

WHEN TO MENTION WARRANTIES ON AN INVOICE

An AWDC Guide



CONFUSED ABOUT WHEN AND IF YOU NEED TO MENTION A WARRANTY ON YOUR INVOICE?

- According to Belgian VAT law, some minimum requirements should be mentioned on your invoice such as company name, VAT number, address, description of the goods, date, etc. However **Belgian law does not require warranties to be mentioned on an invoice.**
- Aside from Belgian law, in certain situations, you should/might consider including a warranty in your invoice, but remember that this has **contractual implications towards your client**. Make sure that all warranties on your invoice are commitments you can live up to. In addition, you may want to ask your supplier to warrant the same on his/her invoice.
 - ➔ **Commercial reasons:** your client might request you to include certain warranties in your invoice;
 - ➔ **Bourse membership:** due to your bourse membership you might be obliged to include certain warranties in your invoice;
 - ➔ **Import/export requirements:** when importing/exporting diamonds, it might be useful to include certain warranties in your invoice (read below);
- Here is a non-exhaustive **list of warranties** often used in the diamond industry. In red AWDC's comments.
 - ➔ *The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with UN resolutions. The seller hereby guarantees that these diamonds are conflict-free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds. This warranty certifies that your diamonds are conflict-free according to the Kimberley Process definition of conflict. If one of the directors is a bourse member, you are contractually bound by your bourse membership to include this definition in your invoice. Additionally, suppose you export rough diamonds via Diamond Office and want to make use of the 'Fast Track' procedure. In that case, you must include this statement in your invoice (for more information on export of rough diamonds and the fast track procedure, contact AWDC Diamond Office).*
 - ➔ *"The diamonds herein invoiced have been {sourced}* purchased from legitimate sources not involved in funding conflict, in compliance with United Nations Resolutions and corresponding national laws {where the invoice is generated}**. The seller hereby guarantees that these diamonds are conflict-free and confirms adherence to the WDC SoW Guidelines."*
 - **{sourced} - may be used by companies that do not purchase from open market, but source and aggregate diamonds from production facilities that are owned/partly owned by them*
 - ***{where the invoice is generated} - may be used by companies if they specifically want to reference the country of invoice issuance*

This warranty is promoted by the World Diamond Council (WDC). If you include this warranty in your invoice you guarantee towards your client that your diamonds are not involved in any kind of conflict. Note that the WDC requires you to perform a yearly self-assessment if you want to include this warranty in your invoice <https://www.worlddiamondcouncil.org/about-sow/>. AWDC also advises to make sure you have a robust supply chain due diligence policy before using this warranty. A supply chain policy template can be found on the AWDC website. Finally, note that if you would use this warranty on your invoice, you do not need to mention the previous warranty (related to the Kimberley Process) on your invoice, since this warranty is broader and thus also covers conflict in the sense of the Kimberley Process.
 - ➔ *"On behalf of [Supplier name], and with its full authority, I declare by way of this written assurance that the diamonds [invoiced/ sent by memo] and contained herein have been tested to industry standards contain(s) no synthetic diamonds or diamonds that have been treated." This is a non-mandatory warranty proposed by some diamond bourses, but might be useful to add for commercial*

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reasons.

- ➔ "To the seller's best knowledge, diamond supplied under this invoice were not obtained from Zimbabwe or an SDNBP. This warranty is given under Diamond Source Warranty Protocol Release Number 1.0." *This warranty is promoted by Jewelers of America: www.jewelers.org Jewelers Vigilance Committee: www.jvclegal.org Diamond Manufacturers & Importers Association of America. This warranty might be requested by your clients. www.dmia.net*
- ➔ "To the Best of our Knowledge and/or written assurance from our suppliers, we state that "diamonds herein invoiced have not been obtained in violation of applicable national laws and/or sanctions by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC)." *This warranty can be used by diamond traders but is not mandatory. This warranty might be requested by your clients.*
- ➔ "To the Best of our Knowledge, Implemented policies/procedures and written assurance from our suppliers, we state that Diamonds herein invoiced have not originated from the MBADA and Marange resource of Zimbabwe and Democratic Republic of Congo". *This warranty can be used by diamond traders but is not mandatory. This warranty might be requested by your clients.*
- ➔ "Diamonds from DTC. *Sight holders and accredited buyers of De Beers Group can include this warranty in their invoices.*
- ➔ The country of mining origin is ..(mention a country). *This warranty can be used by diamond traders but is not mandatory. This warranty might be requested by your clients.*
- ➔ "I hereby declare that the non-industrial, natural diamonds in this shipment were not mined, extracted, produced, or manufactured wholly or in part in the Russian Federation, notwithstanding whether such diamonds have been substantially transformed into other products outside of the Russian Federation." *Since sanctions on Russian diamonds, diamond traders must prove that polished imports equal to or above 1 ct (0,5 ct as of September 1st) are not Russian and therefore it is advisable to ask your supplier to include this warranty in their invoice (other options: a separate statement from your supplier or from the import company). Please consult <https://www.awdc.be/en/GZ> for more information.*

Questions? Contact AWDC's compliance helpdesk:

trst@awdc.be or compliance@awdc.be