its seal, shall affix its customs seal to the container, shall set a deadline for transport of the consignment to the customs office of destination and, if the conditions laid down by the directly applicable European Union legislation establishing the Union Customs Code are fulfilled, shall release the consignment into the customs transit procedure. The selected customs office shall be the exit customs office.

(3) If the container or its seal have been violated, the selected customs office of despatch shall not release the consignment into the proposed customs transit system, shall not open the consignment and shall make out a protocol, including documenting the damage.

(4) Customs office pursuant to Article 16 paragraph 3 shall immediately pass on all the data on the consignment and its release or non-release into the customs transit system to the Directorate.

(5) Customs office pursuant to Article 16 paragraph 3 at which the consignment of rough diamonds leaves the European Union in connection with crossing state frontiers shall check that the container and its seal have not been violated and, provided this does not prejudice the provisions of the directly applicable European Union legislation establishing the Union Customs Code, shall allow the goods to exit the European Union.

(6) If the container or its seal have been violated, the exit-point selected customs office shall not open the consignment and shall make out a protocol, including documenting the damage. Customs office pursuant to Article 16 paragraph 3 shall attach a customs seal to the consignment and shall send it, under customs supervision and at the declarant's expense, to the designated customs office. This shall not apply if the exit-point selected customs office is the designated customs office. The designated customs office and the Directorate shall deal with the consignment *mutatis mutandis* pursuant to Heading III.

(7) The Customs office pursuant to Article 16 paragraph 3 shall immediately pass on all the data on the consignment and its exit from the territory of the Czech Republic in the customs transit system to the Directorate.

(8) The customs office of transit at which a consignment of rough diamonds enters the territory of the Czech Republic in connection with the crossing of state frontiers shall check that the container and its seal have not been violated and, if the conditions laid down by the directly applicable European Union legislation establishing the Union Customs Code are satisfied, shall allow the consignment to enter the territory of the Czech Republic and continue in the customs transit system.

(9) If the container or its seal has been violated, the transit customs office shall not open the consignment, shall carry out documentation of the condition of the consignment, including the documents accompanying it, and shall draw up an official record thereof. The

transit customs office shall affix its customs seal to the consignment and send it under direct customs supervision to the designated customs office at the expense of the declarant. This shall not apply if the customs office of transit is the designated customs office. The designated customs office and the Directorate shall further deal with the consignment mutatis mutandis pursuant to Heading III.

(10) The customs office of transit shall immediately pass on all the data on the consignment and its admission or non-admission to the territory of the Czech Republic in the common transit system to the Directorate.

## **Heading V**

### **Registration**

#### **Article 27**

##### **General Registration**

(1) Persons handling rough diamonds are obliged to register.

(2) The application for general registration of a natural person who is not an entrepreneur shall contain the following

- a) name and surname,
- b) date of birth and
- c) for nationals of the Czech Republic, their permanent place of residence in the territory of the Czech Republic, for foreigners, their place of stay in the territory of the Czech Republic, or their usual place of residence in the territory or outside the territory of the European Union.

(3) The application for general registration of a natural person who is an entrepreneur shall contain the following

- a) name and surname, or where appropriate the firm or its commercial name,
- b) date of birth,
- c) for nationals of the Czech Republic, their permanent place of residence in the territory of the Czech Republic, for foreigners, their place of stay in the territory of the Czech Republic, or their usual place of residence in the territory or outside the territory of the European Union,
- d) the registration number,
- e) place of operation of a business, registered office, permanent workplace or organisational unit of the enterprise, if established and
- f) in the case of a foreign natural person the location of the organisational unit of the enterprise, if established.

(4) The application for general registration of a legal person shall contain the following

- a) the firm or its commercial name,
- b) identification number and,
- c) registered office, control centre, permanent workplace or organisational unit of the enterprise, if established.

(5) In general registration proceedings a natural person is obliged to prove his identity and state citizenship or country of residence by means of a valid document. A person applying for general registration is responsible for correctness and verity of statements given in application and for the authenticity of presented documents.

(6) The duty to register for handling rough diamonds does not apply to employees carrying out their work duties; the employer shall be responsible for the handling of rough diamonds.

(7) General registration does not establish an authorisation to handle rough diamonds in the manner set out in Article 28 (1).

