

P R E A M B L E

Canadian diamond stakeholders are committed to ensuring that diamonds represented as Canadian can be authenticated to protect themselves against deceptive practices that may erode consumer confidence and at the same time ensure compliance with the *Competition Act*.

The Voluntary Code of Conduct for Authenticating Canadian Diamond Claims (“the Code”) stemmed from the Competition Bureau’s previous Enforcement Policy on the Marketing of Canadian Diamonds in respect of when diamonds can be represented as “Canadian” without violating the false or misleading claims provisions of the *Competition Act*. The Code has been updated to take into account the new 2010 Enforcement Guidelines relating to “Product of Canada” and “Made in Canada” Claims (MIC Guidelines) published by the Bureau. The 2010 MIC Guidelines introduce a distinction between "Product of Canada" and "Made in Canada" claims. The Code does not authenticate the distinction between "Product of Canada" and "Made in Canada" claims. The Code authenticates only that diamonds were mined in Canada, which remains a condition for diamonds marketed as Canadian regardless of which type of claim is made.

The Code evolved from the collaborative efforts of a broad cross section of the industry, including the diamond mining sector, cutters and polishers, retailers including Internet based companies, gemmological laboratories, consumer organizations, the Canadian Jewellers Association and Jewellers Vigilance Canada, as well as the RCMP and other government stakeholders. This Code establishes a minimum standard required to authenticate a Canadian diamond claim based on records and a chain of warranties, which was found to be the most appropriate system to authenticate claims on the origin of Canadian diamonds.

The Code is administered by the Canadian Diamond Code Committee (CDCC), a self-regulatory, non-profit, volunteer, industry body comprised of representatives from the mining, cutting and polishing, wholesale and retail sectors, gemmological laboratories, a national consumer organization, Jewellers Vigilance Canada and Canadian Jewellers Association as well as advisors from several government agencies. The CDCC is responsible for the maintenance of the Code Signatory Registry and the 1-800 toll-free service. The CDCC will respond to authentication requests from consumers by obtaining or confirming required information under the Code to track the diamond from the retailer to the Canadian mine.

A Code signatory found in non-compliance with this Code will be removed as a Code signatory from the Code Registry. Failure to authenticate diamonds represented as Canadian may lead to an investigation by the Competition Bureau and subsequent enforcement action under the false or misleading representations provisions of the *Competition Act*.

Revised

2019



1. NAME OF CODE

This Code is the Voluntary Code of Conduct for Authenticating Canadian Diamond Claims.

2. OBJECTIVE OF CODE

The objective of this Code is to provide a minimum standard for authenticating a Canadian diamond claim.

3. APPLICATION OF THE CODE

This Code applies only to diamonds marketed as Canadian.

4. DEFINITIONS

In this Code:

Associate Code Members are defined as gemmological laboratory stakeholders who have paid their dues and are in compliance with minimum requirements of the Code. This Associate Member stakeholder sector may have at least one non voting representative sit on the CDCC as an advisor as approved by the CDCC.

Authenticating Canadian Diamond Claims for the purpose of this Code means authenticating that a diamond claimed to be Canadian was mined in Canada.

Canadian Diamond Authentication Process means a mechanism by which a consumer may authenticate that a diamond was mined in Canada.

Canadian Diamond Code Committee (CDCC) means the committee which manages the Voluntary Code for Authenticating Canadian Diamond Claims as per Section 9.

Claim means any claim made by a person for promotional purposes, regardless of the medium used, on the origin of a diamond.

Code means the Voluntary Code for Authenticating Canadian Diamond Claims.

Code Members are defined as diamond industry stakeholders, except Associate Members, who have paid their dues and are in compliance with the minimum requirements of the Code. Each Code Member stakeholder sector may have at least one voting representative sit on the CDCC as approved by the CDCC.

Description of Rough Diamond means the description of the shape, colour and size of rough diamonds.

Diamond Identification Number (DIN) means the unique number and trademark/symbols that must be permanently inscribed on or in the polished diamond,

visible with a 10X loupe, so that it can be reconciled with the original Canadian rough diamond parcel number and the Diamond Production Number. The Diamond Identification Number does not have to differ from the Diamond Production Number.

Diamond Identification Numbering System means a system of unique numbers and trademarks/symbols that are registered with the Canadian Diamond Code Committee.

Diamond Production Number refers to the number allocated to a Canadian rough diamond by a cutter and polisher prior to the production process and that must be reconciled with the original Canadian rough diamond parcel number.

Diamond trader refers to a person trading in rough or polished diamonds and includes brokers and dealers.

Electronic commerce is any commercial activity that involves buying, selling or otherwise providing Canadian diamonds over the Internet and/or any other electronic medium.

