Diamond Imprest Authorization (DIA) Scheme

Why in News?

The Department of Commerce recently introduces Diamond Imprest Authorization scheme to support exporters.

- **Aim -** It aims to keep investments and jobs within the country, helping small and medium diamond exporters (MSMEs) compete globally.
- The initiative seeks to simplify and reduce the costs associated with importing and handling diamonds for exporters, further positioning India as a key player in the international diamond market.
- **Implementation -** It will come into effect on April 1, 2025.
- **Ministry -** Ministry of Commerce & Industry.
- **Eligibility** – It is open to exporters with Two Star Export House status (a recognition granted by the Directorate General of Foreign Trade) and above, with at least $15 million in exports annually.
- **Features**
  - **Duty-free imports** - Exporters can import natural cut and polished diamonds of less than ***¼ carat*** (25 cents) without paying customs duty.
  - Including the products of semi-processed, broken, half cut, etc.
  - **Export obligation** - Exporters must add ***at least 10%*** value to these diamonds before exporting them.
  - Diamonds to be imported under Actual User Condition.
  - Exports will be against payment in Free Foreign Exchange.
- This move comes in response to policies in diamond-producing countries like Botswana, Angola and Namibia, where manufacturers must process diamonds locally.

India's gross exports of gems and jewellery in December 2024 stood at $1,967.98 million, marking a decline of 10.29% compared to the same period last year.

References

1. PIB | Diamond Imprest Authorization Scheme
2. Business Standard | Diamond Imprest Authorization scheme