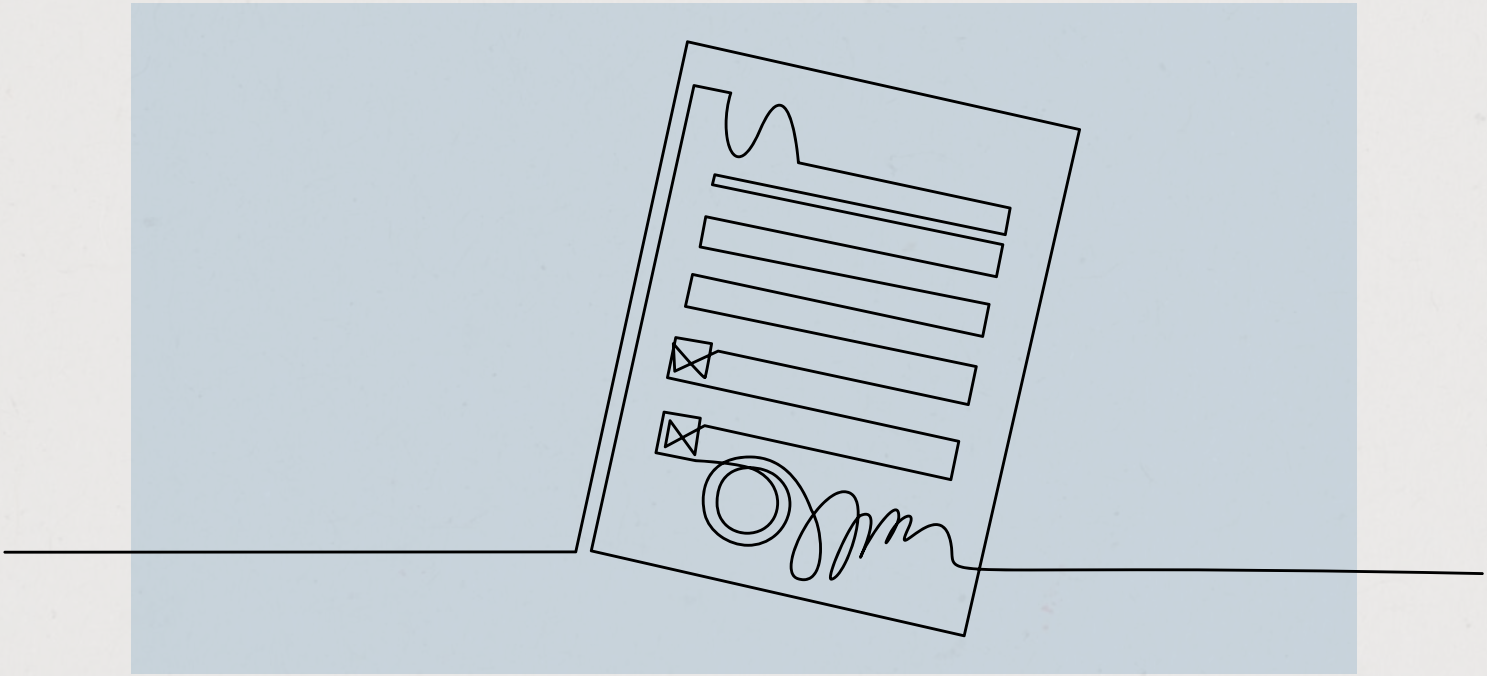
NAJ Guidance Note

VALUATIONS

Version 2. April 2025.



General Introduction

The NAJ recommends that all valuations be carried out by a member of The Institute of Registered Valuers (IRV). Where they are not, we expect these guidance notes to be followed.

The NAJ recognises that not all "valuers" will have formal qualifications but should have knowledge, experience, and expertise in the items they are asked to value. Additionally, holding a relevant qualification does not guarantee the ability to produce a good valuation.

This best practice guidance sets out the minimum standard that should be maintained by all NAJ members who are undertaking jewellery and watch valuations.

Valuations are covered by The Digital Markets, Competition and Consumer Act 2024 (DMCC). These regulations prohibit unfair commercial practices, which effectively means failing to act in accordance with reasonable expectations of acceptable trading practice.

Therefore, members producing poor and inaccurate valuations put themselves at risk not only of NAJ internal investigation and disciplinary but also potential legal action from unhappy customers and Trading Standards inquiry.

It is important to note that the NAJ will support NAJ members who follow these guidelines should any such inquiry arise.

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Requirements

i. First and foremost, the NAJ member undertaking the valuation will understand their own limitations and competency to provide an accurate and proper valuation.

ii. The person undertaking the valuation must have a minimum of three years of jewellery trade experience and a formal diamond or gemmological qualification, with a practical element OR informal, practical experience of assessing and valuing diamonds or gemstones as part of their role. The person undertaking the valuation should be able to provide details of this experience should this be requested by their client or the NAJ.

iii. The person undertaking the valuation will have and maintain a high standard of technical knowledge and practical experience for the goods they are asked to value. The person undertaking the valuation must seek specialist advice where appropriate.

iv. With valuations for insurance purposes, the basis for replacement must be discussed and agreed upon with the client, e.g. is the replacement value new for old, second-hand replacement, antique replacement or facsimile, as the client may need to get agreement from their insurance company for the type of replacement allowed.

v. Valuations for Probate must comply with Section 160 of The Inheritance Act 1984.

vi. The person undertaking the valuation must only value items that they have physically examined at the time the valuation is completed. Valuing items virtually from videos or photographs is prohibited. Reasons for this include but are not limited to; because the valuer couldn't be sure if the item exists at all (insurance fraud issue), the item's condition cannot be checked or verified, the item's characteristics cannot be checked or verified (for example diamond's four Cs, watch authenticity and working capacity).