Enforcement Guidelines “Product of Canada” and “Made in Canada” Claims (MIC Guidelines). These are guidelines published by the Competition Bureau of Canada in 2010. They apply to **all** industries across Canada. They introduced a distinction between “Product of Canada” and “Made in Canada” which affects the marketing of “Canadian diamonds” in Canada.

The key sections of the MIC Guidelines are reproduced below:

3.1.4 Goods Wholly Obtained or Produced in Canada

Goods that are wholly obtained or produced in Canada (for example: mineral goods extracted in Canada or goods harvested in Canada), will be considered to have undergone their last substantial transformation in Canada.

3.2.1 “Product of Canada” Claims

The Bureau generally will not challenge a representation that states that a good is a “Product of Canada” under the false or misleading representations provisions of the Acts if these two conditions are met:

- (a) the last substantial transformation of the good occurred in Canada;*
- and*
- (b) all or virtually all (at least 98%) of the total direct costs of producing or manufacturing the good have been incurred in Canada.*

3.2.2 “Made in Canada” Claims

The Bureau will generally not challenge a representation that a good is “Made in Canada” under the false or misleading representations provisions of the Acts if these three conditions are met:

- (a) the last substantial transformation of the good occurred in Canada;*
- (b) at least 51% of the total direct costs of producing or manufacturing the good have been incurred in Canada; and*
- (c) the "Made in Canada" representation is accompanied by an appropriate qualifying statement, such as "Made in Canada with imported parts" or "Made in Canada with domestic and imported parts". This could also include more specific information such as "Made in Canada with 60% Canadian content and 40% imported content".*

Notes:

1. The Competition Bureau of Canada has indicated that a “Canadian diamond” representation will be interpreted to be at **least** a “Made in Canada” representation and may therefore require an appropriate qualifying statement in accordance with the [MIC Guidelines](#).
2. The interpretation and enforcement of the MIC Guidelines is the responsibility of the Competition Bureau. The Code does not authenticate the MIC Guidelines.
3. It is the responsibility of the signatories to make sure that their representation meets the MIC Guidelines.

Gemmological Laboratory as defined in section 5.8.1.

Official invoice refers to an invoice produced by a person selling diamonds or diamond jewellery and includes the minimum information outlined in the Code.

Records means a traceable system which includes paper records as well as computerized records that allow a diamond to be tracked from the consumer to the mine of origin.

Parcel means one or more diamonds that are packed together and that are not individualized.

Parcel numbers are those numbers used by the mining companies, sorting and/or marketing facilities and traders to track parcels of diamonds in their possession.

Person includes any individual, company incorporated or unincorporated, partnership or sole trader.

Polished Diamond Description means the shape, colour, clarity and carat (weight) of polished diamonds.

Production Reconciliation means:

1. the balancing of the weight of the original Canadian rough diamonds with the final polished diamonds; and
2. the matching of the Canadian rough diamond parcel number with the Diamond Production Number and, if applicable, the unique Diamond Identification Number of the polished diamond.

Retailer (bricks and mortar) means any person that sells directly to the public through a “bricks and mortar” store.

Retailer (electronic) (sometimes referred to as a “dot-com”) is a retailer who conducts some or all of its diamond sales over the Internet and/or any other electronic media.

Signatory is a Code member or an Associate Code member.

5. STAKEHOLDERS’ RESPONSIBILITIES

5.0.1 The following stakeholders who are signatories to this Code agree to be bound by the responsibilities detailed in articles 5.1 to 5.9.

5.0.2 All stakeholders must have some form of legal registration such as:

5.0.2.1 Formal incorporation

5.0.2.2 A business license number

5.0.2.3 A provincial or federal business number

5.0.2.4 An equivalent formal registration in their country of registration

5.0.3 All stakeholders must have a physical business address. A postal box number is not sufficient.

5.0.4 All stakeholders must follow the *Enforcement Guidelines relating to “Product of Canada” and “Made in Canada” Claims* (MIC Guidelines). The MIC Guidelines are the responsibility of the Competition Bureau to interpret and enforce.

5.1 MINING OPERATORS

5.1.1 System/Procedural Requirements

The mining operator must have an in-house rough diamond tracking system in place that secures and reconciles all rough diamonds extracted from the Canadian mine for a period of eight years from the time the diamonds were extracted.

5.1.2 Storage of Rough Requirements

The mining operator must securely store all rough diamonds extracted from the Canadian mine and store them separately from any non-Canadian rough diamonds.

5.1.3 Shipping Requirements

Mine operators must, when shipping bulk Canadian rough diamonds from the mining facility to the sorting facility, ensure that:

5.1.3.1 Canadian rough diamonds are securely packaged;

5.1.3.2 all parcels of Canadian rough diamonds are recorded and identified by a unique parcel number allocated at the mine;

5.1.3.3 the package is clearly labeled identifying the weight of the Canadian rough diamonds; and

5.1.3.4 all shipments of Canadian rough diamonds are accompanied by the mining company's official shipment documentation.

