



**THE VIRTUAL
CIBJO CONGRESS
2021**

SPECIAL REPORT
DIAMOND COMMISSION

An Industry Changed but Reinvigorated Nears the Goal of Full ISO Standardisation

By Udi Sheintal, President
CIBJO Diamond Commission

While we all would prefer not to have had the past two years defined by the COVID-19 pandemic, it would seem impossible not to refer to it, because in so many respects we have worked and functioned within the world it created, and inevitably have been influenced by its aftershocks.

For the diamond sector, like all others in our industry, life changed but also continued. Indeed, while many if not most activities were suspended during part of the second quarter of 2020, as we all tried to comprehend the impact of the coronavirus and the lockdowns that were being imposed worldwide, our product and our industry revealed themselves to be remarkably resilient, bouncing back during the second half of the year and into 2021, despite the fact that things hardly had returned to normal.



Udi Sheintal, President of the CIBJO Diamond Commission.

Indeed, in some respects diamonds were indirect beneficiaries of the chaos. With consumers eager to express their feelings to those closest to them during difficult times, as well to as to affirm their own love of life. Jewellery in general, and diamond jewellery in particular, were favoured alternatives for such forms of expression.

The diamond market was additionally aided by the fact that traditional competitors in the luxury product field, such as travel and entertainment, were more comprehensively impacted by COVID-19. This is likely to be a fleeting advantage, however, as society becomes more attuned to living with the

pandemic, and slowly resumes suspended practices, albeit cautiously.

A more fundamental change brought about by COVID-19 is our industry's growing reliance on digital Internet platforms, not only as means of marketing and conducting sales remotely, but also as management tools and systems for facilitating traceability in the supply chain.

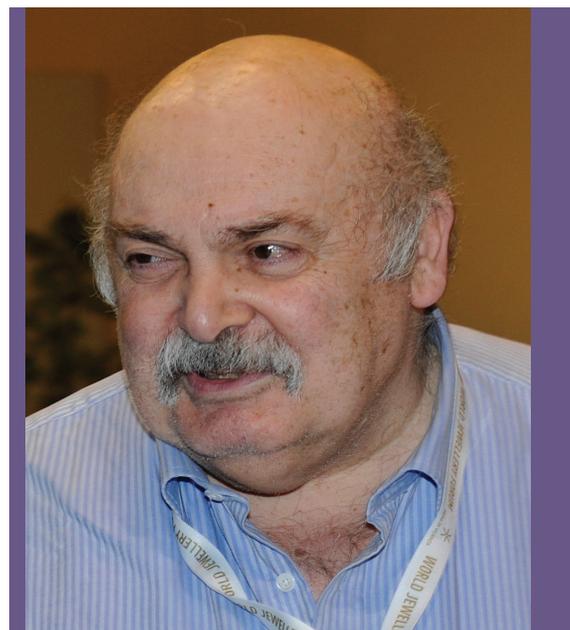
For the most part these were not technologies developed since the onset of the pandemic – they were already available before then. What has happened is that, now, out of necessity they are being used widely, and in many respects are more efficient than the archaic systems that were used pre-coronavirus.

Rough diamond producers suspended production and sales activities at the start of the pandemic, enabling the midstream of the pipeline to reduce stock overhangs and improve the liquidity of their businesses. In short, more than 18 months since the start of the crisis, it is fair to state that the diamond industry is leaner, more efficient and most probably more profitable than it was early in 2020.

At the same time, we should be cautious not to underestimate the pain, suffering and loss of life caused by the pandemic. This has been especially acute in certain of the less developed mining countries, where whole regions and communities are supported by artisanal and small-scale miners. They have not only been forced to cope with the health crisis itself, but also with the near halt of income from the rough diamond sales on which they depend for their livelihoods. Ultimately, these are people whose wellbeing we should all be concerned for. Our stability is contingent upon theirs.



Jean-Pierre Chalain, Vice President of the CIBJO Diamond Commission.



Harry Levy, Vice President of the CIBJO Diamond Commission.