vii. The person undertaking the valuation must sign and date all jewellery valuations they produce on the date of valuation. All pricing research and exchange rate calculations must be accurate to that date.

viii. A comprehensive "take-in" procedure should be followed when accepting items for valuation. That is, sufficient notes should be made to ensure the client's requirements are understood, and the description and condition of the items are noted and recorded as accurately as possible when the item is taken in for valuation.

ix. The valuation produced must state sufficient information to be able to identify and describe all items contained therein. Details such as identity, origin, size, colour and quality of the gemstones, the item's overall dimensions, gross weight, metal colour, metal purity and marks/hallmarks, quality of manufacture, setting techniques and the skill level involved must be included. Where the valuation has been carried out for insurance purposes, it will have sufficient information for a jeweller to supply an equivalent quality replacement.

x. Where a laboratory report is available, a copy must be included in the report.

xi. Adequate steps should be taken to ensure that a diamond without a report is natural or synthetic. If the valuer's desktop diamond screening device gives a result as "refer", further testing at a laboratory must be recommended to the client.

xii. It is recommended that working notes are kept for each article valued.

xiii. Explanatory notes to assist the client with interpreting the valuation document must be included with the valuation.

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xiv. It is recommended that the NAJ member undertaking valuations obtains professional indemnity insurance, although this is not a legal requirement.

xv. The NAJ member must arrange that clients' goods are insured while in their possession.

xvi. NB: If the NAJ member is asked for an opinion as to the replacement cost of an item forming the subject of an insurance claim following loss or theft, they should not issue a valuation document but may express an opinion in writing (a post-loss assessment) as to the likely retail replacement price of the lost item. It must be stated that the opinion is based wholly on the information supplied by the client and that the item has not been seen; therefore, there is no guarantee that the information provided is accurate.



Frequently Asked Questions

Q. What is Continuous Professional Development?

A.Those in the valuing world will work hard to maintain their expertise. This commitment to learning and improving is generally expected of anyone in a professional capacity. Continuous professional development, or CPD, which is mandatory for members of the IRV, is the ongoing process of developing, maintaining and documenting your professional skills. These skills may be gained formally, through courses or training, or informally, on the job or by watching others.

Q. Are there any practical short courses I can take that will assist with developing my valuation knowledge?

A.The NAJ Education department offers numerous short courses to assist potential valuers in their journey to becoming qualified valuers. The most popular courses are;

- De Beers Diamond Foundation Course
- Practical Valuation Techniques Tutorial
- Assessing Mounted Diamonds
- GemIntro from Gem-A

Further details can be found here: NAJ Short Courses - enhance skills in the jewellery industry

Q. How can I become part of the Registered Valuer community?

A. For students and those within the industry who are not Registered Valuers, The IRV offers an Associate Membership. This allows you to become part of the Registered Valuer community, access useful documents, post questions to other community members and be eligible to apply for educational grants. There are many other benefits of membership, including;

- Login and password for the NAJ website where you can access the IRV resource library.
- Anchorcert laboratory at Birmingham Assay Office discount ; 20% off diamond screening for synthetic.

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diamonds and a 10% discount off all other diamond and gemstone testing/certification services.

- Access to the NAJ IRV Google Group where valuers/ peers share knowledge, ask for advice and discuss different topics.
- Access to our weekly virtual Keeping You in the Loupe coffee morning via MS Teams (every Friday 12-1).
- Discounted attendance at the annual Valuers' Conference.
- Receive a copy of The Jeweller every quarter.

More details can be found here, along with how to apply for associate membership: Becoming a Registered Valuer (naj.co.uk)

Q. How can I become a qualified Institute Registered Valuer?

A.The pathways to becoming a professional and qualified valuer are limitless; no two valuers will have travelled the same route, which makes it such an exciting career choice. Most jewellery valuers will have or aim to have gemmological and diamond qualifications, with multiple associations such as Gem-A, GIA and BCU providing popular courses.

The ATHE Level 3 JET Certificate in the Foundations of Appraisal Practice (FoAP) qualification is an essential course for those aspiring to become a valuer. Foundations of Appraisal Practice (naj.co.uk).

This is also a prerequisite for those wishing to apply to join The Institute of Registered Valuers.



Additional Documents to accompany this Guidance

- Example of a Take-in Form
- Examples of Explanatory Notes

Suggested Reading

- The CIBJO blue books; The Blue Books - CIBJO

NAJ Professional Standards Definitions

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Code of Conduct

The NAJ Code of Conduct is a set of rules and standards based on honesty, integrity and professionalism that members MUST abide by. The honouring of this commitment to the Code of Conduct sets members businesses apart from others.

Code of Practice

An NAJ Code of Practice is a set of rules regarding a particular subject. Most often, these Codes of Practice are translations of existing UK law. A Code of Practice provides explanations of how to uphold the law. Members MUST follow these codes in order to remain legally compliant.

Guidance Notes

An NAJ Guidance Note is a document produced to help members better understand their obligations in various areas. Guidance Notes can be on various subjects and are not always based on a specific UK Law. Members are expected to follow these instructions as best practice, although there is no statutory requirement. Guidance notes will be considered by The NAJ Professional Technical Standards Group for elevation to a Code of Practice after a period of two years has elapsed since their publication.

Disciplinary Procedure

The NAJ Disciplinary process is a series of steps that the NAJ can take to address member behaviour that falls short of the expectations as set out in the Code of Conduct.

These documents are live documents and subject to continued review; they can all be accessed on the NAJ website here; Codes of Practice (naj.co.uk)

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NAJ Disciplinary Procedure Tree