5.1.4 Authentication response time

In order to provide consumers with a timely reply and given the number of possible steps in the authentication process, mining operators are required to provide a **written** (letter, fax, email) reply to a CDCC request for information related to an authentication within 5 business days (see Section 6.5).

5.2 SORTING AND/OR MARKETING FACILITIES

5.2.1 System/Procedural Requirements

The sorting and/or marketing facilities must have an in-house rough diamond tracking system in place that secures and reconciles all rough diamonds shipped from the Canadian diamond mining operator for a period of eight years.

5.2.2 Storage of Rough Diamond Requirements

The sorting and/or marketing facilities must securely store all rough diamonds, and store all Canadian rough diamonds separately from any non-Canadian rough diamonds.

5.2.3 Number Allocation to Canadian Rough Diamonds

All parcels of Canadian rough diamonds must be recorded and identified by a unique parcel number allocated by the sorting and/or marketing facility. Those numbers must be able to be reconciled with the parcel numbers allocated at the diamond mine of origin.

5.2.4 Parceling of Canadian Rough Diamonds

Canadian rough diamond parcels must be clearly labeled and labels must contain the following information:

5.2.4.1 a unique parcel number;

5.2.4.2 the description of Canadian rough diamonds; and,

5.2.4.3 the total weight of the parcel.

5.2.5 Invoicing Requirements

Each sale of a Canadian rough diamond or a parcel of Canadian rough diamond must be accompanied by an official company invoice and supporting documentation, if any, and include the following information:

5.2.5.1 the name and address of the sorting and/or marketing facility;

5.2.5.2 a unique parcel number of the Canadian rough diamonds;

5.2.5.3 a statement of certification that the rough diamond(s) was (were) mined in Canada;

5.2.5.4 the Canadian rough diamond description;

- 5.2.5.5 the weight of Canadian rough diamond or parcel of Canadian rough diamond in carats;
- 5.2.5.6 the date of invoice; and
- 5.2.5.7 the name and address of the customer.

5.2.6 Selling Requirements

The sorting and marketing facilities must, when selling Canadian rough diamonds from its sale site, ensure that:

- 5.2.6.1 Canadian rough diamonds are securely packaged and
- 5.2.6.2 the package is clearly labeled identifying:
 - (a) the weight of the Canadian rough diamonds;
 - (b) the description of the Canadian rough diamonds;
 - (c) the unique parcel numbers; and
- 5.2.6.3 each sale is accompanied by an official invoice and supporting documentation, if any, which includes the information required in 5.2.5 above.

5.2.7 Authentication Response Time

In order to provide consumers with a timely reply and given the number of possible steps in the authentication process, sorting and /or marketing facilities are required to provide a written (letter, fax, email) reply to a CDCC request for information related to an authentication within 5 business days(see Section 6.5).

5.3 TRADERS/BROKERS OF ROUGH DIAMONDS

5.3.1 Traders/Brokers of Canadian Rough Requirements

Traders/Brokers of Canadian rough diamonds have requirements under the Code. Code Signatories must purchase Canadian rough diamonds only from mining marketing facilities or other traders/brokers that abide by the minimum requirements outlined in this Code. Traders/Brokers must obtain and retain invoices and supporting documentation, if any, from the source where the Canadian rough diamonds were purchased for a minimum of seven years. The invoice obtained from the mining marketing facilities or other traders/brokers must contain the information outlined in 5.2.5 above.

5.3.2 Storage of Rough Diamond Requirements

Traders/Brokers must separately store and process Canadian rough diamonds.

5.3.3 Parceling of Canadian Rough Diamonds

Parcels of Canadian rough diamond must be clearly labeled and labels must contain the following information:

- 5.3.3.1 a unique parcel number;
- 5.3.3.2 the description of the Canadian rough diamond; and

5.3.3.3 the total weight of the parcel.

5.3.4 Reconciliation of Canadian Rough Diamond Parcels

When parceling Canadian rough diamonds, the rough trader/broker must reconcile and record the unique parcel numbers assigned to these parcels with the originating parcel numbers provided by the mining companies' sorting and/or marketing facilities.

