



Press and Information

General Court of the European Union
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Judgment in Case T-619/15
Badica and Kardiam v Council

The General Court upholds the decision freezing the funds of the Badica and Kardiam companies in the Central African ‘conflict diamonds’ case

The Bureau d'achat de Diamant en Centrafrique (Badica) and its Belgian sister company Kardiam purchase and sell diamonds originating, inter alia, from the Central African Republic. The Central African Republic's revenue is partly generated by diamond and gold exports, of which 40% is generated specifically by diamonds.

In March 2013, Mr Francis Bozizé, President of the Central African Republic, was deposed by a predominantly Muslim coalition, the Séléka. Mr Michel Djotodia, his political opponent, became president of the Central African Republic. That event sparked violent clashes between the Séléka and predominantly Christian and Animist groups called ‘anti-balaka’.

To prevent ‘conflict diamonds’¹ fuelling armed conflict by generating income for rival groups, an international certification scheme for rough diamonds, named the Kimberley Process, was set up. In May 2013, the Central African Republic was temporarily suspended from the Kimberley Process certification scheme. Exports of Central African diamonds were prohibited as a result of that suspension.

Following the United Nations, the Council of the European Union decided in 2015 to freeze the funds of Badica and Kardiam in Europe. To justify that decision, the Council stated that ‘on 20 August 2015, pursuant to ... resolution 2196 (2015) [of the United Nations], the Bureau d'achat de Diamant en Centrafrique/KARDIAM was listed as one of the persons or entities “providing support for armed groups or criminal networks through the illicit exploitation or trade of natural resources (diamonds, gold, as well as wildlife and wildlife products) in the Central African Republic”.’

The Council also reproduced the grounds relied on by the UN Central African Republic Sanctions Committee:

‘1. BADICA/KARDIAM has provided support for armed groups in the Central African Republic, namely former Séléka and anti-balaka, through the illicit exploitation and trade of natural resources, including diamonds and gold.

2. The Bureau d'Achat de Diamant en Centrafrique (BADICA) continued in 2014 to purchase diamonds from Bria and Sam-Ouandja (Haute Kotto province) in the east of the Central African Republic, where former Séléka forces impose taxes on aircraft transporting diamonds and receive security payments from diamond collectors. Several of BADICA's supplying collectors in Bria and Sam-Ouandja are closely associated with former Séléka commanders.

3. In May 2014, Belgian authorities seized two diamond parcels sent to BADICA's representation in Antwerp, which is officially registered in Belgium as KARDIAM. Diamond experts assessed that the diamonds seized have a high probability to be of Central African origin, and that they display

¹Conflict diamonds are defined as ‘rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments, as described in relevant United Nations Security Council (UNSC) resolutions.’

characteristics typical of Sam-Ouandja and Bria, as well as Nola (Sangha Mbaéré province), in the south west of the country.

4. Traders who were purchasing diamonds illegally trafficked from Central African Republic to foreign markets, including from the western part of the country, have operated in Cameroon on behalf of BADICA.

5. In May 2014, BADICA also exported gold produced in Yaloké (Ombella-Mpoko), where artisanal gold mines fell under control of Séléka until the beginning of February 2014, when anti-balaka groups took over’.

Badica and Kardiam have asked the General Court to annul the decision freezing their funds. They submit that the Council’s assertions in the grounds communicated to them are inaccurate or, in any event, insufficiently substantiated to establish that they provided support to armed groups through the unlawful exploitation of or trade in natural resources in the Central African Republic.

By today’s judgment, **the Court** dismisses the action of the two companies and **upholds the decision freezing their funds**.

With regard to the second paragraph reproduced above, the Court takes the view that the Council has established that **the diamonds referred to in that paragraph were indeed exported** and, therefore, were unlawfully exploited in breach of the export ban imposed under the Kimberley Process. The Court also notes that, by continuing to purchase diamonds from collectors, **Badica and Kardiam necessarily provided support to armed groups**. The Court also finds that the claims that support was provided to former Séléka forces through security payments and landing charges are sufficiently substantiated by evidence. As regards the third paragraph, the Court notes that the assessment that the diamonds are likely to originate from the Central African Republic was confirmed by various sources. As regards the claims in the fourth paragraph, the Court considers that they were addressed in detail in a UN report.

However, with regard to the fifth paragraph, the Court considers that the gold exports referred to in that paragraph cannot, as rightly asserted by Badica and Kardiam, be considered to amount to support provided to armed groups through the unlawful exploitation of or trade in gold. Nonetheless, the Court indicates that **the other grounds set out above** are, as a whole and in the context of the present case, sufficiently precise, concrete and substantiated to justify to the requisite legal standard the freezing of the funds, to the extent that they **establish that support was provided to armed groups through the unlawful exploitation of or trade in natural resources (namely diamonds) from the Central African Republic**.

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months of notification of the decision.

NOTE: An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to European Union law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

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The [full text](#) of the judgment is published on the CURIA website on the day of delivery

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