



# World Diamond Council

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## **JOINT PRESS RELEASE WITH JEWELERS OF AMERICA**

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### **INDUSTRY WELCOMES SIGNING OF CLEAN DIAMOND BILL AND URGES STRONG ENFORCEMENT OF KIMBERLEY PROCESS**

NEW YORK, April 25 – President Bush’s signing of the Clean Diamond Trade Act is a major milestone in the campaign to eliminate conflict diamonds from the global supply chain, industry spokesmen said today. They pointed out that the international certification system that the United States has now joined requires strong enforcement and ongoing review to fulfill its goals.

In a joint statement, Eli Izhakoff, chairman of the World Diamond Council (WDC), and Matthew Runci, executive director of WDC and president/CEO of Jewelers of America (JA), said:

Enactment of the Clean Diamond Trade Act makes the U.S. a full participant in the Kimberley Process Certification Scheme (KPCS), and this participation is critical to the system’s success in excluding conflict diamonds from the legitimate supply chain. The industry is proud to have played an active role in the progress achieved so far.

Now the international community has the task of building on the strong foundation represented by KPCS. Participating governments will have that opportunity when they meet in Johannesburg starting April 28. This plenary session will consider proposals for standardizing the compilation and analysis of government trade statistics and for monitoring enforcement of the certification scheme going forward. This is essentially the responsibility of governments of all the nations involved in extracting, processing, exporting and importing of rough diamonds.

Industry supports these deliberations. We will work for the creation of a practical and effective statistics regime and a credible and effective monitoring system. In industry's view, these tasks are particularly important in the context of producing countries, where in some instances effective control measures and reliable statistics will require technical assistance and support from outside sources.

As a supplement to the government-enforced certification program, the industry has established a system of warranties under which dealers purchase stones only from sellers who attest to the merchandise's legitimacy. The WDC, JA and other industry trade groups have been informing their constituents worldwide of the importance of their adhering to the warranty program for the purpose of supporting the KPCS. We have also been informing these constituents – in detail – of their responsibilities in complying with the KPCS for cross-border trade in rough diamonds and implementing the warranty program. These efforts will continue.

To underpin the voluntary system of warranties, individual members of the international diamond industry and trade are to instruct their independent auditors to verify that records of warranties are being created and maintained, in the normal course of business, in full compliance with the KPCS. This certification should be subject to government verification and we urge governments to perform that function.

The campaign to eliminate conflict diamonds owes its progress to cooperation among the United Nations, officials of many governments, the industry, and humanitarian organizations that have been active in this cause. We hope that this cooperative effort will endure as the effort enters its next phase.

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