5.3.5 Invoicing of Canadian Rough Diamonds

Each sale of a Canadian rough diamond or a Canadian rough diamond parcel(s) must be accompanied by an official invoice and supporting documentation and include the following information:

- 5.3.5.1** the name and address of the trader/broker of the sale;
- 5.3.5.2** a statement of certification that the rough diamond(s) was (were) mined in Canada;
- 5.3.5.3** the unique parcel number of the Canadian rough diamond(s);
- 5.3.5.4** the description of the Canadian rough diamond(s);
- 5.3.5.5** the individual weight of Canadian rough diamond(s) or the total rough diamond parcel in carats; with obvious links back to the original mine invoice (e.g. mine parcel number or mine invoice number)
- 5.3.5.6** the date of invoice from the trader/broker (even if it is just fees incurred for the transaction); and
- 5.3.5.7** the name and address of the customer.

5.3.6 Selling Requirements

The trader/broker must, when selling or brokering Canadian rough diamonds, ensure that:

- 5.3.6.1** Canadian rough diamonds are securely packaged; and
- 5.3.6.2** the package is clearly labeled identifying:
 - (a) the weight of the Canadian rough diamonds;
 - (b) the description of the Canadian rough diamonds;
 - (c) the unique parcel numbers; and
- 5.3.6.3** each sale is accompanied by an official invoice and supporting documentation, if any, which includes the information outlined in 5.3.5.

5.3.7 Authentication Response Time

In order to provide consumers with a timely reply and given the number of possible steps in the authentication process, traders/brokers of rough diamonds are required to provide a written reply to a CDCC request for information related to an authentication within 5 business days (see Section 6.5).

5.4 CUTTERS AND POLISHERS/DIAMOND MANUFACTURER

5.4.1 Purchasing of Canadian Rough Requirements

Cutters, polishers and/or diamond manufacturers of Canadian rough diamonds must purchase Canadian rough diamonds only from mining marketing facilities or traders that abide by the minimum requirements outlined in this Code. Cutters and polishers and/or diamond manufacturers must obtain and retain invoices and supporting documentation, if any, from the source where the Canadian rough diamonds were purchased for a minimum of seven years. The invoice obtained from the mining marketing facilities or traders must contain the information outlined in 5.3.5.

5.4.2 Storage of Canadian Rough Diamonds

Cutters and polishers and diamond manufacturers must store and process Canadian rough diamonds separately from rough diamonds of non-Canadian origin.

5.4.3 Tracking System for Manufacturers of Rough to Polished Diamonds

The cutter and polisher and/or diamond manufacturer, prior to the cutting and polishing process, must:

5.4.3.1 have in place tracking, numbering and recording systems that will allow for the reconciliation of entire or partial contents of rough diamond parcels from which Canadian diamonds have been produced.

5.4.3.2 manufacturing facilities for cutting and polishing diamonds used for the program must also have stone-by-stone tracking systems utilizing a unique identification number and recording system.

5.4.4 Processing Requirements

The cutter and polisher and diamond manufacturer, prior to the cutting and polishing process, must:

5.4.4.1 assign a unique Diamond Production Number to each diamond. The cutters and polishers must be able to reconcile their unique Diamond Production Number with the Canadian rough diamonds identified by a unique parcel number on an invoice issued by a mining marketing facility or trader that abides by the minimum requirements outlined in this Code; and

5.4.4.2 in order to be authenticated, each individual diamond that will be sold as Canadian must be kept separated and must retain its unique Diamond Production Number throughout production.

5.4.5 Reconciliation of Canadian Rough diamonds and Polished Diamonds

The cutter and polisher and diamond manufacturer, prior to the cutting and polishing process, must:

5.4.5.1 weigh each Canadian rough diamond and record its weight next to its assigned Diamond Production Number in a production schedule;

5.4.5.2 at the conclusion of the cutting and polishing process, weigh the polished diamond and the weight must be recorded against its assigned Diamond Production Number in a production schedule.



- 5.4.5.3** when the Diamond Identification Number (DIN) is assigned by the cutter and polisher or diamond manufacturer and permanently inscribed on or in the polished diamond, the cutter and polisher must:
- (a) reconcile and record in a database the unique Diamond Production Number and the unique Diamond Identification Number (the Diamond Production Number does not have to differ from the Diamond Identification Number); and
 - (b) register its unique Diamond Identification Numbering system with the Canadian Diamond Code Committee.

5.4.6 Invoicing of Polished Diamonds

Each sale of a polished diamond(s) must be accompanied by an official invoice and include the following information:

- 5.4.6.1** the name and address of the cutter and polisher or diamond manufacturer;
- 5.4.6.2** a statement of certification that the polished diamond(s) is Canadian with an appropriate qualifying statement if required by the MIC Guidelines;
- 5.4.6.3** the unique Diamond Production Number or Diamond Identification Number for each polished diamond;
- 5.4.6.4** the polished diamond description;
- 5.4.6.5** the date of invoice; and
- 5.4.6.6** the name and address of the customer.

