



## News Release

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### **Financing, Transparency and Sustainability Top The Agenda on Second Day of 37th World Diamond Congress**

*Antwerp, Belgium – May 18, 2016:* The topic of financing, which is crucial to diamond manufacturers and traders, was discussed in great depth on the second day of the 37th World Diamond Congress in Dubai on Wednesday. The issue of funding for the diamond sector was addressed with transparency and sustainability in mind, two of the themes of the Congress along with responsibility.

The morning session started with a presentation by Geert van Reisen of ABN Amro Bank, the global diamond industry's leading financier. He stressed the need for the diamond business to improve working capital and reduce the manufacturing cycle time, while increasing its focus on collecting receivables, inventory management and payment terms. He added that the industry, especially in Antwerp, would benefit from having more banks involved other than those in India. There is also a need to look for alternative funding institutions, such as pension funds, insurance companies, and other international banks. The industry needs to change its operating model, shorten payment terms for rough and credit terms for polished and put a bigger focus on inventory management and lowering inventories.

He was followed by Howard Davies, the Head of Commercial Development at De Beers, who spoke on financing options and requirements for the diamond industry. Because diamonds are portable and rapid cross-border transactions were possible and many family businesses were involved along together with the number of bankruptcies due to bad debts in recent years, it would be difficult for the banks to see the sector as low-risk. The banks were also under pressure due to the massive fines that some have paid for non-compliance issues. Consequently improved industry transparency is critical. "Banks want to finance quality assets," he commented. "Transactions must all be real with real clients and real invoices. Sustainability multiplied by transparency equals bankability."

Panama Diamond Exchange President, Mahesh Khemlani, formerly Panama's Deputy Minister of Finance, spoke about his country's efforts to create transparency by passing anti-money laundering legislation. He also commented that the vast majority of the companies mentioned in the 'Panama Papers' were not Panamanian. "Tax evasion is a global problem not just Panama's. Panama wants to be part of the solution to global tax evasion. We are working with the OECD to fight this. We are not a place for parking cash to avoid tax," he said.

The next speaker, David Bouffard, Signet Jewelers Vice President of Corporate Affairs, spoke about the firm's sourcing protocol. He said Signet is the biggest jeweler in the United States, and buys \$1 billion of polished every year. "We want to know where the

diamonds are coming from and who touches them along the way." He said Signet is committed to responsible sourcing in terms of the suppliers it works with. He added that the company has mapped 99 percent of its gold supply and believes that understanding where its diamonds were from was also possible.

A panel discussion followed featuring Bouffard, Davies, Khemlani, van Reisen and Feriel Zerouki the Head of Government and Industry Relations at De Beers, who described the transparency across all operations that the miner has been requesting for the past 10 years and its Best Practice Principles which were ultimately aimed at increasing consumer confidence. Meanwhile, Bouffard said that responsible sourcing is a "must-have issue not a nice-to-have option."



WFDB Secretary-General Rony Unterman, President Ernie Blom, Vice President Yoram Dvash and outgoing Vice President Julien Drybooms.

### **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. In 2012, it established The World Diamond Mark, a not-for-profit organisation, to promote consumer desirability and confidence in diamonds.

Members of affiliated bourses pledge to uphold the traditions, principles of mutual trust, consideration and friendship which prevail among the members of the bourses worldwide. 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.