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CIRCULAR

To: All Diamond Panel Members of the Council

Dear All,

Sub: De Beer's New Group of Customers-The Accredited Buyer's

The Council would like to bring it to the kind notice of its members that Council had a meeting with Mr.Howard Davies, Executive Director Sales and Client Services, DTC on 11th August 2014.

From the meeting it is learnt that De Beers is soon going to overhaul its sales operations. De Beers is planning to add a new set of regular customers called the Accredited Buyers. Those applicants who meet the compliance criteria but do not qualify as Sightholders will be offered Accredited Buyer status and will have opportunities to purchase from an enlarged pool of Ex-Plan supply. Strategic Supply will be available to the invited applicants that meet with the compliance criteria and who have excellent, established capabilities to drive value addition. De Beers will continue rough sales with the ratio of 80% to Sightholders, 10% to Accredited buyers and 10% through Auctions.

The new contract will involve a simplified, compliance-based customer qualification process. This includes abiding by De Beers' Best Practice Principles (BPP), having a certain volume of business, proving a certain level of equity-to-debt ratio so a financial buffer exists and also having good corporate governance with adequate financial transparency. It is understood that DTC would select country specific auditing firms for prospecting Sightholders / accredited buyers to utilize for conducting external audit reviews as a criteria for selection. De Beers will retain the ITO format, which will continue to account for a great majority. The new contract will run for a three year period, with an option for De Beers to extend the same. To qualify as a new Sightholder and be eligible for an ITO, applicants must meet the updated compliance criteria and demonstrate sufficient demand for De Beers rough. It is also essential that the entity shall comply with the Standard in preparing and presenting general purpose financial statements in accordance with International Financial Reporting Standards (IFRSs).

A detailed presentation on the same has been uploaded at the Councils website i.e. www.gjepc.org under the Trade information section. Members are requested to kindly download the same from the website for further understanding of the same.

Thanking you,

With best regards,

SABYASACHI RAY
EXECUTIVE DIRECTOR

The Gem & Jewellery Export Promotion Council

रत्न तथा आभूषण निर्यात संवर्धन परिषद

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