5.4.7 Third Party Audit Requirement

Cutters, polishers and/or diamond manufacturers have an annual **CDCC recognized** third party audit of their tracking, numbering and recording systems. For the CDCC cutters/polishers/diamond manufacturer Audit System or for a CDCC recognized equivalent go to https://canadiandiamondcodeofconduct.ca/EN_manufacturers.htm

5.4.8 Authentication Response Time

In order to provide consumers with a timely reply and given the number of possible steps in the authentication process, cutters and polishers and diamond manufacturers are required to provide a written (letter, fax, email) reply to a CDCC request for information related to an authentication within 5 business days (see Section 6.5).

5.5 TRADERS OF POLISHED DIAMONDS

5.5.1 Purchasing of Polished Diamonds Requirements

Traders must purchase Canadian polished diamonds only from traders, cutters and polishers who abide by the minimum requirements outlined in this Code. Traders must obtain and retain invoices for purchases from its source(s) of polished diamonds for a minimum of seven years.

5.5.2 Storage of Polished Diamonds Requirements

Traders must separately store and process Canadian polished diamonds.

5.5.3 Parceling of Polished Diamonds

Polished diamond parcels must be accompanied by the following information provided by the cutter and polisher:

- 5.5.3.1 the name and address of the cutter and polisher;
- 5.5.3.2 a statement of certification that the polished diamond(s) is Canadian with an appropriate qualifying statement if required by the MIC Guidelines;
- 5.5.3.3 the unique Diamond Production Number or Diamond Identification Number for each polished diamond; and
- 5.5.3.4 the polished diamond(s) description.

5.5.4 Invoicing of Polished Diamonds

Each sale of a polished diamond or a polished diamond parcel must be accompanied by an official invoice and include the following information:

- 5.5.4.1 the name and address of the trader;
- 5.5.4.2 a statement of certification that the polished diamond(s) is Canadian with an appropriate qualifying statement if required by the MIC Guidelines
- 5.5.4.3 the unique Diamond Production Number or Diamond Identification Number of the polished diamond;
- 5.5.4.4 a polished diamond description;
- 5.5.4.5 the date of invoice; and
- 5.5.4.6 the name and address of the customer.

5.5.5 Selling Requirements

The trader must, when selling polished diamonds, ensure that:

- 5.5.5.1 the polished diamonds are securely packaged; and
- 5.5.5.2 the individual diamond package(s) is clearly labelled identifying:
 - (a) the description of the polished diamond; and
 - (b) Diamond Production Number or the unique Diamond Identification Number for each diamond;
- 5.5.5.3 each sale is accompanied by an official invoice which includes the information outlined in 5.5.4.

5.5.6 Authentication Response Time

In order to provide consumers with a timely reply and given the number of possible steps in the authentication process, traders of polished diamonds are required to provide a **written** (letter, fax, email) reply to a CDCC request for information related to an authentication within 5 **business** days (see Section 6.5).



5.6 JEWELLERY MANUFACTURERS

5.6.1 Purchasing of Polished Diamonds

Manufacturers of jewellery containing Canadian polished diamonds must purchase Canadian polished diamonds only from traders, cutters and polishers who abide by the minimum requirements outlined in this Code. Manufacturers must obtain and retain invoices from its source(s) of Canadian polished diamonds purchased for a minimum of seven years.

5.6.2 Storage of Polished Diamonds Requirements

Manufacturers must store Canadian polished diamonds used in the jewellery manufacturing process separately from non-Canadian polished diamonds.

5.6.3 Production Reconciliation

Manufacturers must reconcile all Canadian polished diamonds purchased with diamonds used in manufacturing, sold and/or in inventory.

5.6.4 Invoicing of Diamond Jewellery

Each sale of a jewellery item promoting a Canadian diamond(s) must be accompanied by an official invoice and include the following information:

- 5.6.4.1 the name and address of the manufacturer;
- 5.6.4.2 a statement of certification that the polished diamond(s) is Canadian with an appropriate qualifying statement if required by the MIC Guidelines
- 5.6.4.3 the unique Diamond Production Number or Diamond Identification Number of diamond(s);
- 5.6.4.4 the polished diamond description(s);
- 5.6.4.5 the date of invoice; and
- 5.6.4.6 the name and address of the customer.

5.6.5 Authentication Response Time

In order to provide consumers with a timely reply and given the number of possible steps in the authentication process, jewellery manufacturers are required to provide a **written** (letter, fax, email) reply to a CDCC request for information related to an authentication within 5 business days (see Section 6.5).

5.7 RETAILERS

5.7.1 Purchasing of Diamond Jewellery/Polished Diamonds

All retailers (brick and mortar and electronic) must purchase Canadian diamond jewellery/polished diamonds only from traders, cutters and polishers who abide by the minimum requirements outlined in this Code. All retailers must obtain and retain invoices



from the purchase source of Canadian diamond jewellery/polished diamonds for a minimum of seven years.

