



# INSTITUTE OF REGISTERED VALUERS

NATIONAL ASSOCIATION OF GOLDSMITHS

## TRAINING TO BECOME A VALUER AND/OR A MEMBER OF THE INSTITUTE

THE INSTITUTE welcomes enquiries from both valuers or individuals wishing to become jewellery valuers who want to become Members and then Fellows of the Institute.

At the present time a valuer wishing to join the Institute is required to have the **National Association of Goldsmiths' Professional Jewellers' Valuation Diploma** (PJValDip). This qualification was achievable by enrolling on the Association's **JET Valuations Course** and successfully passing the exam.

However, it was felt that the course modules were in need of revision so last year the decision was taken to withdraw the course whilst a new **valuation training programme** is compiled.

The new valuation training programme, which will culminate in a written examination and lead to the acquisition of the **Certificate of Appraisal Theory** (CAT), will replace the PJValDip qualification and become ONE of the pre-requisites required of a valuer wishing to join the Institute as a Member (see more details regarding this at the end of this document).

The Institute will be able to provide written documentation on areas which are not already covered by other organisations, publications, etc to assist valuers who wish to obtain the CAT qualification.

We plan to launch CAT in the Spring of 2012. In the meantime you may find the following information useful.

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### What is CAT?

Firstly we need to stress what it isn't!! It absolutely does **NOT** qualify a candidate or student to become a jewellery valuer.

However, CAT is **a modular programme of study with a self-learning approach that teaches the basic theories, methodologies and good working practices needed to become a competent jewellery valuer.**

Some would call this *valuation science*, but basically it teaches the theory of **how** to value. In fact a lot of the theory and methodologies that will be taught could almost be applied to valuing anything at all.

### What are the entrance requirements?

None: other than a desire to learn best valuation practice.

Because it is targeted at those who have the intention of becoming Institute members when they have also fulfilled all the other Institute entrance criteria (see the end of this document for details), no previous qualifications or experience is required to enrol on CAT, but it will become one of the pre-requisites of entrance into the Institute. In other words you can study for CAT whilst at the same time gaining your five years experience in the trade, gemmological qualifications, etc.

### What form will it take?

There will be three detailed modules of study to support the syllabus with six assignments to complete and a final written theory examination.

### What are these three modules?

The modules are called:

**Module 1: The Basic Principles & Concepts of Appraisal Theory**

**Module 2: Theoretical Methodologies & Practices Specific to Jewellery Valuation**

**Module 3: Commercial, Legal & Ethical Matters**

We give below a little more detail of what will be covered in these three modules. Obviously this is only a brief synopsis on the content of the modules. The modules themselves, as supplied to anyone enrolled on CAT, will, of course, be more detailed.

THE NATIONAL ASSOCIATION OF GOLDSMITHS' INSTITUTE OF REGISTERED VALUERS

*Setting Standards for Professional Valuers*

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## Module 1

This module teaches the student the basic principles and concepts behind valuation science as it applies to jewellery appraisal. This will include:

- **The difference between price, cost and value:** three very different concepts indeed and three which are often confused!
- **Analysing prices to determine value:** basically this is the correct way to use any pricing data that has been researched and will discuss the merits (or not) of using average, median and modal pricing
- **The purpose, function and intended use of a valuation:** self-explanatory.
- **Different valuation approaches:** ie the difference between using a *cost approach* and a *market data approach* and in what context and for what purpose each approach is appropriate.
- **The different types of valuations:** ie insurance, probate, division of assets, private treaty, cash liquidation, etc.
- **Different market levels for different types of valuation:** this will teach how to identify the correct market level for different types of valuation which could sometimes be retail value, wholesale value, open market value, forced sale value, goods bought through the Internet or television shopping channels and, of course, hypothetical values as you would use, for example, in conducting post loss assessments.

All areas of this module will be the subject of examination.

## Module 2

In this module the CAT student will further develop their theoretical knowledge of how to research and record data and methodologies correctly, and also learn the actual practicalities of producing professional valuations that not only include all the necessary information, but are consistently and justifiably accurate. This will include:

- **Take-in procedures:** this covers the importance of dialogue with the client about their needs and expectations, the correct way to make an inventory of goods, a note of condition, etc, all of which should be recorded on a comprehensive take-in form and all of which ensures the whole process goes through with as few problems as possible.
- **The use of worksheets:** the importance of working notes can never be stressed enough and using a formal worksheet is, we believe, best practice to concentrate the mind and check that all factual data, research, pricing sources, mark-ups and individual thought processes are recorded consistently.
- **Procedures and methodologies:** this is the nuts and bolts of any valuation. It is where the student will learn the theoretical act of examining, appraising and cataloguing the jewellery itself. Some of these procedures and methodologies are mandatory for any valuation, and some procedures and methodologies apply to specific types of valuation and whether the cost or market data comparison approaches are to be used.
- **Researching and recording gem and metal prices or market data comparables:** this will give guidelines on best practice when researching all the pricing data that is out there, whether it is price guides, manu-

facturers, wholesalers, the internet, dealers or auction comparables, and also best practice in using that available data for pricing different items in different markets.

