

# JEWELLERY APPRAISAL GUIDELINES

## Minimum Acceptable Standards

Revised Edition 2009

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**Jewellery Appraisal Guidelines**

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For printed copies and/or further information about these Guidelines or the CJA's Accredited Appraiser Program (AAP) please contact the CJA at 1-800-580-0942 ext 223 or (416) 368-7616 ext 222.

**Purpose of Guidelines**

These Guidelines have been prepared to establish minimum acceptable standards to be used by appraisers in the preparation of jewellery appraisals.

## **JEWELLERY APPRAISAL GUIDELINES**

### **MINIMUM ACCEPTABLE STANDARDS**

The appraiser requires a wide spectrum of knowledge, education, skills, tools and resources. In some ways the appraiser may be seen as the conscience of the jewellery industry.

The quality of an appraiser's work largely depends upon attitude and approach as well as knowledge, skills, resources and experience. These Guidelines do not attempt to address this issue.

The quality of an appraisal will depend upon its content. These Guidelines present acceptable standards for appraisal documents.

**Members of the jewellery industry at all trade levels are advised that appraised values used for the purpose of promoting the sale of jewellery products may raise issues under the *Competition Act* administered and enforced by the Competition Bureau, an independent law enforcement agency of the Government of Canada that promotes and maintains fair competition in the marketplace. In that regard, the section "Appraised Values and the Promotion of Jewellery Products" on Page 15 of these Guidelines contains relevant information on how to avoid contravening the misleading representations and deceptive marketing practices provisions of the *Competition Act*.**

**It should be noted that under the *Competition Act*, a party who takes a representation made by somebody else and transforms it into an advertisement of his or her own, becomes responsible for the claim.**

**Note:**

*For the purposes of this document the term "jewellery" refers to gems, watches and any precious metal items.*

**DEFINITION OF APPRAISAL**

An expert unbiased opinion as to identity, composition, qualities and values, usually embodied in a document which is the official record of the item.

An appraisal should also include a detailed description of the item using recognized terminology and grading systems.

**JEWELLERY INSURANCE APPRAISAL DEFINITION**

A jewellery appraisal for insurance is a comprehensive description supporting an estimate of the value to be used as the basis upon which insurance premiums will be set and should be the basis of establishing the value and limit of claim settlement at the time of an insured loss.

## **APPRAISAL DOCUMENTATION**

The appraisal should include the following:

### **A. Confidentiality**

The recipient of the insurance appraisal document has been informed that the appraiser's files shall be treated as confidential and that the insuring company is fully entitled to all information within the insurance appraisal and is just as entitled as the client to explanations or answers to queries about the appraisal content.

### **B. Credentials of Appraiser**

The appraiser must define his or her professional expertise as a qualified appraiser. There are two necessary components to perform an appraisal; gemmological training and certification and valuation science training and certification.

### **Gemmological Training and Certification**

Gemmological training and certification should be from a recognized institute or association in the area relevant to the appraised item. The most commonly recognized sources of gemmological training and certification are:

#### **Canadian Gemmological Association**

Fellow of the Canadian Gemmological Association — **FCGmA**  
[www.canadiangemmological.com](http://www.canadiangemmological.com)

#### **Gem-A, The Gemmological Association of Great Britain**

Fellow of the Gemmological Association of Great Britain — **FGA**  
[www.gem-a.com](http://www.gem-a.com)

#### **Gemmological Institute of America**

Graduate gemologist — **GG**  
[www.gia.edu](http://www.gia.edu)

## **Valuation Science Training and Certification**

Valuation science training and certification should be from a recognized institute or association. The most commonly recognized sources of valuation science training and certification are;

### **American Gem Society**

Certified Gemologist Appraiser — C.G.A.  
[www.ags.org](http://www.ags.org)

### **American Society of Appraisers**

Master Gemologist Appraiser  
[www.appraisers.org](http://www.appraisers.org)

