



World Federation of Diamond Bourses

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WFDB responds to Financial Action Task Force (FATF) report

FOR IMMEDIATE RELEASE; 5 February 2014: The World Federation of Diamond Bourses (WFDB) was extremely disappointed when it became aware of a money laundering typology report released by the Financial Action Task Force (FATF) presumably describing how criminals can abuse the trust-based diamond industry. At no stage did the FATF approach the WFDB, a key global representative body of the diamond industry and the designated private sector liaison with the FATF, to either clarify or consult prior to releasing a report to the media that is fraught with unfounded accusations and inaccuracies.

When learning about the study on which the report was based, the WFDB approached the Presidents of Egmont and FATF offering to assist and work with them as these bodies clearly lacked even the most basic understanding of the fundamentals of the diamond industry. As the industry and FATF have shared objectives, the WFDB offered its unqualified support and expertise to assist in the project.

“It is our policy to work with international organisations when it affects the diamond trade. We are a very transparent organisation believing in working together to develop a credible and sustainable industry and to preserve the trust and confidence of all our stakeholders, including the consumers. The diamond trade is one of the most regulated industries in the world,” said Ernie Blom, President of the WFDB.

The WFDB did submit a full report to the FATF in 2013 commenting on the FATF draft report shown to them. The FATF promised to revert back to them however this never happened. An inaccurate report was then released to the media without any understanding of the business or serious consultation with the WFDB. The WFDB asked for its comments to be appended to the report, but this was refused. The FATF research and report was based on outdated information.

The matter will be discussed in further detail at the WFDB’s EXCO meeting later this month in Singapore where a decision will be made on the way forward with the FATF and with its bodies which might prepare the implementation of its misguided recommendations. “We

disassociate ourselves from the report that was released by the FATF. As the Member Nations of the FATF were asked to approve the report mistakenly thinking that it had been prepared in cooperation with the WFDB, we reserve our right to present our positions directly to the members of the FATF Plenary and to take any other steps to protect the legitimate, ethics-bound interests of the international diamond industry. No one has a greater interest in the upholding of the FATF standards in our diamond industry than the WFDB members themselves. The misguided report will not cause us to waver in our resolve to preserve the integrity of our industry,” Blom stated.



Ernie Blom, WFDB President