## **Article 28**

### **Special Registration**

(1) In addition to general registration pursuant to Article 27 persons handling rough diamonds in a manner that includes the import, export, trading or processing of rough diamonds for commercial purposes must have special registration.

(2) A person applying for special registration shall submit a registration certificate pursuant to Article 27 and an extract from the companies register no more than 1 month old or an officially authenticated copy of the trading licence or some other document that authorises it to operate a business in the territory of the European Union in the activities set forth in paragraph 1 above, that is not more than one month old. A person applying for special registration is responsible for correctness and verity of statements given in application and for the authenticity of presented documents.

(3) A person applying for special registration shall not be registered if, within the last 3 years before applying for registration, such person was convicted of a deliberate property crime, unless he is treated as if not convicted, or if such person was penalised for a gross or repeated breach of the customs or tax regulations, of this act or the regulation, or if such person violated the principles of the Kimberley Process certification scheme and this was officially communicated to the designated customs office or to the Directorate by another appropriate authority.

(4) To assess the integrity of the person for the purposes of the special registration a designated customs office requests an extract from the Criminal Register by special legal regulation<sup>10c</sup>. A request for an extract from the Criminal Register and extract from the Criminal Register shall be transmitted in electronic form, in a manner enabling remote access.

(5) Gross violation of the customs or tax regulations, of this act or the regulation pursuant to paragraph 3 is deemed to be conduct for which the person was officially convicted of a crime or for which it received an official fine of at least CZK 250,000.

(6) Repeated violation of the customs or tax regulations, of this act or the regulation pursuant to paragraph 3 is deemed to be violation of any such regulation within the last 3 years before the effective date of the ruling to impose a fine of at least CZK 50,000 on such person for violation of a customs or tax regulation or this act.

(7) Special registration is no substitute for a trading licence issued pursuant to a special regulation<sup>11</sup>.

## **Article 29**

(1) Applications for general and special registration shall be filed in writing with the designated customs office.

(2) Applications for general and special registration may be filed simultaneously.

(3) If the applicant satisfies the conditions laid down in Article 27 or in Article 28, the designated customs office shall perform registration otherwise the applications for registration shall be rejected.

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<sup>10c</sup> Act No. 269/1994 Coll., on Criminal Record, as amended.

<sup>11</sup> The trade licensing act.

(4) Registered persons are obliged to notify the designated customs office of any changes to the data given in the registration, and to do so within 15 days.

(5) If the designated customs office learns that a person registered pursuant to Article 28 no longer satisfies the conditions laid down, it shall rule to terminate the registration.

(6) If a person ceases handling rough diamonds, such person may request in writing that the registration with the designated customs office be annulled.

## **Heading VI**

### **Records and Inspection**

#### **Article 30**

Every purchase and sale and every other transfer of rough diamonds must be accompanied by an accompanying document which gives clear data on the seller, donor or testator and acquirer of rough diamonds and on the numbers of all certificates which accompanied such rough diamonds upon import.

#### **Article 31**

(1) Person handling rough diamonds are obliged to keep records on them. Such records shall contain data on the change of ownership of the rough diamonds pursuant to Article 30 and data for identifying the rough diamonds, in particular

- a) the name, surname and address or firm or its name and registered office of the seller, donor, testator or acquirer and the number of its registration, if registered,
- b) the name of the goods and the customs tariff item,
- c) the quantity in carats (ct),
- d) the numbers of all certificates which accompanied such rough diamonds upon import, or the number of the document confirming certification of stocks,
- e) the purpose of use of the goods and
- f) the date of transfer.

(2) Records kept by a person which handles rough diamonds in such a way as involves working or processing them into a product shall, in addition to the data mentioned in paragraph 1, contain data on the quantity and qualitative characteristics of the processed rough diamonds, the name of the goods and the customs tariff items, the quantity and quantity of the worked and processed diamonds and the waste generated during their processing.

(3) Person keeping records pursuant to paragraph 1, and where appropriate paragraph 2, are obliged to store them for at least 10 years from the end of the calendar year in which a change of data occurred.

(4) At the call of the designated customs office or the Directorate, person shall submit the records kept pursuant to paragraph 1, and where appropriate paragraph 2, including the documents in which the demanded data are manifest.

(5) Person keeping records pursuant to paragraph 1 or 2 is responsible for correctness of the data kept in records.