### **Canadian Gemmological Association**

Canadian Professional Jewellery Appraising  
[www.canadiangemmological.com](http://www.canadiangemmological.com)

### **Canadian Jewellers Association**

Accredited Appraiser Program (AAP)  
[www.canadianjewellers.com](http://www.canadianjewellers.com)

**École de Gemmologie de Montréal Inc.**  
Évaluateur diplômé /Graduated Appraiser  
[www.ecoledegemmologie.com](http://www.ecoledegemmologie.com)

### **International Society of Appraisers**

Certified Appraiser of Personal Property — **ISA** — **CAPP**  
Accredited Member — **ISA**  
[www.isa-appraisers.org](http://www.isa-appraisers.org)

### **Master Valuer Program**

Registered Master Valuer  
[www.mastervaluer.com](http://www.mastervaluer.com)

## **National Association of Jewelry Appraisers**

Certified Master Appraiser — **C.M.A.**

[www.najaappraisers.com](http://www.najaappraisers.com)

### **C. Appraiser's Warranty**

The appraiser warrants that:

Diamond and coloured gemstone grading is based on an internationally recognized grading system.

The appraised item was inspected and tested utilizing all usual and minimum necessary equipment of the gem laboratory and/or documentation for the complete and thorough appraisal and identification of all properties of all components of the item.

A gem laboratory is defined as a secured area with a controlled environment for the examination and testing of gems and jewellery. The minimum necessary equipment is; microscope, refractometer, spectroscope, polariscope, metal testing equipment, heavy liquids, reference library, jewellery cleaning equipment, gem carat weight scale, gold scale, measuring devices, loupes, tweezers, appropriate illumination for diamond, coloured stone and pearl grading, fibre optic light, short wave and long wave ultraviolet illuminators, colour comparison tools and equipment for diamond, coloured gemstone and pearl grading.

Metals are appropriately marked to indicate (or were tested and found to be of) the specified purity.

To the best of the appraisers knowledge watches, watch parts and accessories, are genuine parts supplied by the original vendor or manufacturer.

**THE APPRAISER'S FEE IS NOT BASED ON THE ITEM'S VALUE**

The appraiser should state any disclosure/limiting conditions.

(See Section J, page 10 – Disclosure/Limiting Conditions)

**D. Dating of Appraisal**

The appraisal must state the date on which the item was examined.

If the item was not examined by the appraiser, details must be provided as to how the description and value were determined.

e.g. - Hypothetical evaluation on a lost item based on a previous appraisal;  
consultation with the insured regarding lost items.

**E. Name**

If the appraiser performs an appraisal directly for the end-user, the name of the person should be included in the appraisal.

If the appraiser performs an appraisal for the trade, the name of the firm may be included at the discretion of that firm.

**F. Description**

A complete guide to a proper jewellery appraisal description is included on Page 18. Please refer to this section for definitions and further terms used in descriptions. Any relevant conclusions as to identity, quality, quantity, or grading of a whole item or any component of the item arrived at by the appraiser should be mentioned as part of the appraisal description and information obtained by any means of analysis should be kept in notes maintained by the appraiser for future reference. Gem descriptions should conform with the rules laid out in

*Canadian Guidelines With Respect to the Sale and Marketing of Diamonds, Gemstones and Pearls” Revised Edition 2009.*

**G. Signature**

The appraisal must bear the signature of the appraiser or of an authorized representative who is empowered to confirm the obligations with regard to the appraisal. The name of the appraiser must be printed.

**H. Currency**

The appraisal must specify the currency of the estimated value assigned to the item(s). If a single appraisal covers a large number of items, the same currency must be used throughout the appraisal.

**I. Value**

The appraisal must state the expert opinion of value of the item. See Page 13 for further information on Value.

**J. Disclosure/Limiting Conditions**

Disclosure

Gemstones are considered natural unless otherwise stated. Gemstones are assumed to be treated by processes not detectable by the standard appraising laboratory when such treatment is typical for that species and variety.

