

## US (Finally) Removes Origin Loophole for Russian Diamonds



US President Joe Biden has signed an [executive order](#) banning Russian diamonds even if they were manufactured in a third country.

The directive, which Biden signed on Friday, amends a [March 2022 executive order](#) that prohibited the import of nonindustrial diamonds into the US. The update explicitly removes the loophole of “[substantial transformation](#),” which had allowed stones polished in India or other cutting centers to enter America legally.

It includes diamonds in a list of products that are banned “notwithstanding whether such products have been incorporated or substantially transformed into other products outside of the Russian Federation.”

The changes align with a December 6 Group of Seven (G7) [leaders’ statement](#) that called for members to restrict imports of Russian diamonds processed in third countries from March 1. The US did not give a timeline for its ban.

In addition, while the previous language banned just the “importation” of Russian diamonds into the US, the new order extends this to “importation and entry.”

The order applies to products with the harmonized tariff codes 7102.10 (unsorted diamonds), 7102.31 (rough diamonds), and 7102.39 (polished diamonds).

The US’s [original sanctions](#) went into effect soon after Russia’s invasion of Ukraine in February 2022. Despite the loophole, many American retailers and consumers voluntarily [boycotted](#) all Russian diamonds, irrespective of where the manufacturing took place.

“Together with our allies and partners, we have put in place the largest set of sanctions and export control actions ever imposed on a major economy to undercut Russia’s ability to wage war, and to hold Russia accountable for attempting to conquer its neighbor by force and subjugate its people,” [said](#) US National Security Adviser Jake Sullivan.

*Image: Russian polished diamonds. (Alrosa)*