



SYSTEM OF WARRANTIES

The System of Warranties was created by the World Federation of Diamond Bourses and the International Diamond Manufacturers Association, under the auspices of the World Diamond Council, in 2002 in order to comply with, support and strengthen the Kimberley Process Certification Scheme.

A voluntary system of industry self-regulation, the System of Warranties requires all buyers and sellers of rough diamonds, polished diamonds and jewelry containing diamonds make the following affirmative statement on all invoices:

“The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantees that these diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.”

The Essential Guide to Implementation of the Kimberley Process, published by the Jewelers Vigilance Committee, details additional steps and principles.

In addition, each company trading in rough and polished diamonds is obliged to keep records of the warranty invoices received and the warranty invoices issued when buying or selling diamonds. This flow of warranties in and warranties out must be audited and reconciled on an annual basis by the company's own auditors. If asked for by a duly authorized government agency, these records must be able to prove that you are in compliance with the Kimberley Process.

Additionally, all industry organizations and their members have adopted the following principles of self-regulation:

- to trade only with companies that include warranty declarations on their invoices;
- to not buy diamonds from suspect sources or unknown suppliers, or which originate in countries that have not implemented the Kimberley Process Certification Scheme;
- to not buy diamonds from any sources that, after a legally binding due process system, have been found to have violated government regulations restricting the trade in conflict diamonds;
- to not buy diamonds in or from any region that is subject to an advisory by a governmental authority indicating that conflict diamonds are emanating from or available for sale in such region, unless diamonds have been exported from such region in compliance with the Kimberley Process Certification Scheme;
- to not knowingly buy or sell or assist others to buy or sell conflict diamonds;

- to ensure that all company employees who buy or sell diamonds within the diamond trade are well informed regarding trade resolutions and government regulations restricting the trade in conflict diamonds.

Failure to abide by the aforementioned principles exposes the member to expulsion from industry organizations.

Under the terms of the Kimberley Process, it will be considered a violation to issue a warranty declaration on a sales invoice unless it can be corroborated by warranty invoices received for purchases.

Failure to adhere to these principles will prompt investigation and could result in expulsion from the various diamond industry institutions.

For more information, please visit:

Kimberley Process <https://www.kimberleyprocess.com>

World Federation of Diamonds Bourses <https://wfdb.com>