Please refer to *Canadian Guidelines with Respect to the Sale and Marketing of Diamonds, Gemstones and Pearls-Revised Edition 2009*. It is incumbent upon the appraiser to disclose any known and/or any identifiable treatments and any

synthetic or imitation materials. The appraiser will disclose any supplied information that was used in the appraisal of the item.

(e.g.: a mounted gemstone accompanied by a loose gemstone grading report)

### **Limiting Conditions**

Any situation or condition that may impede or limit the ability of the appraiser to conduct complete accurate analysis of gems or jewellery components.

(eg: type of setting, time limitations, lighting conditions, availability of proper equipment, hypothetical appraisals for lost items, updates of appraisals without re-examinations of the item etc.)

## **K. Professional and Ethical Standards**

The following standards should be followed by all appraisers and indeed are appropriate guidelines for any jewellery appraiser.

### **1. Services Provided**

- A. Examining, testing, analyzing and grading of gems, metals and jewellery merchandise;
- B. Reporting of identification, opinion of value, grade condition and damage of gems and jewellery;
- C. Consulting, advising and arbitrating with respect to jewellery industry merchandise, its acquisition and disposition.

### **2. Responsibilities**

- A. To conduct laboratory testing and appraisal services in a manner that follows these Guidelines, and reflects credit on the professional ability and business ability of the appraiser;
- B. To supply complete and accurate information based on scientifically correct testing, careful analysis and knowledge of current market values;
- C. To maintain confidentiality of information supplied to or received from a client;

- D. To prepare and issue reports in such a manner that their validity may be relied on by any third party to whom the client may submit such a report, whether or not the third party is known to the appraiser.

### **3. Professional Practices**

- A. Maintain integrity, dignity and professionalism in handling client's property, in preparing and issuing appraisal and/or gemmological reports, in advertising and in the appearance of their business premises;
- B. Maintain gemmological competence through continued training, practice and study of current developments in the industry;
- C. Render service only with respect to those articles and in those matters for which the appraiser is qualified by training and experience, or for which the appraiser has secured the assistance and advice of a qualified person;
- D. Avoid unwarranted criticism of others engaged in the jewellery industry and of their products;
- E. Not conceal from an appraisal client the member's interest in purchasing or selling the article submitted for appraisal, and/or interest in selling a similar or substitute article to the client;
- F. Avoid bias and prejudice in formulating and submitting opinions on quality and value;
- G. Refrain from serving more than one party with respect to the same controversy or legal action, except with the consent of all parties. This shall not preclude reporting on the same article successively to more than one client.

### **4. Reports**

- A. All reports of gemmological determination and appraisals shall be submitted to the client in writing. Opinions and consultation can be verbal, provided an accurate record of the discussion is maintained, whether conclusive or not;
- B. Articles reported on shall be accurately described to permit positive physical identification and to prevent misapplication of the report;
- C. When used in a report, terms and abbreviations which have a special meaning within the jewellery industry, and grading symbols applied to diamonds or other gems, shall be defined either directly on the report or by reference to a text made available to the client;
- D. All conditions under which a report is issued shall be stated on the report. These shall include: (1) the basis for valuations on the appraisal; (2) limiting

conditions under which the articles are examined, tested, or graded (such as gem mountings and mounting designs which preclude precise determination of gem weights and grades); (3) special limitations of equipment, lighting, available time and/or location of articles being examined;

- E. Reports that are tentative, partial, temporary or otherwise limited shall be so labelled;
- F. Physical arrangements of the report form and preparation of the report itself shall be designed to prevent fraudulent alteration and/or deceptive use of the report. All reports shall be addressed to a specific person, group or firm, shall be dated, and shall be signed by the appraiser who issues the report or by an authorized representative who is empowered to confirm the obligations of the appraiser, with the signature to appear in conjunction with the legibly printed or typed name;
- G. Records of services rendered and copies of reports issued to the client shall be maintained.

