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## Diamond Standard Launches The World's First Fungible Diamond Commodity

- *Like gold, a diamond commodity with one global market price*
- *A physical asset that can be remotely audited and electronically transacted via the blockchain*
- *A deliverable commodity that can asset back any digital contract*

**New York**—May 2, 2019—Diamond Standard Co. has done something previously thought impossible. The one-year-old startup has unveiled the world's first fungible diamond commodity product—a universal asset to secure any digital transaction.

“Diamonds are a valuable natural resource, but unusable by institutional investors. Unlike gold and platinum, each diamond is different, so price is negotiable,” explains **Cormac Kinney, founder and CEO of Diamond Standard Co.** “We created a diamond commodity by grouping sets of diamonds in a fair and transparent way. The sets are fungible, and the diamonds are independently certified, and the key is that they are sourced through a regulated exchange, with market-driven price discovery.”

Diamond Standard Co. is founding member of the Diamond Standard Exchange, now applying to be regulated by the Bermuda Monetary Authority. The company will bid on every permutation of natural diamonds across the range of gemological grades and purchase a statistically valid sample. The bids are transparent and adjust to fill all commodity orders. The purchased diamonds are then parceled out by an optimization system, so that each set contains an identical geological scarcity. The sets are designed to be fungible and consistent over time, with no human subjectivity in the process.

“Diamond qualities are non-linear, so it was a challenging computer science problem. But in the end, the commodity is based 100% on math, and 0% on trust,” notes Kinney. “Like manufacturers of gold bars, we don't set the market price. Our role is to make an absolutely consistent unit.”

The fungible sets of diamonds are sealed in transparent resin—a Diamond Standard Coin or Diamond Standard Bar—containing a military grade wireless encryption chip. The commodity is always delivered to the buyer or their custodian and can be easily verified. The diamonds also can be removed and used, just not as a commodity.

The integrated chip stores a **Bitcarbon**, a blockchain token which can be instantly authenticated and remotely audited. “Every aspect of the Diamond Standard commodity is public and can be verified by anyone—in person or on the blockchain,” says Kinney.

Owners can hold the commodity themselves, but most will likely use a custodian, like International Depository Services of Delaware, which charges \$2 per month to custody and insure a Diamond Standard Coin. The initial sale of Diamond Standard Coins is calibrated to a value of \$10,000, permanently fixing the geological content for all subsequent Coins.

Custodians store the commodity in smart cabinets, which audit them constantly, and enable owners to transact them remotely using the Bitcarbon token. The owner alone has the digital key. For every transaction, the encryption chip is challenged by the blockchain in a process called “proof-of-asset.” When the commodity is held by the owner it can be authenticated and sold using a smartphone, anywhere in the world.

This new asset is like a gold bar, but with digital properties. The Diamond Standard Coin is intended to have a daily market price and trade on global exchanges by transacting the Bitcarbon token on the blockchain. The token also can be used as collateral to borrow money or asset-back smart contracts—with a blockchain-recorded lien.

Any developer can create applications that use the diamond commodity as a store of value or asset backing, providing a decentralized, deliverable, proof-of-asset feature. The company charges no fees for transactions after initial purchase and delivery.

“Out of \$9 trillion in gold, 28% is held for investment purposes. With \$1.5 trillion worth of diamonds above ground, less than 2% are used for investments. This product solves fungibility and price discovery, making diamonds an ideal store of wealth, especially when used to secure digital assets—they are much more easily transported, custodied and authenticated than gold,” Kinney concludes.

### **About Diamond Standard Co.**

Diamond Standard Co. is creator of the first fungible diamond commodity—a, transparent and liquid asset that can be held by any investor or ETF. A wireless encryption chip inside each Diamond Standard Coin or Bar holds a digital token for instant trading, a Bitcarbon, which enables the commodity to asset-back any digital contract. The company was founded by Cormac Kinney, a quant finance pioneer who previously invented heatmaps, designed more than 100 institutional trading systems, and perfected sentiment analysis for statistical arbitrage, using it to manage over \$500 million in assets. His innovations have been cited in nearly 4,000 US Patents, and four of his previous startups have been acquired by public companies or funds.

For more information go to: <https://diamondstandard.co>, and for the latest updates, follow Diamond Standard Co. on [LinkedIn](#) and Twitter: [@DiamondStdCo](#).