



World Diamond Council

WORLD DIAMOND COUNCIL 4TH ANNUAL MEETING
CATANIA ~ FEBRUARY 5 - 8, 2006

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President
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Good Morning,

My address will be brief.

The system of the Kimberley Certificated accompanying, international shipments of rough diamond is operating reasonably smoothly and according to design, so that there is actually very little to report about it.

While it is not without flaw, it continues to improve constantly, with circumstances constantly changing, and with nations such as Liberia and Cote D'Ivoire barred from exporting rough, as they have been determined to be non-compliant to the KP Certification system. The importance of compliance—and the penalties of non-compliance—are becoming clear over time.

Slightly over a year ago, the International Diamond Manufacturers Association (IDMA) created a very straightforward “Self Assessment Checklist” designed to serve as a guide, as well as a reminder, to ensure that all members are complying with the Kimberley Chain of Warrantees. This checklist is distributed annually by each national organization under IDMA to their respective members.

Individual firms check their procedures against the checklist and should file their completed form for their records on an annual basis.

The question has arisen, how does IDMA monitor this process? Our “monitoring” is limited to verbal discussions at our meetings, where we pay considerable attention to this and related matters. The feedback has been very positive, and non-compliance, at least measured by the chain

of Kimberley statements on all invoices and bills of sale, is virtually unheard of at this point.

These procedures, now combined with various AML requirements (including the USA Patriot Act) will even further distance the legitimate trade from the illegitimate.

IDMA is pleased to have shared the checklist with the World Federation of Diamond Bourses (WFDB), who adopted it in Mumbai last year. We have also made it available to leading colored gemstone organizations that are modifying it for their purposes.

We recognize that there is always room for improvement, and there is still ongoing work ahead of us, but progress has been considerable and compliance is overwhelmingly the norm, rather than the exception.

As I look around this room I am filled with pride in our industry.

We rose to a challenge cooperatively and constructively. We did it, and continue to do it, intelligently and inclusively. United, we helped develop policies to benefit society, protect the image of the beautiful, natural treasure we sell, and without collateral harm to our industry. Despite what some may say are shortcomings, look what we can accomplish when we all pull together.

But what have we learned in the process? It is clear how much we can accomplish through inclusive cooperation, unity, and transparency embodied here today.

I want to thank Eli Izhakoff, Gaetano Cavalieri, and our other hosts and to thank all of you for your participation.