#### 5. **Other**

The appraiser agrees, when necessary, to provide testimony and support conclusions of value in a court of law. All fees for testimony shall be predetermined prior to trial.

#### **VALUE**

Value is the monetary worth that an informed and willing buyer and seller would accept for the sale of an item taking into consideration the given market conditions.

### **REPLACEMENT VALUE**

(i) Replacement Value New – the necessary cost to replace an item with a new one of like kind, quality and utility.

(ii) Replacement Value Comparable –the necessary cost to replace an item with the nearest equivalent item of like kind, quality, utility and age having similar wear and tear, decay or defects, and obsolescence as the appraised item.

### **FAIR MARKET VALUE**

The dollar value that a willing buyer would pay and a willing seller would accept in an open and unrestricted market, time not being of the essence and where the parties are acting independently of each other (arms length transaction).

In Quebec jurisdiction the term “market value” is often used for “fair market value”.

### **LIQUIDATION MARKET**

Liquidation value represents the most probable price at which an item will change hands if sold with a very important time constraint, without regard to the most appropriate market.

### **OTHER VALUE**

There are circumstances that require other levels of value and this must be clearly defined in the appraisal document.

### **ARRIVING AT VALUES**

The two most frequently used approaches to arriving at values are:

- (i) Cost Approach – The perceived direct costs of producing the articles (stones, metal, labour, hidden taxes, etc.) are totalled and a markup is applied to the cost.
- (ii) Market Data Approach – The systematic research in the market place to find pricing for comparable items.

In arriving at values, the appraiser must use a good range of price sources and the following is a list of sources of pricing, both general and specific:

- Wholesale dealers of coloured stones, on and off shore;
- Wholesale dealers of diamonds, on and off shore;
- Suppliers of jewellery metals;

- Suppliers of findings and mountings;
- Suppliers of finished gold items;
- Antique and vintage jewellery dealers;
- Auction Catalogues;
- Internet.
- Standardized price listings: (use as reference only, not as a sole source of information) for example:
  - Palmieri's Market Monitor;
  - The Guide;
  - Rappaport;
  - Auction Market Resources;
  - Price lists and consultation with local suppliers (often necessary on a one by one basis with particular items);
  - Consultation with local appraisers and consultation with retailers;
  - "Window Shopping", going out to compare prices at sources of supply on a regular basis.

## **BRANDS**

When the item being appraised is a "branded" item and therefore trademarked (i.e. Tiffany&Co., Cartier etc...), the exact cost of replacing the item from the designer or company should be obtained.

## **MARKETS**

The purpose and function of an appraisal determines the most appropriate market in which the appraiser will research the value. The most common markets are:

- Retail market;

- Auction market;
- Liquidation market;
- Wholesale market;
- Internet;
- Television shopping networks.

### **APPRAISED VALUES AND THE PROMOTION OF JEWELLERY PRODUCTS**

Appraised values used for the purpose of promoting the sale of jewellery products may raise issues under the misleading representations and deceptive marketing practices provisions of the *Competition Act* administered and enforced by the Competition Bureau, an independent law enforcement agency of the Government of Canada that promotes and maintains fair competition in the marketplace.

#### **The misleading representations and deceptive marketing practices provisions of the *Competition Act* (Footnote 1)**

The *Competition Act* contains provisions addressing false or misleading representations and deceptive marketing practices in promoting the supply or use of a product or any business interest. All representations, in any form whatever, that are false or misleading in a material respect are subject to the *Competition Act*. If a representation could influence a consumer to buy or use the product or service advertised, it is material. To determine whether a representation is false or misleading, the courts consider the general impression it conveys, as well as its literal meaning.

The *Competition Act* also specifically prohibits false or misleading ordinary selling price representations. These prohibitions are aimed at protecting consumers from being misled by reference to "inflated" regular prices when products are promoted at sale prices.

False or misleading representations and deceptive marketing practices can have serious economic consequences, especially when directed toward large audiences or when they take place over a long period of time. They can affect both business competitors who are engaging in honest promotional efforts, and consumers.

