

*Canadian
Guidelines with Respect to the Sale and
Marketing of Diamonds, Gemstones
and Pearls*

Revised Edition 2009

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Preamble

The Canadian Guidelines with Respect to the Sale and Marketing of Diamonds, Gemstones and Pearls were revised in 2003 by a Jewellers Vigilance Canada Inc. (www.jewellersvigilance.ca) special committee in consultation with industry members and the Competition Bureau (www.cb-bc.gc.ca) and with reference to other internationally recognized standards. These guidelines were originally developed in 1994 by a Jewellers Vigilance Canada committee in cooperation with the Canadian Jewellers Association, the Canadian Gemmological Association, the Quebec Professional Gemmologists Association, the Canadian Advertising Foundation and the federal government represented by Industry Canada to provide for voluntary compliance rather than a regulatory compliance program.

The Diamond Guidelines were adopted by Consumer & Corporate Affairs Canada in 1986 and were revised when they were incorporated with the Coloured Gemstones and Pearls Guidelines adopted by Industry Canada in 1994.

These present Guidelines (Revised Edition 2009) are presented in three sections: Diamonds, Gemstones and Pearls.

Scope

The definitions and misuses of terminology outlined in these Guidelines were developed in consideration of the *Competition Act* (a portion of which can be found in *APPENDIX 1* of these Guidelines) that contains prohibitions against false and misleading representations. Adherence to the nomenclature contained in this document will assist jewellery industry members in their obligation to ensure compliance with the legislation and to provide consistent and meaningful information to consumers. The Guidelines are for assistance only and should not be considered as binding on the Commissioner of Competition.

All methods of making representations, including printed or broadcast advertisements, written or oral representations, audio-visual promotions, Internet and illustrations are within the general scope of these Guidelines.

The examples contained in these Guidelines are for the purpose of illustration only and are not intended to provide an exhaustive list of acceptable or prohibited practices. The Competition Bureau facilitates compliance with the law by providing legally binding written opinions subject to fees. Advertisers are encouraged to request an opinion on whether the implementation of a proposed business plan or practice would raise an issue under the *Competition Act*. A specific opinion will be based on information provided by the requestor and will take into account previous case law, prior opinions and the stated policies of the Competition Bureau.

Finally, readers should note that the misleading representations and deceptive marketing practices provisions of the *Competition Act* comprise only a portion of the relevant law in Canada. Most provinces and other federal departments and agencies also administer legislation dealing with advertising and marketing practices. These Guidelines do not provide information on this other legislation.

Application

In general, these Guidelines apply to anyone promoting, directly or indirectly, the supply, use, description, identification, sale of or trading in any gem, carving, jewel, item of jewellery or work of art containing diamond, gemstone, pearl and related materials.

Misuses of Terminology

It is contrary to the purpose of these Guidelines to:

A. make a representation that does not conform in all respects to these Guidelines in the selling, advertising, or distribution of any substance defined in these Guidelines. Representation includes illustrations, descriptions, expressions, words, figures, depictions or symbols shown in a manner that may reasonably be regarded as relating to the substance. Selling includes offering for sale, exposing for sale, displaying in such a manner as to lead to a reasonable belief that the product so displayed is intended for sale. Advertising includes directly or indirectly promoting the sale or use of a product.

B. make any misleading or deceptive statement, representation or illustration relating to origin, formation, production, condition or quality of any substance defined in these Guidelines.

C. declare the identity of differing diamonds, gemstones and/or pearls in an article in any order except in descending order by weight;

D. identify, refer to or describe an article containing more than one substance by referring to only one substance.

LANGUAGE

It is contrary to the purpose of these Guidelines to use any word, existing or created from any language, to misrepresent the authenticity of a diamond, gemstone and/or pearl. (Unacceptable examples: *Herkimer diamond* for quartz; *faux emerald*; *Mont Blanc ruby* for a rose quartz; *faux pearl*)

GEOGRAPHIC ORIGIN

It is contrary to the purpose of these Guidelines to make a statement as to the geographic origin of a diamond, gemstone and/or pearl unless its origin can be substantiated. For Canadian diamond claims please refer to the *Voluntary Code of Conduct for Authenticating Canadian Diamond Claims* at www.canadiandiamondcodeofconduct.ca.

