

“Honest Grading” by Martin Rapaport

Trade Summary:

RapNet is concerned about the misrepresentation of diamond quality through the abuse of the GIA grading standard. We oppose the misuse of GIA terminology by applying alternative grading standards that overstate the quality of diamonds. We support the GIA standards as defined by the GIA grading laboratory by its diamond grading reports.

The Rapaport Group recognizes that GIA and other laboratory diamond grading is based on human evaluation and is therefore subjective. We recognize that a difference of one color and one clarity grade between diamond grading reports from the same or different laboratories is within a reasonable tolerance range.

Definition of an over-graded diamond: an over-graded diamond is a diamond graded using GIA terminology that when verified by the GIA is more than one color or clarity grade lower than the original grade.

“We must recognize that while the GIA grading system is not perfect or all-inclusive, it is the standard that must be used when using GIA terminology,” says Martin Rapaport, Chairman of the Rapaport Group.

Rapaport Rules:

1. It is an unfair business practice to communicate the grade of a diamond using GIA terminology while applying non-GIA standards that systematically over-grade the quality of the diamond.
2. Diamond suppliers are responsible for the quality of the diamonds they sell. If a supplier communicates the quality of a diamond using GIA terminology, the buyer may at his option and expense, within ten business days of receiving the diamond, send the diamond for grading verification to the GIA. Upon return, if the diamond is graded more than one color or one clarity grade lower than the quality represented by the seller, then the seller shall accept the return of the diamond and provide the buyer with a full refund as well as a refund of the GIA grading verification fee. In the event that the buyer is a consumer, the buyer shall have 30 business days to send the diamond for grading verification to the GIA.

Over-grading is not just a legal issue, it is an ethical issue facing the diamond and retail jewelry industry.

The misrepresentation of diamond quality by laboratories that over-grade diamonds poses a significant threat to the diamond industry. Hundreds of thousands of consumers have purchased more than one billion dollars of over-graded diamonds.

The diamond trade must address the issue of over-graded diamonds in a timely manner. Consumers should be warned about over-grading and directed toward grading reports that provide fair grades. Trade organizations should implement rules that make suppliers responsible for the accuracy of the grading information they provide with the diamonds

they sell. Use of third-party grading reports that over-grade diamonds should be discouraged with mandatory disclosure requirements to all buyers, including consumers.

Click [here](#) to read the full report.