5.7.2 Information Provided to Consumers

Retailers (brick and mortar) shall display a Code Member decal or signage approved by the CDCC indicating compliance with the Code.

Retailers (electronic) shall display the Code logo on their web site and in any other electronic communication with consumers and include a copy of the Code consumer brochure with each consumer purchase.

Retailers must provide the following information to consumers on sale of a promoted Canadian diamond or jewellery containing a Canadian diamond:

5.7.2.1 A unique Diamond Identification Number must be permanently inscribed on every diamond so it is reconcilable with the unique Diamond Production Number. The Unique Diamond Identification Numbering System must be registered with the Canadian Diamond Code Committee.

5.7.2.2 A polished diamond certificate/report and an invoice which contains the following information:

- (a) the polished diamond description;
- (b) a unique Diamond Identification Number;
- (c) a statement of certification that the polished diamond(s) is Canadian with an appropriate qualifying statement if required by the MIC Guidelines
- (d) the retailer's written return policy;
- (e) the date of purchase; and,
- (f) the name and address of retailer.

5.7.2.3 Details regarding the Canadian Diamond Authentication Process which include the following:

- (a) the Canadian Diamond Authentication toll-free number;
- (b) the cost-recovery fee applicable to this process;
- (c) the information required to initiate this process which includes:
 - c.1) the Diamond Identification Number;
 - c.2) the name and address of the retailer where the diamond/jewellery was purchased;
 - c.3) the polished diamond description; and
 - c.4) the name and contact details of the person requesting authentication.

5.7.3 Authentication Response Time

In order to provide consumers with a timely reply and given the number of possible steps in the authentication process, retailers are required to provide a written (letter, fax, email) reply to a CDCC request for information related to an authentication within 5 business days (see Section 6.5).



5.7.4 Internet Confidence Building Measures

Retailers (electronic) are encouraged to comply with:

5.7.4.1 the *Guidelines for Consumer Protection in the Context of Electronic Commerce (OECD www.oecd.org)* and/or

5.7.4.2 the *Principles of Consumer Protection for Electronic Commerce: A Canadian Framework (cmcweb.ca)*

They are also encouraged to register with Internet confidence building measures (examples TRUSTe, BuySafe).

5.8 GEMMOLOGICAL LABORATORIES

5.8.1 A gemmological laboratory is defined as:

5.8.1.1 Being a corporation that carries on the business of a gemmological laboratory in Canada from a fixed place of business in Canada at which one or more employees work for the corporation on a full-time basis. It must not be owned or legally affiliated with any business that buys or sells, either at retail or wholesale, diamonds, gemstones, pearls, or jewellery containing these components.

5.8.1.2 Having certified laboratory staff that have completed training from a recognised gemmological training institute or school. A recognized institute or school is defined as: An educational organization that is recognized in the gem and jewellery trade as a provider of professional education in gemmology and gemstone identification. The institute or school must provide education that is thorough and comprehensive enough to equip graduates to successfully write the diploma examinations of the Canadian Gemmological Association, for the FCGmA (Fellow of the Canadian Gemmological Association) qualification, or of the Gemmological Association of Great Britain (GEM-A), for the FGA (Fellow of the Gemmological Association of Great Britain) qualifications, or other internationally recognized gemmological qualifications. The institute or school must be equipped with at least the minimum necessary equipment listed in 5.8.1.4, below. The institute or school must, additionally, provide complete instruction on the correct use of the equipment, and must own all necessary gem materials that are used in the instruction for the use of the equipment and in instruction in the identification of gemstones. The instructors must be fully qualified as gemmologists, and must be able to correctly use all of the equipment listed in section 5.8.1.4.



5.8.1.3 Having administrative staff that is independent of those who do the laboratory analysis. Each qualifying laboratory will be able to supply an administrative flow chart that outlines this clear separation of duties. Each qualifying laboratory will have a guide for its employees that outlines this clear separation of duties.

5.8.1.4 Having a fully equipped laboratory that is a secured area with a controlled environment for the examination and testing of gems and jewellery. The minimum necessary equipment is: microscope, refractometer, spectroscope, polariscope, metal testing equipment, heavy liquids, reference library, jewellery cleaning equipment, gem carat weight scale, gold scale, measuring devices, loupes, tweezers, appropriate illumination for diamond, gemstone and pearl grading, fibre optic light, short wave and long wave ultraviolet illuminators, colour comparison tools and equipment for diamond, gemstone and pearl grading.

5.8.1.5 Having the appropriate technology to positively identify treated diamonds, synthetic diamonds and simulants.

5.8.1.6 Having a privacy policy in place to protect the consumer information collected.

5.8.2 Class of membership

Gemmological laboratories which qualify according to the definition at 5.8.1 can apply for “Associate” membership.