ALIGNING ISO AND THE CIBJO BLUE BOOK

Despite COVID-19 the quest for internationally recognized standards for diamonds, aligned with the CIBJO Blue Book, continues.

As many will remember, the first breakthrough was achieved in July 2015, when the International Organisation for Standardisation (ISO) published International Standard 18323, entitled “Jewellery — Consumer confidence in the diamond industry.” It specified a set of permitted descriptors for the diamond industry that are meant to be unequivocally understood by consumers.

Explicitly defining a diamond as having been “created by nature” and further noting that “the denomination ‘diamond’ without further specification always implies ‘natural diamond,’” the ISO International Standard mirrored the definitions outlined in CIBJO’s Diamond Blue Book.

On a national level, the application of an international ISO standard is only voluntary, but any national ISO member can transform an international ISO standard into a more binding national standard. We thus urge each CIBJO national jewellery trade association to lobby its national ISO member to initiate this process. A list of all national standardization bodies which are ISO members is available at <https://www.iso.org/members.html>.

For countries that are members of the European Union, this process is not necessary. This is because a European directive states that all CEN (European Committee for Standardization) must be systematically transformed into a national standard by each national CEN body. ISO 18323 was originally a CEN standard and thus is subject to this rule.

Cited as the primary sources in the ISO International

Standard’s bibliography were CIBJO’s Diamond Blue Book; the IDC Rules, which are aligned with CIBJO’s and today fall under its banner; PAS (Publicly Available Specification) 1048, which is based on the CIBJO Diamond Blue Book and relates to terminology and classification of grading polished diamonds that were developed by CIBJO with the support of the German Standards Institute (DIN).

In 2020, according to ISO conventions, International Standard 18323 underwent a five-year review, following which it was confirmed for future use.

A SECOND ISO MILESTONE IS REACHED

A second milestone was registered in September 2020, when ISO published International Standard 24016, specifying the terminology, classification and the methods to be used for the grading and description of single unmounted polished diamonds over 0.25 carats in weight.

The process of developing the new standard for diamond grading began two years earlier at the request of Schweizerische Normen-Vereinigung (SNV), the Swiss Association for Standardisation. CIBJO then granted ISO permission to use PAS 1048 as a basis for drafting the new ISO standard. Jean-Pierre Chalain, Vice President of CIBJO’s Diamond Commission, was designated as the convener of TC174 Working Group 2 to oversee the project.

All issues in ISO related to jewellery and precious metals are handled by Technical Committee 174, which is chaired by Dr. Jonathan Jodry. It has participants and observers from 40 countries and is responsible for more than 25 international standards.

To manage the process of developing International



ISO 24016:2020

Jewellery and precious metals — Grading polished diamonds — Terminology, classification and test methods



The second ISO milestone was the publication in September 2020 of International Standard 24016, which specifies the terminology, classification and the methods to be used for the grading and describing single unmounted polished diamonds over 0.25 carats in weight.

CIBJO Special Report

Standard 24016, Jean-Pierre oversaw the work of a team of internationally renowned diamond experts from 10 different countries.

After consensus among the technical specialists was reached, the draft was shared with all ISO National Members from the Technical Committee for further comments, and then a final draft was made available to all ISO Technical Committee members for ratification.

A consequence of the ISO standard for the grading of polished diamonds is that it will replace PAS 1048 as the normative reference in the CIBJO Diamond Blue Book.

COMPLETING THE ISO TRIFECTA

But the work is not yet done, for an ISO standard for the quality control of diamonds of 0.25 carats and smaller still does not exist. However, work currently is underway in ISO technical Committee 174 on the still-to-be-approved International Standard 6893. Once more, CIBJO's Diamond Commission Vice President Jean-Pierre Chalain is the convener of the working group overseeing the project.

It is an undertaking of enormous consequence, with significant technical challenges. The output of smaller polished diamond not only is considerably larger in carat terms than the output of larger goods, but also in terms of monetary value. As is the case with larger diamonds, the quality of a small diamond is defined by its 4Cs, namely caratage, colour, clarity and cut. But small diamonds are often sold in homogenous batches. And, when this is the case, quality control by sampling is considered acceptable.

