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Conflict Diamond

- ❖ Conflict Diamonds are diamonds from areas controlled by anti-government forces and the proceeds used to fund conflict

WDC SoW

- ❖ World Diamond Council System of Warranties – To prevent Trade in Conflict Diamonds

Dodd Frank Act

- ❖ The Act preventing the trade of Conflict Minerals – Gold, Tin, Tantalum, Tungsten

CAHRA

- ❖ Conflict Affected and High Risk Areas
- ❖ The additional risks associated with the CAHRS shall be identified and controlled when sourcing from

Diamond, Treated, Synthetics, Simulants

- ❖ Diamond is a natural mineral consisting essentially of pure carbon crystallised with a cubic structure in the isometric system. Its hardness in the Mohs scale is 10; its specific gravity is approximately 3.52; it has a refractive index of 2.42 and it can be found in many colours
- ❖ A Treated diamond is any object or product that meets the requirements specified in the definition of the word “Diamond” or the word “Synthetic” that has been subject to a “Treatment”
- ❖ A Synthetic Diamond is any object or product that has been either partially or wholly crystallised or re-crystallised due to artificial human intervention such that being the exception of being non-natural, the product meets the requirements specified for “Diamond”
- ❖ A Diamond Simulant is any object or product used to imitate Diamond or some or all of its properties and includes any material which does not meet the requirements of the definition of Diamond

Coloured Gem Stones

- ❖ Coloured Gem Stones are Natural / Treated gemstones (Emerald, Ruby, Sapphire).
- ❖ The treatment of Coloured Gemstones shall be disclosed. The warranty about non-conflict sourcing shall be required from the suppliers.

Money Laundering

- ❖ The process by which the financial proceeds of crime are disguised to conceal their illegal origin

Legal Requirements

- ❖ Kimberly Process Certification Scheme
- ❖ World Diamond Council System of Warranties
- ❖ Dodd Frank Act
- ❖ US Treasury OFAC Sanctions
- ❖ OECD Guidelines for sourcing from CAHRS

Policy



- ❖ The Company shall not trade in Conflict Diamonds
- ❖ The company shall prevent Money Laundering and Financing of Terrorism
- ❖ The company shall not normally source from Conflict Affected and High Risk Areas
- ❖ In case the company needs to source from CAHRS, all associated risks as regards KPs, WDC SoW and Human Rights shall be assessed and controls established

Anti-Money Laundering

1. Due Diligence for all the customers and Suppliers shall be carried out.
2. Before dealing with a new company, please collect the data as required under Patriot Act
3. An AML Program shall be implemented. A compliance officer –Vishal Doshi is appointed
4. Internal Audits shall be carried out for Suspicious Transactions on quarterly basis
5. Any suspicious Transaction shall be reported to FinCEN

Cash or Cash like Transactions

1. All the Transactions above the statutory limit of US\$ 10000/- shall be through Bank.
2. There are no cash business transactions

Suspicious Transactions

1. Multi-jurisdictional and/or complex structure of corporate entities and/or trusts are established without valid grounds;
2. Payments (local or foreign) are made or received without a clear connection to the actual activities of the corporate entity;
3. Use of off-shore bank accounts without legitimate economic necessity;
4. Customer's unwillingness or refusal to provide information/documentary proof on himself/ herself or beneficial owner(s) of trusts/ companies;
5. Sources and/or destinations of funds are unknown;
6. Transactions are heavily cash-based which should normally be carried out through other payment facilities;
7. Customer's background is not commensurate with the value of transactions carried out by the customer or on behalf of the company;
8. A company is established primarily for the purpose of collecting funds from various
9. sources which are then transferred to local/ foreign bank accounts that have no apparent ties with the company;
10. Incorporation of a company by a non-resident with no links or activities in the jurisdiction where the company is established;
11. The money flow generated by a company is not in line with its underlying business activities.

Polished Diamonds Purchase & Sales

1. Maintain details of all the diamond suppliers as per KYS / KYC requirements under Patriot Act. Due Diligence for all the customers shall be carried out.
 - a. Maintain the Details as per the Patriot Act requirements from local US customers
 - b. The details of Belgian Suppliers can be obtained from www.registereddiamondcompanies.be
 - c. Dubai Traders can be searched on www.dmcc.ae
 - d. Israeli Diamond Companies can be searched on www.israelidoamond.co.il
 - e. Indian members of Gem and Jewellery Export Promotion Council on www.gjpec.com
2. Maintain details of the Gold Suppliers from:
 - a. London Bullion Market association - LBMA Good Delivery List
 - b. Responsible Minerals Assurance Process - RMAP
 - c. DMCC
 - d. RJC – COC for Gold



3. Update any changes as and when required

Jewelry Purchase and Sales

1. All the Jewelry should be stored in the safe
2. The details of the supply chain of Gold, Platinum and Silver as also the Coloured Gemstones shall be verified for the responsible sourcing
3. All the Jewelry shall have correct purity disclosed on the Jewelry piece
4. All Jewelry must have the conflict free declaration for Gold and Diamonds
5. OECD Due diligence shall be followed

Storage of Diamonds

6. All the Diamonds should be stored in the safe
7. The safe shall be operated by authorised personnel only
8. The diamond packets shall have proper and correct identification / description
9. The jewellery shall be protected during shipment to prevent any pilferage or substitution
10. The coverage by the high value courier is from "Custody to Custody" or "Door to Door"
11. The jewellery stock shall be properly insured during storage by Jeweller's Block Policy

Storage of Jewelry

1. All the Jewelry shall be stored in the safe
2. The jewellery from different orders shall be stored separately in bags
3. Any jewellery with a provenance claim shall be stored segregated to prevent any mix-ups with other Jewelry

Disclosure of Product

1. All the diamonds must have the correct disclosures. Treated / Colour Enhanced diamonds must have the declaration
2. All the Jewelry must correctly disclose the purity of the metal
3. The disclosures may be on the Invoice / Packing List / Parcel. The buyer must understand the disclosure correctly
4. All irradiated diamonds must have the certificate of being radiation free from supplier / radiation agency
5. The CIBJO Diamond Book shall be followed in case of doubt
6. Coloured Gemstones shall be accurately disclosed as to the size / weight, treatment, natural or synthetic to the customer.
7. There shall be no misleading, untruthful or deceptive disclosures
 - a. Treated / Colour Enhanced Diamonds shall always have the word treated preceding the word diamond
 - b. Diamond Simulants – e.g. Cubic Zirconia CZ – must be disclosed as CZ in the Invoice / Packing List
 - c. Simulants shall not be called Real, Genuine or Diamonds
 - d. Synthetic diamonds, if used shall be mentioned as Synthetic diamonds or manmade or lab grown diamonds and not just diamonds. All Lab Grown Diamonds must be correctly disclosed.
 - e. Purity of Gold, Platinum or Silver


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C.O.O.