CARE & MAINTENANCE

It is contrary to the purpose of these Guidelines not to advise all consumers purchasing diamonds, gemstones and/or pearls as to their care, cleaning and maintenance.

WARRANTIES & GUARANTEES

Specific legislation regarding warranties/guarantees is laid out in the *Competition Act*, section 74.01 (1) (b) (c) (see *APPENDIX 1* of these Guidelines) as well as provincial/territorial legislation. Industry should be aware that in the selling, advertising, offering for sale or distribution of any substance, that every statement or reference as to identity or quality or value of a substance constitutes a warranty/guarantee by the vendor. This principle applies in every instance and includes circumstances where the vendor quotes, makes reference to, or

provides access to copies of the independent opinion of a third party, even if the vendor claims to be in dispute with the quoted opinion.

SEALED PACKAGING AND WARRANTIES

It is contrary to the purpose of these guidelines to limit a consumer the opportunity to make or obtain an independent examination of any substance by delivering it in a sealed container under a warranty that becomes void if the seal is broken.

APPRAISAL

An appraisal is an expert unbiased opinion as to identity, composition, qualities and values usually embodied in a document which is the official record of the item. All appraisals should be prepared in accordance with the *Jewellery Appraisal Guidelines – Minimum Acceptable Standards*, Revised Edition 2008. (Link available at www.jewellersvigilance.ca or see *Appendix 3*)

It is contrary to the purpose of these guidelines to use an appraisal value as a selling tool.

DISCLOSURE

Purchasers of diamonds, gemstones and/or pearls (both consumers and trade) should be advised that some are treated by methods that duplicate natural processes, are often undetectable by standard gemmological techniques and are stable and permanent. The vendor must always provide to the purchaser information regarding any treatment that may have been applied to the substance offered for sale.

Section P

Pearl Guidelines

P1 NATURAL PEARL

Definition:

An organic formation of layers of the same material as that lining the interior surface of a mollusc's shell, secreted naturally by the mollusc when provoked by the intrusion of a foreign element into the interior of the mollusc. It has been formed completely by nature without human intervention before or during the formation process, and is unaltered by people except for cutting and/or drilling and/or polishing.

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use the term *natural*:

- A. any substance that does not conform to the definition of natural pearl as stated above;
- B. if the pearl has undergone any treatment or enhancement whatsoever other than cutting and/or drilling and/or polishing;
- C. if the substance has been partially or wholly manufactured or produced through human intervention other than drilling and/or cutting, and/or polishing. (Unacceptable example: *natural cultured pearl*)
- D. any substance composed of two or more parts that are assembled, cemented or joined by any other artificial methods

P2 CULTURED PEARL

Definition:

A nacreous gem created when a section of mantle tissue and often a nucleus, usually a sphere of mother-of-pearl, is introduced within or adjacent to living tissues of a mollusc through human intervention and is coated with nacreous layers by the mollusc. The term *cultured* shall only be used in reference to cultured pearls whichever method is used for their formation.

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use the term *cultured* unless the pearl conforms in all respects to the definition specified above. For such pearls, the word *cultured* must be placed immediately preceding the name of the pearl variety (if appropriate) and immediately followed by the word *pearl*. Neither word shall be given greater prominence or emphasis than the other, nor may they be separated. (Acceptable example: *cultured South Sea pearl*)

P3 PEARL VARIETIES

P3.1 CYST PEARL

Definition:

A pearl that has been formed within the living tissue of a mollusc and was not in contact with the mollusc's shell.

P3.2 BLACK PEARL

Definition:

A nacreous cyst pearl having a natural body colour of black to grey.

P3.3 BLISTER PEARL

Definition:

A naturally occurring convex nacreous growth formed on the interior surface of the shell of a mollusc.

P3.4 CONCH PEARL

Definition:

A non-nacreous cyst pearl formed by the giant or queen conch (*Strombus Gigas*).

P3.5 FRESHWATER PEARL

Definition:

A nacreous cyst pearl formed in freshwater molluscs.

P3.6 KESHI

Definition:

A cyst pearl, usually baroque, that forms accidentally as a by-product of the culturing process.

P3.7 MOTHER-OF-PEARL

Definition:

The iridescent material formed on the inner surface of a pearl bearing mollusc shell used for decorative or ornamental purposes.

P3.8 ORIENTAL PEARL

Definition:

A nacreous natural cyst pearl formed exclusively in saltwater molluscs.