#### **Article 32**

(1) Person handling rough diamonds in such a way as involves import, export, trading or processing the rough diamonds are obliged to submit to the Directorate, by 31 March of each

year for the preceding calendar year, an annual report on the handling of rough diamonds (hereinafter "annual report"), which shall contain the records kept pursuant to Article 31.

(2) Annual report may be effectively submitted solely on the printed form issued by the Directorate or on computer systems that have data and the content and arrangement of data identical with the printed form issued by the Directorate. Annual reports shall include the appendices designated in the appropriate printed form.

(3) The Ministry of Finance shall set out a specimen of the annual report printed form by implementing regulation.

### **Article 33**

Inspection of the Kimberley Process certification scheme shall be performed jointly by the competent employee of the Directorate and the competent employee of the designated customs office.

## **Heading VII**

### **Infractions**

### **Article 34**

#### **Infractions of natural person, legal person and an entrepreneurial natural persons**

(1) A natural person, legal person and an entrepreneurial natural person shall commit a misdemeanour if

- a) imports, exports or transports in the customs transit procedure rough diamonds at variance with the Regulation,
- b) handles rough diamonds without a general registration acquired pursuant to Article 27 paragraph 1,
- c) at variance to Article 27 paragraph 5 presents incorrect or inaccurate data in a registration application or submits false or altered documents for registration purposes,
- d) at variance to Article 31 paragraph 4 fails to submit records on rough diamonds or related documents or submits records with incorrect data or counterfeit or altered related documents,
- e) at variance to Article 31 fails to keep records on rough diamonds or fails to submit data laid down to this act, or
- f) fails to submit an annual report within the set time limit pursuant to Article 32.

(2) A legal person and an entrepreneurial natural person shall commit a misdemeanour if

- a) handles rough diamonds without a special registration at variance with Article 28 paragraph 1, or
- b) at variance to Article 28 paragraph 2 presents incorrect or inaccurate data in an application of special registration or submits false or altered documents for registration purposes.

(3) A fine may be imposed on a natural person for a misdemeanor until the amount of

- a) CZK 100,000, for misdemeanour pursuant to paragraph 1 letters d) to f), or
- b) CZK 1,000,000, for misdemeanour pursuant to paragraph 1 letters a) to c).

(4) A fine may be imposed on a legal person and an entrepreneurial natural person for a misdemeanor until the amount of

- a) CZK 100,000, for misdemeanour pursuant to paragraph 1 letters d) to f),

b) CZK 1,000,000, for misdemeanour pursuant to paragraph 1 letter c) or to paragraph 2 letter b), or

c) CZK 10,000,000, for misdemeanour pursuant to paragraph 1 letters a) or b) or to paragraph 2 letter a).

### **Article 35**

#### **Confiscation**

It is not possible to rule that an item shall be confiscated if 6 years have passed since the infraction was perpetrated.

### **Article 36**

#### **Limitation period**

(1) The limitation period is 6 years.

(2) If the limitation period has been interrupted, the liability for the infraction shall expire no later than 10 years after its committing.

### **Article 37**

#### **Jurisdiction**

The designated customs office (Customs office Prague Ruzyně) is competent for proceedings on misdemeanors under this Act.

## **Heading VIII**

### **Common, Transitory and Final Provisions**

#### **Common Provisions**

#### **Article 38**

Repealed

#### **Article 39**

Repealed

#### **Article 40**

Repealed

#### **Article 41**

#### **Payment of Costs**

The customs office shall impose the obligation on the declarant to pay costs pursuant to Article 9 (4), Article 17 (4), Article 20 (2) and (3) and Article 26 (6) and (9). The declarant shall be obliged to pay costs within a period of 30 days from the date on which the ruling to impose to pay costs took effect.

#### **Article 42**

Repealed

#### **Article 43**

Repealed

**Article 44**

Repealed

**Article 45**

Repealed

**PART TWO**

**Amendment of Act No. 337/1992 Coll., on administration of taxes and fees, as amended**

Repealed

**Article 46**

Repealed

**PART THREE**

Repealed including heading

**Article 47**

Repealed

**PART FOUR**

**EFFECT**

**Article 48**

This act shall take effect on the fifteenth day after it is promulgated in the Collection of Laws.<sup>+</sup>

Zaorálek v. r.

Klaus v. r.

Špidla v. r.