



News Release

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WFDB Responds to Revised Federal Trade Commission Guidelines

Insufficient diamond industry input, says WFDB President Ernie Blom

Antwerp, Belgium – July 26, 2018: The World Federation of Diamond Bourses (WFDB) has responded to the revised U.S. Federal Trade Commission's (FTC) guidelines released this week as they relate to the issue of descriptors for diamonds. The new guidelines are not in line with the Diamond Terminology Guidelines as agreed last year and implemented by the WFDB, the International Diamond Council, the International Diamond Manufacturers Association and CIBJO, the World Jewellery Confederation, said WFDB President Ernie Blom. However, he pointed out that the new guides do require that all lab-grown diamonds must be clearly and conspicuously disclosed.

"We have a united stand regarding nomenclature which was agreed with all the combined knowledge and experience of the leading industry bodies, but the FTC appears to have moved in a different direction," Blom said.

Previously, the FTC's guidelines approved non-mined diamonds: laboratory-created, laboratory-grown, [manufacturer-name]-created, and synthetic as descriptors, and while the first three remain, it has removed the term synthetic. "We feel that these changes provide too much of a bias towards the lab-grown diamond sector," said Blom. "We appreciate the hard work of the FTC, but we do not feel that the views of the diamond sector were taken sufficiently into account, though we acknowledge there was consultation with American industry bodies. The guidelines do not include the views of the global diamond trade which the WFDB represents, although we are pleased that lab-grown stones have to be clearly marked as such.

"Our paramount aim is always consumer confidence and the revision has the potential to cause a degree of confusion. The FTC notes that manufacturers that make diamonds in a factory setting are free to use other descriptors as long as they 'clearly and conspicuously convey that the product is not a mined stone,' but we feel that this might provide too much latitude in their marketing claims.

"We appreciate that the FTC rejected a bid by diamond growers to include terms such as [manufacturer-name]-grown, foundry, created, and grown. These are stones created to order in a factory. We are also pleased that the FTC makes clear that any descriptors for non-mined diamonds must be absolutely clear and prominently displayed to consumers. A diamond sold without any descriptors must be a natural diamond.

"We hope that the door is still open for us to go back and approach the FTC in order to try and persuade the organization to re-think its decision," Blom added.



WFDB President Ernie Blom.

ABOUT THE WFDB:

The World Federation of Diamond Bourses has 30 affiliated bourse members and exists to protect the interests of affiliated bourses and their individual members, and also to further the amicable settlement or arbitration of disputes between individual members of the affiliated bourses and/or between affiliated bourses. The WFDB participates in the promotion of world trade and encourages the establishment of new diamond bourses.

Members of affiliated bourses pledge to uphold the traditions, principles of mutual trust, consideration and friendship which prevail among the members of the bourses world-wide. They also pledge themselves to abide by and hand down these principles and to

ensure that they will forever serve as a basis in business relations between members of affiliated bourses.