

News

RapNet Suspends Member for Listing Marange Diamonds

By Rob Bates, News Director

Posted on December 22, 2011



Martin Rapaport reiterated RapNet’s policy against listing diamonds from the Marange region of Zimbabwe—and announced that the computer-trading network last week suspended a member believed to have listed those stones on the service.

“We are going to take extreme efforts to make sure that the diamonds we offer are not from Marange,” the chairman of Rapaport Corporation said on a Dec. 22 conference call. “We are committed, really committed [to not listing Marange diamonds]. I don’t believe we are going to be perfect right away. But we want to move in that direction rapidly.”

Rapaport said his network is thinking about banning green-tinted stones, since many Marange diamonds are known to be of that hue, and may also “offer rewards” to anyone who reports a member who violates the rules.

He urged RapNet members to ask their suppliers about the origin of their diamonds.

“You have to start digging deeper as to where the supply chain is,” he said. “We want members to honestly and responsibly and reasonably investigate where their diamonds are coming from.”

“Talk to your suppliers,” he added. “Get to know your customer really well, and make sure they are legitimate.”

He also wants members to “affirmatively state” that their diamonds are not from Marange.

“You can’t just say everything’s fine,” he said. “You really have to understand what is happening in your supply chain.”

“Some people are saying, ‘Rapaport, you are crazy. People don’t go and investigate.’ I have this strange idea that there are a lot of good diamond people out there. We want a good, safe, honest, legitimate, trading network. And if we lose members, I really don’t care.”

When one questioner noted that many suppliers say they have no idea where their diamonds are from, Rapaport responded, “I don’t know if diamonds go through that many hands. If you list on RapNet, I don’t know if you are more than one or two steps away from the mine.”

Rapaport argued that Marange diamonds pose three problems for the industry. First, they are illegal in some countries due to OFAC and European Union sanctions against the Mugabe-linked entities involved in their production. Second, they raise “moral and ethical” quandaries because they are linked to reports of past human rights abuses. Third, they represent “reputational risk” for the industry, given greater social awareness among consumers.

In addition, Rapaport announced plans for a broad-based campaign that will ask jewelers to pledge that they are not buying diamonds from the region.

“This campaign will ask people to take a pledge that they will investigate their sources,” he said. “It’s for everyone who believes in this ethical idea.”

And finally, Rapaport said he will move ahead with his plan to offer “ethical certification,” which will track where a diamond comes from, and then grade its provenance.

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