5.8.3 Requests for authentication

A laboratory must seek the authority of the owner prior to making an authentication request to the Code office unless it owns the diamond.

5.8.3.1 When dealing with consumers, it must obtain the following information using the Request for Authentication - Consumer:

5.8.3.1.1 the Diamond Identification Number (DIN)

5.8.3.1.2 the name and address of the retailer where the diamond/jewellery was purchased, the retailer’s invoice number, and the date of the invoice

5.8.3.1.3 the polished diamond description

5.8.3.1.4 the name and contact details of the owner

5.8.3.1.5 the signature of the owner

5.8.3.2 When dealing with the trade, it must obtain the following information using the Request for Authentication - Trade:

5.8.3.2.1 the Diamond Identification Number (DIN)



5.8.3.2.2 the name and address of the supplier where the diamond/jewellery was purchased, the supplier's invoice number, and the date of the invoice

5.8.3.2.3 the polished diamond description

5.8.3.2.4 the name and contact details of the owner

5.8.3.2.5 the signature of the owner

5.8.4 Language used on certificates/reports

As Associate Members of the Code, a laboratory shall only refer to origin of a diamond as Canada in any documentation (i.e. certificates, reports, or other documentation) provided to consumers or the trade when the Canadian Diamond Code Committee has authenticated a diamond as Canadian.

A laboratory can offer two service options as follows.

5.8.4.1 Option A

A laboratory will print on its certificate, report or other documentation the following language and attach a copy of the Code authentication:

“This diamond is a diamond mined in Canada as authenticated by the Canadian Diamond Code Committee file number xxxxxx a copy of which is attached.”

5.8.4.1.1 This option requires a laboratory to request the authentication using the Consumer or Trade Request for Authentication forms. Once a laboratory receives the Code authentication letter it can then issue the certificate, report or other documentation with the language above.

5.8.4.2 Option B

Under this option a laboratory will initiate the authentication process using the Consumer or the Trade Request for Authentication forms. Its certificate, report or other documentation will not have an indication of the country of origin. A laboratory will issue an *Authentication in Process Document* (APD) that will inform the owner of the diamond that the process was initiated and the procedure to follow to confirm the status of the authentication.

5.8.4.2.1 Authentication in Process Document (APD)

It is the responsibility of a laboratory to produce the *Authentication in Process Document* (APD). The minimum amount of information to be on an APD is as follows:

5.8.4.2.1.1 the CDCC authentication request file number;

5.8.4.2.1.2 the Diamond(s) Identification Number (DIN);

5.8.4.2.1.3 the polished diamond(s) description;

5.8.4.2.1.4 the estimated date when the authentication will be completed;



- 5.8.4.2.1.5 the procedure to verify the authentication including the number (1-866-399-1118) to call and the email address (info@canadiandiamondcodeofconduct.ca) where the authentication can be verified; and,
5.8.4.2.1.6 the name and address of the laboratory.

5.8.4.2.2 An APD will have to be issued for each loose diamond to allow the diamonds to be dispersed. In the case of a piece of jewellery containing multiple diamonds only one APD will be required if the information specified in 5.8.4.2.1 for each diamond is provided.

5.8.4.2.3 A laboratory can request a copy of the Code authentication letter if required. It can then issue the certificate, report or other documentation with the following language and attach a copy of the Code authentication:

“This diamond is a diamond mined in Canada as authenticated by the Canadian Diamond Code Committee file number xxxxxx a copy of which is attached.”

5.8.5 Record Keeping

A laboratory must obtain and retain supporting documentation of the Canadian origin of the diamond for a period of seven (7) years.

6. CANADIAN DIAMOND AUTHENTICATION PROCESS

6.1 INFORMATION REQUIRED

A person may authenticate a Canadian Diamond claim by calling the Canadian Diamond Authentication toll-free number. The person must provide the following:

- 6.1.1** the Diamond Identification Number;
- 6.1.2** the name and address of the retailer where the diamond/jewellery was purchased, the retailer’s invoice number and the date of the invoice;
- 6.1.3** the polished diamond description;
- 6.1.4** the name and contact details of the person requesting authentication; and
- 6.1.5** payment of a cost-recovery fee.

6.2 COST-RECOVERY FOR REQUEST

A cost-recovery fee for this authentication process will be payable by the person making the request. The fee is \$25.00 plus GST for up to two diamonds per piece of jewellery or \$50.00 plus GST for three or more diamonds per piece of jewellery. In the unlikely event that the authentication fails, this fee will be reimbursed.



6.3 TIME LIMIT FOR MAKING A REQUEST

A request for authentication can only be made within five years of purchasing the diamond.