P3.9 SALTWATER PEARL

Definition:

A cyst pearl formed by a saltwater mollusc (maybe natural or cultured).

P3.10 SEED PEARL

Definition:

A nacreous cyst pearl that is less than two millimeters in diameter.

Misuses of Terminology for P3:

It is contrary to the purpose of these Guidelines to use:

- A. the unqualified word *pearl* or the name of any variety of pearl to describe, identify or refer to any substance that is not a pearl of the variety described;
- B. the unqualified word *pearl* or the name of any composite, assembled, artificial, imitation or simulated pearl to describe, identify or refer to any substance that does not conform to the definitions in these Guidelines;
- C. the word *pearl*, or the name of any pearl or cultured pearl variety to describe, identify or refer to any substance created through human intervention unless the word *cultured*, *composite*, *assembled*, *artificial*, *imitation* or *simulated* (as appropriate) immediately precedes the pearl name. Neither word(s) shall be given greater prominence or emphasis than the other(s), nor may they be separated;
- D. the word *pearl* or the name of any pearl or cultured pearl variety, in association with an asterisk or other device which makes reference to a footnote explanation of the fact that the substance is a treated, cultured, composite, assembled, artificial, imitation or simulated pearl;
- E. the word *Oriental* to describe the quality or appearance of any substance. (Unacceptable example: *Oriental quality pearl*);
- F. the word *pearl* together with any geographic, historic or adjectival qualifier to describe, identify or refer to any substance that is not a pearl of the variety described and/or from the location described. (Unacceptable example: *Tahitian pearl* to describe black pearls not produced in Tahiti)

P4 GEOGRAPHIC ORIGIN

It is contrary to the purpose of these Guidelines to:

A. make a statement as to the geographic origin of a natural pearl or a cultured pearl product unless its origin can be substantiated;

B. make a statement as to the geographic origin of an artificial, imitation, or simulated pearl. (Unacceptable example: *South Sea simulated pearl*. Acceptable example: *simulated pearl*).

P5 COMPOSITE /ASSEMBLED

Definition:

A product resulting from the assembling of a portion of natural pearl or cultured pearl, and one or more other substances. (Example: *mabe pearl*)

P5.1 MABE

Definition:

An assembly incorporating a cultured blister pearl that has been cut from its shell. The original nucleus upon which it grew is removed, filled with a manufactured material, and backed by a layer of mother-of-pearl. The assembly is held together by an adhesive.

P6 ARTIFICIAL / IMITATION / SIMULATED

Definition:

Any substance that has a superficial similarity to the effect, colour and appearance of a natural pearl or cultured pearl and may or may not possess its physical or chemical properties.

Misuses of Terminology:

The word *artificial*, *imitation*, or *simulated* must be placed immediately preceding the pearl variety (if appropriate) and immediately followed by the word *pearl*. Neither word(s) shall be given greater prominence or emphasis than the other(s), nor may the words be separated. (Acceptable examples: *imitation pearl*, *simulated black pearl*)

P7 NACRE

Definition:

The organic layered material that comprises the bulk of most natural pearls, the surface of a cultured pearl and the lining of the shell of most pearl-bearing molluscs. Nacre yields the characteristic appearance of pearl and mother-of-pearl. It is composed of microscopic platelets of aragonite (a calcium carbonate) deposited parallel to the surface and bound together in a fine network of material called conchiolin.

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use the word *nacre* or *nacreous* or any similar word to describe, identify or refer to any article that does not have a surface covered by nacre.

P8 LUSTRE

Definition:

The degree of reflection of light from the surface layers or near surface layers of a pearl or cultured pearl.

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use any word or phrase in reference to the luster of a pearl or cultured pearl that indicates a level of quality it does not possess.

P9 ORIENT

Definition:

An optical phenomenon caused by the interference of light that yields iridescent rainbow colours seen in some pearls and cultured pearls.

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use any word or phrase in reference to orient that a pearl or cultured pearl does not possess.

P10 OVERTONE

Definition:

Secondary colouration related to orient that is distinct from the body colour. It may be localized.

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use any word or phrase in reference to an overtone that a pearl or cultured pearl does not possess.

P11 COLOUR

Definition:

The general body colour of a pearl or cultured pearl. (Examples: pink, white, cream, yellow, grey, black)

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use any word or phrase in reference to a

colour that a pearl or cultured pearl does not possess.

