

Round table discussion - Coloured diamonds

With much of a coloured diamond's value hinging on the its lab report, the topics of grading methods, report contents and value formed the topics for the round-table discussion. The moderator **John Chapman** opened the discussion asking whether more accurate grading reports would be more desirable and possible. The general response was that more accurate reports are desirable with too many examples of grading inconsistencies that created difficulties when selling and confusion when buying.



John Chapman (Gematrix) was leading Round table discussion at Conference in Italy

Branko Deljanin said that is possible to be more accurate because existing Fancy system has too wide range and that's why CGL-GRS and GRS developed Fancy Plus system with 10 (Fancy light to Vivid+) + 6 grades (Fancy dark to Deep+). Does not make sense that D-Z colorless scale has more than 20 colour grades and coloured diamond scale only 6 at current system.

It was asked whether too much emphasis is placed on the contents of a lab report/certificate rather than the appearance of a coloured diamonds. Expressions were made that such emphasis extends across all diamonds. **Alan Bronstein** remarked that beauty cannot be quantified and described by a certificate and that consumers need to be educated enough to make their own conclusions about the beauty. He also added that there was a tendency to favour pure colours over those with a modifying term, but that visually there was no basis for such distinction. **Kym Hughes** remembers that 20 years ago traders and consumers did not use certificates to purchase coloured diamonds and that appearance of the stone was the most important feature. Nowadays majority of diamonds are sold based on certificates coming from one lab and is almost like monopoly of the market. Other panellists agreed that is not healthy situation for diamond trade.

With concerns expressed about the dangers of assessments purely on the basis of a lab report, the moderator asked what further information would make a coloured diamond report more useful. It was suggested that a good photo of the stone would be a great asset – a view that was shared by **Tom Gelb** and other panel members. **Branko Deljanin** pointed out that his lab includes high quality photo on their reports, along with visible spectra as fingerprint of the stone, while Alan Bronstein said he doesn't trust photos and felt that a cert should not include one.

With value considered to reflect the rarity of a colour, the moderator asked if face-up is the most appropriate orientation to colour grade given that minor changes to the facet angles can make significant changes to the face-up colour. While face-up colour was considered the most important orientation, there were views that understanding the body colour is important too so consumers could understand the extent to which the cut of the stone has enhanced the face-up appearance. **Tom Gelb** argued that if the colour was graded with a table-down orientation that cutters would design the facets to improve the colour under that situation.

With different labs using different terminologies, the moderator asked if consumers might find it confusing. **Gail Brett Levine** said that without any universal standards it is inevitable that different labs will have different terminologies and that it is confusing for consumers. The different standards and terminologies leads to the practice where some traders obtain reports from multiple labs and then attempt a sale using only the most favourable report.

Round Table discussion - Fluorescence

After an introduction of the topic of fluorescence by the moderator, **John Chapman**, he asked panel members if they had seen the effect of fluorescence on diamonds. “Of course” was the general reply, though the moderator remarked that a GIA study (in 1997) found that observers were unable to notice the difference. **Tom Gelb’s** comment was that his understanding from the article was that fluorescence shouldn’t affect price (later corrected after being shown a summary of the article). An MGJC survey before the conference showed that 75% of respondents felt that any effect of fluorescence depends on the characteristics of a diamond. Prompting the question of which characteristics are relevant.

Alan Bronstein remarked that 1/3 of diamonds have fluorescence and that he is an advocate for fluorescence except when it impacts brilliance. He wondered how we ought to communicate with customers to overcome the prejudices on fluorescence? He revealed his recognition of fluorescence by noting that he exhibits his ‘Aurora’ and ‘Butterfly’ collection in both natural and UV light as the fluorescence provides a conversation point.

Antoinette Matlins (from audience) reminisced how when she was a child (50 years ago) people were willing to pay more for fluorescent diamonds because G-H colour would look F-colour by a window. She commented that the reverse is happening today as the moment fluorescence is mentioned, customers reject the stone. She proposed that the prejudice is due to the internet and that the only justification for avoiding them is if a customer is paying for a D-colour, which it is outdoors, but is F-colour indoors. An audience member asked Antoinette if she would like to go back to the old times when fluorescent diamonds were sold for a higher price, to which she replied that the issue was that she didn’t want to pay for a D-colour if indoors it is not a D-colour.

Katrien de Corte (HRD) commented that it is important to have standard procedures and standard conditions for grading. Whether fluorescence is bad or good it is a part of diamond and it can be a selling point. Antoinette suggested that if grading was done without UV in the lamp, then for fluorescent diamonds reports should comment that in daylight the diamond may look whiter - an effect that becomes a positive.



Gail Brett Levine (NAJA, USA), Alan Bronstein (Aurora gems and NCDIA president, USA), Katrien de Corte (HRD lab, Belgium), Tom Gelb (NCDIA, USA), Kym Hughes (Symmetry Jewellery Valuation, Australia) and Branko Deljanin (CGL-GRS lab, Canada) at round table discussion..

The moderator challenged the assumption that grading labs have UV in their light sources, to which Antoinette replied that as of a few months ago they did in US, and Tom Gelb added his belief that they do. The prospect of fluoro tubes becoming unavailable and forcing grading standards to change was raised.

With audience members encouraged to participate in discussions, **Elena Deljanin** in the audience asked **Marco Pocaterra** (a previous speaker on investment diamonds) why he excluded fluorescing diamonds from his investment promotions? Marco defended his actions on the grounds that he needs to have a standard and that 'no fluorescence' is his standard. He supported his policy by his observation that on Rapnet, 99% of the stones that have no fluorescence have less discount than those with fluorescence.

With passions running high, **Branko Deljanin** asked Marco why there are specific discounts on fluorescence, only because Rapaport said so, with which the moderator turned to the panel to ask if it is justified that low or medium fluorescing diamonds have a discount? Alan Bronstein felt there should not be any discount, a view which the moderator pointed out was shared by 75% of the respondents of the MGJC survey. He added that the issue is contentious and needs reviewing to determine if there is a sound basis for any discounts.

From the experience of a laboratory, Branko noted that there are 5 categories of fluorescence intensity and that what is needed is a study to determine how the different intensities affect transparency and colour, only two papers published on fluorescent diamond topic so far. He has only seen very, very strong fluorescence have an effect making them "hazy", yet many of his clients are not happy with 'faint' or 'medium' on reports, requesting a 'none' grade what does not make any sense.

Tom Gelb maintained that the discounting practice has come from diamond dealers themselves and not consumers. That if a grade is mentioned on a report then it will be used to pay less. He learnt from his early days at GIA that originally the fluorescence intensity was used by the lab only as added identification feature and not as a value judgement.

Alan Bronstein noted that Argyle pinks have fluorescence and yet it has no influence on their price.

Returning to the practice of discounts, **Branko Deljanin** asked who invented the system in which a 10 – 40% discount was applied to fluorescent diamonds and why is this discount not passed on to the end consumer? Without an answer from the participants Kym Hughes remarked that she thought people tend not to look at a diamond but rather the piece of paper that comes with it. She blamed the trade for bringing about this situation onto themselves. She surprised the younger participants recounting how 20 – 30 years ago diamonds didn't have certificates and they were sold based on their beauty.

With time running out, the moderator noted that although one hears stories of 20 – 30% discounts for strong fluorescent stones, analysis of large stockists such as Blue Moon reveal only a 5 – 10% discount. Though **Tom Gelb** pointed out that such sites are consumer websites.