When International Standard 6893 is eventually published by ISO, a complete set of standards for the diamond industry will have been achieved, a truly historic accomplishment. But since standards are enforced at the country level, the most desirable consequence would be that these international standards would be used to create equivalent national standards.

ADDENDUM, MAY 2022

The Diamond Commission would like to pay special tribute to the diamond experts who already in 1989 were responsible for formulating the first draft of an ISO diamond grading standard. Unfortunately, after 13 years and numerous working sessions, their document was not adopted by ISO.

Nonetheless, fundamental progress was made at the time. Eric Poyser, who then served as CIBJO President, was the convener of ISO/TC 174 WG2 for coordination and its secretariat was managed by Ken Scarratt and Melanie Martin. The task was to harmonise the diamond grading, terminology, classification and eventually the test methods of GIA, Scan.DN, IDC and CIBJO.

In 2002, the final draft of the document FDIS 11211 was eventually submitted to ISO, it did not gain the required number of votes.

When in 2018, the ISO/TC 174 WG2 successfully drafted the standard ISO 24016 for diamond grading on the basis PAS 1048, it benefitted greatly from the pioneering works initiated in 1989. Indeed, without the immense body of material compiled by the original working group, the harmonised and consensual standard ISO 24016 would certainly not have been adopted.



Members of the original ISO/TC 174 WG2 team at work (from left): Rudi Biehler, Melanie Martin and Ken Scarratt.

A TRIBUTE TO AN INDUSTRY GIANT

This is an opportune moment to pay tribute to a very special and deserving individual, my predecessor as CIBJO Diamond Commission President and Jean Pierre's predecessor as the convener of the CEN 410 Working Group, which prepared the



At the CIBJO Congress in Istanbul in 2009, the Turkish-born Harry Levy (left) was honoured for his life's contribution to the jewellery and gem industries by the Turkish Jewellery Association.

European standard that ISO adopted unchanged to create EN ISO 18323, "Jewellery — Consumer confidence in the diamond industry. I refer to our current second Diamond Commission Vice President, Harry Levy.

With a career in the diamond and gemstone sectors spanning more than half a century, Harry has been one of our industry's most devoted, hard-working and knowledgeable public servants. He also is the epitome of a gentlemen and what is referred to in Yiddish as a *mensch*, a decent man.

In addition to managing his own trading company in London's Hatton Garden district, he served a 10-year term as CIBJO Diamond Commission President, and earlier was a President of the Coloured Stone Commission and an office holder in the Gemmological Commission.

Harry is also Chairman of the London Diamond Bourse, where he served as President from 2011 to 2016, and as Vice President for many years before that. He has also served as Chairman of the British Jewellers Association and President of Gem-A.

But possibly his most significant achievement among many was assisting to bring about the publication in 2015 by ISO of International Standard 18323, after a number of previous attempts had proven unsuccessful. Through perseverance, strength of character and a polite demeanour he set a precedent, which would eventually lead also to International Standard 24016, and hopefully International Standard 6893 as well.

It is legacy that will continue to reverberate worldwide, and it will last for generations.

DEFINING A DIFFERENT PRODUCT

In June 2021, CIBJO announced the public release of its Laboratory-Grown Diamond Guidance document, which include a set of operating standards and principles for the laboratory-grown diamond sector that are designed to enhance consumer confidence both in the product and the jewellery industry.

The document was prepared over a more than three-year period, by a working group which evolved into an independent Laboratory Grown Diamond Committee, and its output was subject both to internal and external reviews. The committee included representatives of both the laboratory-grown diamond industry and the natural diamond industry.

At the 2019 CIBJO Congress in Bahrain, the committee became formally affiliated to the CIBJO Diamond Commission, although it continues to operate independently.

CIBJO's firm position concerning laboratory-grown diamonds is that they are a legitimate addition to our industry's product range, and they have the same right as all other categories, like diamonds of natural origin, to



Photo Credit: Evie Shaffer at pexel.com.

exercise their commercial potential. However, we also hold that it is a separate product category, which while similar in composition to diamonds sourced in nature, is mass produced, and thus operates according to a completely different economic model.