#### **Here is how jewellery appraised values could raise issues under the *Competition Act* (Footnote 2)**

For many consumers, the term "appraised value" represents the estimated market value of a property on a given date, given by a qualified person. When the property is a jewellery item, the "appraised value" represents the approximate price charged by jewellery retailers in a given market at a given point in time. When "appraised values" are used by jewellers in comparative price advertising situations, for example "Diamond Rings - Appraised value \$850, A deal at only \$550", and these "appraised values" do not represent genuine market prices, an issue may be raised under the ordinary selling price provisions of the *Competition Act*. This type of representations could mislead consumers to believe that they are receiving a percentage off the market price of the item.

From a more technical point of view, the "appraised value" of an item should not be used in comparative advertising unless, in a relevant geographic market, the jewellery product

has been offered for sale in good faith at the "appraised value" for a substantial period of time (more than 50% of the time in the last 6 months), OR a substantial volume of the product (more than 50%) has been sold at the "appraised value" within a reasonable period of time (12 months). In other words, in a relevant geographic market, if the items have not been offered for sale in good faith at \$850, 50% of the time or more in the 6 months prior to the making of the representation, OR if more than 50% of the items have not been sold at \$850 in the preceding 12 months, an issue under the *Competition Act* could be raised.

Issues under the *Competition Act* may also arise in non-comparative price advertising situations. For example, if a jeweller were to advertise jewellery products displaying grossly inflated "appraised values", an issue could be raised if these values are not validated in the relevant geographic market.

Jewellers often believe that they do not attract liability under the *Competition Act* when "appraised values" quoted in their advertising material are prepared by independent third parties such as jewellery appraisers. **It should be noted that under the *Competition Act*, a party who takes a representation made by somebody else and transforms it into an advertisement of his or her own, becomes responsible for the claim.** A situation might arise where both an appraiser and a jeweller could be subject to an investigation. For example, if an appraiser were to misrepresent the value of a jewellery product to a jeweller, and the jeweller were then to reproduce the "appraised value" in a newspaper advertisement, both parties might be liable, although the particulars of each contravention would differ slightly. The appraiser would be liable for his or her representation to the jeweller, and the retailer would be liable for the representation in the advertisement.

### **What Are the Possible Penalties?**

The *Competition Act* provides two adjudicative regimes to address misleading representations and deceptive marketing practices.

Under the criminal regime, certain practices are brought before the criminal courts, requiring proof of each element of the offence beyond a reasonable doubt. On summary conviction, the person is liable to a fine of up to \$200,000 and/or imprisonment for up to one year. If convicted on indictment, the person is liable to a fine at the discretion of the court and/or imprisonment for up to five years.

Under the civil regime, certain practices may be brought before the Competition Tribunal, the Federal Court or the superior court of a province and require that each element of the conduct be proven on a balance of probabilities. The court may order a person to cease the activity, publish a notice and/or pay an administrative monetary penalty. On first occurrence, individuals are liable to penalties of up to \$50,000 and corporations are liable to penalties of up to \$100,000. These amounts may double for second and subsequent occurrences.

## Written opinions

The Competition Bureau facilitates compliance with the law by providing various types of written opinions subject to fees. Company officials, lawyers and others 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*. These written opinions are binding on the Commissioner of Competition when all the material facts have been submitted by or on behalf of an applicant for an opinion and when they are accurate. A specific written 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 Bureau.

