



PRESS RELEASE

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WFDB Executive Committee urges development of 'WFDB Mark,' issues statement on disclosure of synthetic and treated diamonds

Antwerp, March 24, 2005 -- The Executive Committee of the World Federation of Diamond Bourses has reiterated its determination to develop the "WFDB Mark," that will be a trademarked logo that approved members of WFDB-affiliated diamond exchanges will be able to display to clients and suppliers, to confirm that they abide by the world federation's better business principles. The committee met in Antwerp earlier this month.

The development of the WFDB Mark is part of a strategic plan that was first introduced by WFDB president Shmuel Schnitzer to the WFDB General Assembly when the organization met at the World Diamond Congress in New York in October 2004. The plan involves the WFDB's accrediting the ethical standards individual members of affiliated diamond exchanges, on condition that they ascribe to a range of strict business practices that will be described and audited by the WFDB.

"The WFDB traditionally has been regarded as a body which focuses exclusively upon the internal trading relationships of its affiliated bourses and their members," explained Schnitzer. "Today, in a globalized economy, in which the stakes of consumer confidence are so high, we feel it imperative that we create for our organization a profile that will be seen and appreciated by the consuming public. Our strategic plan and the development of the WFDB Mark are part of that effort. The WFDB was created to engender responsible and ethical business practices, and by showing to the public how we do this we will be able to provide support to individual diamantaires."

Another issue that was discussed in detail were the measures that should be taken by the world federation to face the challenges posed by gem quality synthetic diamonds. To summarize the WFDB's formal position, a statement was drawn up by the organization's legal counsel David Woolf, in cooperation with Freddy Hager, WFDB's Deputy Treasurer. The statement reads, in part, as follows:

The World Federation of Diamond Bourses (WFDB) represents 25 Diamond Bourses in 17 countries throughout the world, with approximately 15,000 individual members. It is the guardian of the diamond trade and lays down standards of ethical conduct with the object of:

- *confirming the natural diamond as the supreme affirmation of love,*
- *supporting and underpinning consumer confidence in the integrity (and the rarity) of the natural diamond.*

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The WFDB has no interest in the suppression of the production of, or trade in synthetics. The only problematic area lies in the possible non-disclosure by unscrupulous traders of the fact that a stone offered for sale might be synthetic, or that a natural diamond may have been treated.

To this end the WFDB has prevailed upon diamond certification laboratories clearly and unequivocally to distinguish such items, and upon other organized trade bodies to ensure that their own members fully disclose such features, which is absolutely mandatory for members of bourses affiliated to the WFDB.

Any member of an affiliated bourse failing to make such disclosure is liable to the most severe disciplinary procedures as well as possible criminal sanctions.

The above is in line with the “best practice principles” advocated and championed by the WFDB. By dealing with a member of a bourse affiliated to the WFDB the consumer is assured of integrity and the greatest possible protection of his/her interests.”

The WFDB Executive Committee also gave the green light to a proposal that the organization co-chair an industry-wide Consumer Confidence Commission, together with CIBJO, The World Jewellery Confederation. The joint commission will be chaired by Ernest Blom, WFDB Vice president.

“The Consumer Confidence Commission has been set to develop a formal framework for corporate responsibility in the international jewelry and gemstone business, with the intention of creating a system that will assure the consumer that all items contained in items of jewelry were acquired, manufactured and trade in a transparent and ethical manner,” said Shmuel Schnitzer. “As diamond bourse members, the standards that are being outlined essentially have been a formal part of our business for almost 50 years. We are keen to be able to contribute to the commission with our long and rich experience.”

In an effort to assure the proper funding of WFDB, the WFDB Executive Committee also agreed that any surpluses of funds accrued at future gatherings of the organization will be earmarked for the promotion of the WFDB’s trade activities. These measures were taken following developments at the last WFDB congress held in New York.

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