In principle, CIBJO commissions to not seek to influence the monetary value of the products with which they are concerned, for that is entirely up to the market to decide. Our primary concern is consumer confidence in those products. However, in the case of laboratory-grown diamonds, current value and especially future value are factors that may impact significantly on consumer confidence, particularly if the consumer is not properly aware that the two products operate according to different rules.

The principle of the Laboratory-Grown Diamond Guidance document is that, to ensure confidence, consumers must receive complete and unambiguous information about what they are buying, so that they can make consciously informed purchasing decisions. This requires clear and accurate information that the diamonds were created industrially, and not through geological processes, as is the case with natural diamonds.

The Diamond Commission worked with the Laboratory-Grown Diamond Committee to ensure that the nomenclature in the Diamond Blue Book, which differentiates between the two product categories, matches the terms used in the new guidance document.

We did not endorse all of its recommendations, and in particular we are not completely comfortable with its sanctioning the use of an adapted version of the 4Cs to

describe a stone's physical characteristics, albeit with the addition of the letter "LG" to indicate that it is laboratory grown.

The Laboratory-Grown Diamond Guidance document stresses that reports using the 4Cs are not grading documents, which would imply that there is an element of random rarity in the product, but rather product specification reports, which a consumer is entitled to receive with any manufactured item. We welcome that distinction but would have preferred that the difference between natural and laboratory-grown stones be additionally stressed by using measurements different to the standard 4Cs.

WHAT IS A DIAMOND?

In March 2021, CIBJO has launched a new informational website, called "What is a Diamond?" Its purpose is to inform consumers and members of the jewellery and gemstone industry about the precise terminology that should be used to describe both diamonds found in nature and diamond crystals created in a factory or laboratory.

Located on the web at www.whatisadiamond.org, the new website is an initiative of CIBJO's Diamond Commission, and it was built with the support of the Swiss Gemmological Institute SSEF.

Using the CIBJO Diamond Blue Book as its primary reference, the new website definitions also comply with ISO's International Standard 18323.

They draw a clear distinction between natural diamonds and synthetic or laboratory-grown or laboratory-created diamonds, as well as qualifying what are considered natural products and what are considered products made artificially.

The website also explains the distinctions used in the Harmonised Commodity Description and Coding System of the World Customs Organisation (WCO) and supplies concise guidelines as to the terminology that should be applied by traders of both natural diamonds and man-made diamonds.