6.4 REQUEST RESPONSE TIME

A person making the request shall receive an answer to his/her request within 30 days. If not, a letter will be sent to the requesting person advising him/her of the extension.

6.5 CODE SIGNATORIES RESPONSE TIME

In order to provide consumers with a reply within 30 days and given the number of possible steps in the authentication process, Signatories are required to provide a written (letter, fax, email) reply to a CDCC request for information related to an authentication within 5 business days or provide an interim reply stating the nature of the delay and the estimated date at which the information will be available so that the consumer can be advised. Failure to provide a timely response may be considered a non-compliance issue and the Signatory may be removed from the Code.

6.6 FAILURE TO AUTHENTICATE A CANADIAN DIAMOND CLAIM

If an authentication request cannot be fulfilled because the origin of the diamond(s) cannot be traced to a Canadian mine, the CDCC will immediately take the following actions:

- The CDCC will refund the requesting person the authentication request fee.
- Based on its findings, the CDCC will review the case and take appropriate action to prevent a recurrence of the problem.
- The CDCC will provide the requesting person with the reason why the authentication request failed.
- The CDCC will advise the requesting person to raise the issue with the retailer in the first instance using the information provided and that failing satisfaction from the retailer, the requesting person can raise a formal complaint with the Code Committee and/or appropriate provincial or federal institutions.



7. TRADE COMPLAINTS

7.1 FORMAL COMPLAINT

Should a trade member find a Code Signatory in non-compliance with the Code, that party should file a formal complaint with the CDCC.

7.2 INFORMATION REQUIRED

A complaint shall be in writing or by email and must include the following information:

- 7.2.1 the identity of the Code Signatory who is the object of the complaint;
- 7.2.2 the details of the complaint supported by documentary evidence, if available;
- 7.2.3 the identity of the party making the complaint including a contact person with mail, phone, fax and email coordinates.

7.3 INVESTIGATION

The CDCC will investigate the complaint. All information will remain confidential.

7.4 SIGNATORY FOUND IN NON-COMPLIANCE

In the event the Code Signatory is found in non-compliance with the Code and cannot satisfy the CDCC, that Code Signatory may be removed from the Code Signatory registry. The complainant will be advised by the CDCC that they may file a complaint with the Competition Bureau.

8. CONSUMER COMPLAINTS

8.1 FORMAL COMPLAINTS

Should a consumer find a Code Signatory in non-compliance with the Code, that consumer should file a formal complaint with the CDCC.

8.2 INFORMATION REQUIRED

A complaint shall be in writing or by email and must include the following information:

- 8.2.1 the identity of the Code Signatory who is the object of the complaint;
- 8.2.2 the details of the complaint supported by documentary evidence if available;

- 8.2.3** the identity of the consumer making the complaint including mail, phone, fax and email coordinates.

8.3 INVESTIGATION

The CDCC will investigate the complaint. All information will remain confidential.

8.4 SIGNATORY FOUND IN NON-COMPLIANCE

In the event the Code Signatory is found in non-compliance to the Code and cannot satisfy the CDCC, that Code Signatory may be removed from the Code Signatory Registry. The consumer will be advised by the CDCC that they may file a formal complaint.

9. CANADIAN DIAMOND CODE COMMITTEE

9.1 MEMBERS OF THE COMMITTEE

The (CDCC) consists of representatives of:

- 9.1.1** Canadian diamond mines;
- 9.1.2** sorting and/or marketing facilities
- 9.1.3** rough diamond traders;
- 9.1.4** cutters and polishers;
- 9.1.5** polished diamond traders;
- 9.1.6** jewellery manufacturers;
- 9.1.7** retailers
- 9.1.8** industry associations;
- 9.1.9** consumers; and,
- 9.1.10** other diamond industry stakeholders as approved by the CDCC from time to time.
- 9.1.11** industry advisors non-voting (i.e. Laboratories); and
- 9.1.12** non-industry advisors non-voting (i.e. Natural Resources Canada [NRCAN],)

9.2 RESPONSIBILITIES OF THE CDCC

The CDCC is responsible for the day to day management of the operations of the Code including the following:

- 9.2.1** creating stakeholder awareness regarding their responsibilities under the Code;
- 9.2.2** administering the Canadian Diamond Authentication toll-free line;



- 9.2.3 providing an annual report to the Competition Bureau and its stakeholders;
and
- 9.2.4 recommending changes to the Code; and,
- 9.2.5 developing and maintaining publicly available standard operating
procedures and policies

10. CODE WEB SITE

- 10.1 The CDCC will maintain a public Code web site where most of its
documents will be posted.
- 10.2 All members of the Code will be listed on the Code web site.
- 10.3 The CDCC will review individual requests from companies which do not
wish to be posted on the Code web site.

