



## WDC invites industry stakeholders to review new System of Warranties Toolkit

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NEW YORK, JANUARY 31, 2020 – **The World Diamond Council (WDC) is encouraging stakeholders to review the WDC System of Warranties (SoW) Toolkit. This follows its unanimous adoption as a working draft by the WDC Board of Directors and its review by WDC members.**

The SoW Toolkit, which once released will be made available online at no cost to the industry, is designed to assist members of the diamond trade comply with the revised WDC SoW that was approved in 2018 and is scheduled to be phased in over a five-year period.

Stakeholder who wish to review the toolkit can download a copy from [THIS LINK](#). Comments should be submitted to the WDC no later than March 31, 2020.

First introduced in 2002, the SoW as an industry self-regulation system that requires buyers and sellers of diamonds to pass on a warranty statement on B2B invoices and memos each time stones changes hands, assuring the next buyer that they originated from sources in compliance with the Kimberley Process Certification Scheme (KPCS). Unlike the KPCS, which only covers the trade in rough diamonds, the SoW also applies to the trade in polished diamonds and jewelry set with diamonds. Additionally, it must be applied each time a diamond changes hands, in contrast to the KPCS, where certificates are issued only when rough diamonds are exported from one country or region to another.

The revised system is based on new SoW Guidelines, which were approved in 2018 and reference the following universally recognized documents:

- Kimberley Process Certification Scheme (KPCS) Minimum Requirements and Recommendations on industry self-regulation issues;
- UN Guiding Principles on Business and Human Rights;
- UN Convention Against Corruption;
- FAFT 40 Recommendations on Money Laundering for Dealers in Precious Metals and Stones; and
- ILO Declaration on Fundamental Principles and Rights at Work.

*The SoW Toolkit being reviewed is self-assessment questionnaire, where the questions that need to be answered depend upon the business model of the respondent and number of*

employees at work in the firm. This flexibility will ensure that respondents need to react to questions that are relevant to their businesses. The SoW self-assessment must be completed by every company that includes the revised SoW statement on their invoices, and it will need to be done annually.

Respondents will need to fill out several or all of following sections:

**Section 1:** KPCS Section, for companies who deal (i.e. buy or sell) rough diamonds;

**Section 2:** SoW Section, for all companies;

**Section 3:** Compliance Section, for all companies, although firms with more than 100 employees will be required to respond to more questions than their smaller counterparts; and

**Section 4:** Companies who source rough from artisanal mining operations.

“The stakeholder review is the final stage in the rollout of the new SoW Toolkit, and is a most critical one,” explained WDC President Stephane Fischler. “Our goal is to strengthen the System of Warranties, and in so doing reinforce the integrity of the diamond distribution chain. For this we are seeking the perspective of a range of experts. I call our colleagues to contribute.”

#### **About the World Diamond Council**

The World Diamond Council (WDC) is an industry organization focused on preventing conflict diamonds from entering the global supply chain and on preserving the value attached to natural diamonds. Formed in 2000, it is the only organization where the diamond trade is represented in full, from producer to retailer, and includes the most influential commercial businesses, not-for-profit organizations, and individual companies in the industry today. The WDC is the voice of the international diamond industry in a tripartite collaboration with governments and civil society known as the Kimberley Process (KP). The KP secures and manages monitoring processes that have virtually eliminated the trade in conflict diamonds to ensure that the world’s supply of diamonds is from sources free of conflict. Visit [www.worlddiamondcouncil.org](http://www.worlddiamondcouncil.org) to learn more.