P12 SPOTTING/BLEMISHING

Definition:

Surface or subsurface irregularities.

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use any word or phrase in reference to the spotting or blemishing of a pearl or cultured pearl to indicate a level of quality it does not possess.

P13 UNIT OF MEASUREMENT

Note 1: The rules in this section “Units of Measurement” apply with equal import to all pearls or cultured pearls

Note 2: See *APPENDIX 2* of these Guidelines for a listing of the acceptable measurement tolerances.

The dimensions of pearls are expressed as follows:

- a) Millimetres (mm) are the units of measurement for individual pearls;
- b) Centimetres (cm) or inches (in.) are the units of measurement for lengths of pearl strands.

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to:

- A. misrepresent any measurement of any pearl or group of pearls;
- B. represent the diameter of pearls using any term other than millimetres (mm);
- C. represent the measurement of irregularly shaped pearls unless their minimum dimensions are included;
- C. misrepresent the thickness of the nacre on a pearl.

P14 SHAPE

Definition:

The overall shape of a cyst pearl or the outline shape of a blister pearl as viewed from the top. [Examples: round, off-round, oval, pear, baroque (irregular)].

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use any word or phrase in reference to the

shape of pearls or cultured pearls to which they do not conform.

P15 DRILLED

Definition:

Having a manufactured perforation (hole) suitable for the purposes of stringing or setting into an article of jewellery. If the hole does not extend completely through and out the other side it is called *half-drilled* regardless of the depth of penetration of the hole.

P16 CUT

Definition:

Having a surface that has been sawn, ground flat or faceted.

Misuses of Terminology:

The words *sawn*, *ground* or *faceted* must immediately precede the word *pearl* or *cultured pearl*. Neither word(s) shall be given greater prominence or emphasis than the other(s) nor may they be separated.

P17 TREATMENT / ENHANCEMENT

Definition:

Any process other than drilling, bleaching, polishing, cutting, cleaning and/or faceting that alters the colour, lustre and/or durability of a pearl or cultured pearl.

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to refer to a pearl or cultured pearl without the use of the term *treated* or *enhanced* if the pearl or cultured pearl has been altered by coating, dyeing, or irradiating or by any other treatment that is unstable or impermanent in normal wear and maintenance. The word *treated* or *enhanced* must immediately precede the name of the pearl variety (if appropriate) and immediately followed by the word *pearl* and no word(s) shall be given greater prominence or emphasis than the other(s), nor may they be separated;

Alternatively, the treatment method or process (with or without any trademark or patent name) shall immediately precede the correct pearl name instead of the word *treated* or *enhanced*. The name of the treatment process shall be given equal prominence and emphasis to the correct pearl name, and they may not be separated. (Acceptable examples: *dyed cultured pearl*, *irradiated black cultured pearl*)

Note:

Purchasers of pearls and cultured pearls (both consumers and trade) should be advised that most pearls have been bleached by exposure to sunlight or bleaching agents, that many

pearls have been tinted with dye, and that such treatments are usually permanent, stable and are undetectable by standard gemmological techniques. The vendor should be prepared to provide to the purchaser information regarding any treatment that is unstable or impermanent may have been applied to the pearls or cultured pearls.

P18 FLAWLESS

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use the word *flawless* or any word or quality grade of similar meaning as a description of any pearl or cultured pearl that is not entirely free of blemishes or surface irregularities.

P19 PERFECT

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use the word *perfect* or any variation of the word to describe, identify or refer to any attribute of any pearl or cultured pearl. (Unacceptable examples: *perfect pearl, perfectly drilled, perfectly round*).

P20 AUTHENTIC / REAL / GENUINE

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use *authentic, real, genuine* or a similar term, to describe, identify or refer to any pearl or cultured pearl or substance made entirely or partially through human intervention. (Unacceptable examples: *genuine cultured pearl, real mabe*)

P21 REPRODUCTION / REPLICA

Misuses of Terminology:

It is contrary to the purpose of these Guidelines to use the words *pearl* or *cultured pearl* to describe, identify or refer to a reproduction or replica. The component material(s) of the reproduction or replica should be specified. No word(s) shall be given greater prominence or emphasis than the other(s) nor may they be separated. (Acceptable example: *plastic reproduction of La Peregrina*)