## How to contact the Competition Bureau

Anyone wishing to obtain additional information about the *Competition Act*, the *Precious Metals Marking Act*, the *Consumer Packaging Labelling Act* and the *Textile Labelling Act* should contact the Competition Bureau's Information Centre at:

### Telephone

Toll free: 1-800-348-5358

National Capital Region: (819) 997-4282

TDD (for hearing impaired): 1-800-642-3844

**Facsimile** (819) 997-0324

### Address

Information Centre  
Competition Bureau Canada  
50 Victoria Street  
Gatineau, Quebec  
K1A 0C9

### Web site

[www.cb-bc.gc.ca](http://www.cb-bc.gc.ca)

### E-mail

[compbureau@cb-bc.gc.ca](mailto:compbureau@cb-bc.gc.ca)

(1) The misleading representations and deceptive marketing practices provisions of the *Competition Act* include sections 52 to 60 contained in Part VI and sections 74.01 to 74.08 contained in Part VII.1.

(2) Specifically section 52, paragraph 74.01(1)(a) and subsection 74.01(2) of the *Competition Act*.

## **GUIDE TO JEWELLERY DESCRIPTIONS FOR APPRAISALS**

(For a more detailed description, please refer to APPENDIX I on page 23)

### 1. Visual Examination

#### a) Type of Jewellery including, but not limited to:

- Ring - solitaire, cluster, band, family ring, eternity band;
- Earrings - stud, drop, hoop;
- Necklaces – link, bead;
- Neck chains - link chains of various styles;
- Bracelets - bangles, charm bracelets, link bracelets of varying styles;
- Brooches/Pins - bar brooches, stick pins;
- Pendants.

#### b) Quantity of Piece (s)

Terms used in describing quantity of items usually include: one, single, pair, set, matching set.

#### c) Gender Style or Age Group

If jewellery is known to be a woman's, man's or child's style of jewellery, a reference to this may be noted.

#### d) Age or Antiquity

If the age or circa date of a piece of jewellery is known or can be estimated it should be indicated in the appraisal description by an indication of the approximate date of production, or by referring to the period to which it belongs: (eg: modern, contemporary, Art Deco, Art Nouveau, Retro, Edwardian, Victorian, etc.) The appraiser should also state whether the piece is a reproduction of a certain period if it is known.

## e) Mounting:

- type of setting;
- karatage;
- colour;
- metal type;
- quality mark and trademark;
- type of manufacture;
- dimensions.

## f) Gems (specify if mounted or loose):

- identification;
- shape;
- cutting style;
- dimensions in millimetres for each stone;
- colour grade or colour description (tone, saturation, hue);
- clarity grade;
- weight (individual weight of major stone(s), combined weight for secondary stones);
- cut grade.

## Jade, include:

- texture or patterning;
- transparency;
- polish.

## Opal, include:

- potch percentage;
- play of colours involved;

- intensity;
- pattern;
- background colour;

Pearl, include:

- cultured or natural;
- fresh water or salt water;
- shape;
- colour and overtone;
- lustre;
- nacre thickness;
- blemish;
- number of pearls;
- approximate millimetre sizing.

**NOTE:** If any of the above is estimated, please specify.

**IN ADDITION TO THE ABOVE:**

**Treatment or Enhancement**

**Gemstones are considered natural unless otherwise stated. Gemstones are assumed to be treated by processes not detectable by the standard appraising laboratory when such treatment is typical for that species and variety. Any detectable process other than cutting and polishing that alters the colour, clarity phenomenon and/or durability of a gem shall be disclosed.**

g) Watch, include (if available):

- description;
- manufacturer;

- style;
- serial number;
- movement description (eg. type of movement, serial number, number of jewels, features and options);
- case information (manufacturer, style and serial number);
- strap/bracelet information (description, manufacturer and style number);
- bezel and dial information;
- crystal description.

**NOTE:** If watchcase is not opened, please specify.

- h) Gross weight.

**NOTE:** The appraisal should include any other relevant information ie: condition of item.

## 2. Photographs

A photograph or digital image of the item should accompany the appraisal but should not be depended upon to take the place of a detailed description. The appraisal should state if the photo or digital image is or is not to scale.

## **APPENDIX I**

### **JEWELLERY DESCRIPTIONS**

#### **A. MAJOR STONES**

A “major gemstone” is defined as a solitary stone in an item of jewellery, or a central or focal stone in an item of jewellery in either component value or design. A “major stone” is described individually, and must be identified in terms as follows:

##### **1. Identification:**

The stone must be identified by species and correct variety name.