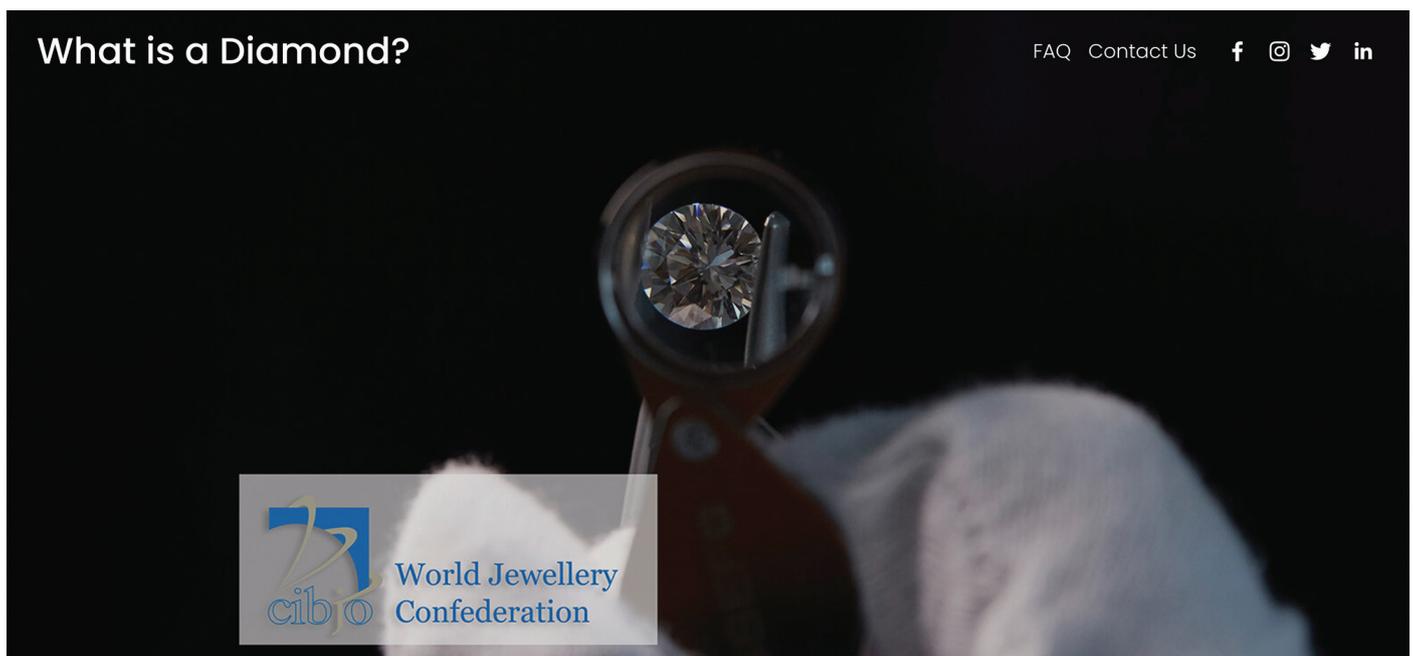
TRUTH IN ADVERTISING

Accurate definitions matter, as does truth in advertising, particularly at the fault line dividing the natural and laboratory-grown diamond sectors.

In March 2021, the National Advertising Division (NAD) of the U.S.-headquartered BBB National Programs, an independent, non-profit organisation that oversees more than a dozen national industry self-regulation programmes, rapped the California-based laboratory-grown diamond producer, Diamond Foundry, on the knuckles for the use of terms that it said could create confusion among consumers about the origin of its products, and called on it to discontinue or correct certain social media claims that its products are "real" diamonds.

NAD determined that Diamond Foundry must be consistent with the U.S. Federal Trade Commission (FTC) Jewellery Guides, making an effective disclosure that its products are man-made. It recommended that Diamond Foundry modify its advertising to make these clear and conspicuous disclosures immediately preceding, with equal conspicuousness, the word "diamond."

But the American watchdog body showed that it is even-handed. In April 2021, the Natural Diamond Council (NDC) came under its spotlight. In this respect NAD, recommended NDC discontinue implied advertising claims that mined



The "whatisadiamond.com" informational website, launched online by CIBJO in March 2021.

real & sustainable?



diamonds are better for the environment than laboratory-grown diamonds, for which it said there is no conclusive evidence.

NAD also determined that NDC's online advertising, which emphasises the increasing scarcity of natural diamonds to create a sense of urgency about the supply of natural diamonds, is not reasonable at this stage in time. While conceding that supply issues may someday influence the consumer market for natural diamonds, NDC challenged current advertising that conveys the message that consumers may become "priced out" of the diamond market and unable to purchase natural diamonds in the future, and that they must therefore act now.

It should be noted that following the warnings from NAD, both Diamond Foundry and NDC released statements that they will comply with the watchdog body's recommendations. In a statement NDC stated that it is "grateful for the NAD's constructive feedback about its substantiation and will

incorporate NAD's suggestions as it collects additional data to support its advertising claims.

CIBJO CONGRESS 2021

The CIBJO Congress will take place this year in a virtual format over a period of two weeks, from November 1 through November 4 and November 15 through November 18.

The Diamond Commission Session will be held during the first week of the Congress, on Tuesday, November 2, 2021, from 3 PM-4:30 PM, Central European Time.

The session is restricted to members of the Diamond Commission and CIBJO national association and commercial member representatives. However, members of the jewellery industry who wish to attend may request a special invitation by emailing communications_1@cibjo.org.

The dedicated CIBJO Congress 2021 website is located at www.cibjo.org/congress2021/.

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