- **Guide to mark-ups:** this probably causes the most controversy of any area in valuation work and yet, of course, it is absolutely critical in arriving at a final monetary figure. In this section students will gain theoretical knowledge of the different types of mark-ups used in different markets, and how and where it is appropriate to use them. Whilst the Institute cannot recommend any specific mark-ups regarding the retail, wholesale or second-hand/antique sectors, there will be information on a range of mark-ups for different types of merchandise in various markets and at varying price levels.
- **Descriptions:** this is really about what constitutes good (and bad) descriptive writing bearing in mind that the best descriptive work involves describing pieces in good English with good punctuation so that a third party can actually visualise what it looks like.
- **Recording the factual data and judgements:** this will teach the student to record all the factual data in a consistent and logical way. It would include facts like the number and types of gemstones, measurements and weights, the method of manufacture, hallmarks, laboratory reports/certificates, provenance, etc, or it may be a valuer's judgements such as quality assessments of stones, condition, or approximate dates and caratage for items that are not hallmarked.

Again the student will be examined on all areas of this module.

## Module 3

In this module the student will learn the commercial aspects of running a successful jewellery valuation business, and what legal and ethical matters have to be considered.

- **Commercial matters:** this will include guidelines on how to go about setting up a successful valuation business, how to make it profitable, also discussed will be different fee structures, branding and marketing a valuation business. In this day and age clients expect a high level of professionalism in the presentation of their valuations and this will be discussed along with photography.
- **Technology:** it is, of course, a personal and commercial decision whether or not you use computers and or computer software to produce valuations, but many valuers today and we're pretty sure all valuers in the future will be doing so if only for word processing, so it was felt that it was essential to include information on the use of computers in valuation work, the most widely used programs that are currently available and how best to use them efficiently. It was very clear during the Institute's monitoring exercise that some valuers using software packages were not using all the functionality of the software, particularly in the generation of their working notes, so some good advice on how to use these programs to their full potential has been included.
- **Security:** the main consideration in security when conducting jewellery valuations is, of course, the duty of care relating to the client's property, but this section will also include guidelines on how to ensure your valuation documents themselves are kept secure and unlikely to be forged or used inappropriately, and it will also discuss internet security and guidelines on the storage and security of computer data.

- **Legal matters:** some of the above have legal implications, so there is a crossover here but also covered in this section will be the duty of care relating to due diligence and professional indemnity, the Data Protection Act and guidance on terms of engagement and service contracts.
- **Insurance matters:** this largely discusses valuing from the insurers' point of view and covers regulatory matters, the concept of indemnity, different types of insurance, the regulation of claims and claims procedures.

Many elements of this module are for information only and, therefore, will not be subject to examination.

### What else do I need to know?

As mentioned earlier, when we launch CAT a detailed syllabus will be available then to those who may be interested in signing up and for those that do decide to take the plunge the full programme will be available on a memory stick rather than as a printed hard copy.

It is proposed that the programme should be completed within a year, but will have a maximum completion time of two years and, as mentioned above, there will be six assignments to complete. As this is a self-learning programme these assignments can be completed at any time and in any order within that two year period and the marks for these assignments will be counted towards the final examination result.

Whilst the precise format of the **examination** has not yet been finalised it is proposed that it will be held annually in London and will be theory only. In other words candidates will not have to actually value any pieces of jewellery during the examination, but it will be geared to test a candidate's theoretical knowledge of **HOW** to value.

The **fee** for CAT has yet to be finally decided as there are still some costs to be factored in, but the fee will include all elements that build into the final package.

Successful candidates will be encouraged to work towards membership of the N.A.G.'s Institute of Registered Valuers, and in order that they can gain the necessary qualifications and experience to fulfil the membership entrance pre-requisites, will be provided with a list of suggested learning resources, courses, etc to assist them in their ongoing studies.

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## MEMBERSHIP OF THE INSTITUTE

**With regard to valuers wishing to become Members of the N.A.G.'s Institute of Registered Valuers the following pre-requisites are required of applicants:**

- The Certificate of Appraisal Theory (CAT) or the Professional Jewellers' Valuation Diploma.
- A minimum of five years experience in the jewellery trade/industry.
- A gemmological qualification.
- A diamond grading training certificate.

Applicants will be required to: -

- Submit sample valuations.
- Participate in a face-to-face interview with members of the examining panel.
- Pass the Munsell Colour Test (during the interview).

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*If you would like details of CAT when it is launched, and have not already registered your interest, please send an email to [irv@jewellers-online.org](mailto:irv@jewellers-online.org).*

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