##### **2. Natural, Cultured, Treated, Synthetic, Assembled, Imitation:**

The nature of the gem and whether it is treated (if identifiable, including the method of treatment), natural (when it can be ascertained that no treatment has altered the colour, clarity, or phenomena in a stone), synthetic (type of synthesis if identifiable, e.g. “flame fusion” or “hydrothermal”), assembled (naming components unless these are obvious by trade conventions), or imitation.

Cultured refers to pearls only.

##### **3. Carat Weight and Dimensions**

The dimensions of the stone, expressed in millimetre measurements to at least one decimal place:

- For round stones: Minimum and maximum diameter and depth;
- For triangular stones: Base (corner to corner), altitude (side to corner) and depth;

- For other shapes: Length, width, height, depth;
- For irregular shapes: Maximum, minimum (or width perpendicular to maximum), and depth;
- For hollow stones (such as carbuncle): A thickness should also be given.

Weights of gems are to be stated, in metric carats, to two decimal points, and are to be described as estimated if they are;

Bulge factor used in estimating the weight of a coloured stone may be provided in the description of a stone.

#### 4. Shape and Type of Cut

The shape of the stone must be given: e.g. round, square, oval;

The style of cut of a stone must be given: e.g. faceted or cabochon, brilliant or step;

In describing the cut of stone, the shape is to be used to qualify the style of cut; e.g. round brilliant cut, oval mixed cut, square step cut.

#### 5. Cut

“Make”, “cut”, or “cutting grade” of any major stone will be specified, and the quality of the make of the stone must be stated in terms that are accessible to the user of the description, either by a stated internationally recognized standard, or in terms clearly explained on the appraisal. This is an important determining factor in the value of a stone and if possible should be stated. Girdle thickness and specific proportions of major stones, if possible, should also be stated.

## 6. Clarity

All major stones must bear a clarity grade that uses terminology used in an internationally accepted system or if other terminology is used, it must be cross referenced to an internationally recognized system. The type, size and locations of the inclusions may be stated.

## 7. Colour

Colour must be described in terms of:

- Hue, e.g. blue, red, green, orange. Modifying hue should be included, if any is present, e.g. purplish red, yellowish green;
- Tone, in terms such as very light, light, medium light, medium, medium dark, dark, very dark;
- Intensity, in terms such as vivid, intense, strong, medium strong, medium, medium low, low (or similar terms);
- Evenness of colour, zoning, mottling, lack of colour should be described;
- Diamond colour must be stated in an internationally recognized system such as GIA D through Z and fancy, plus method of grading should be stated, e.g. GIA graded master diamonds.

8. Polish and finish may be qualitatively described in conjunction with a “cut”, or “make” grade description.

9. Any damage will be described by type and location: e.g. chipped culet, nicked girdle, surface reaching fracture, abrasions on the crown.

10. In stones in which transparency is of particular note or is unusual for the material, the

transparency is to be described.

11. In phenomenal stones the phenomenon is to be described, but not limited to the following:

- Opal - Type of opal, intensity of play of colour, primary colours, secondary colours, patterns, extinguishing of play of colour;
- Pearls - Natural, cultured, number of pearls, length of strands, graduated or uniform (if in strands), size range (in half millimetre increments), shape, body colour, lustre, overtones, nacre thickness, orient, blemishing, matching;
- Colour change stones - degree of colour change, description of colours seen (with accompanying description of type of light source in which colour is seen);
- Adularescence, aventurescence, iridescence, labradorescence - centring and strength of phenomenon;
- Asterism - Number of rays, centring, sharpness, strength of star, straightness of rays;
- Chatoyancy - Centring, sharpness, strength of eye, straightness, opening and closing of eye.

## B. SECONDARY STONES

Stones that are not the focal visual or value component of the item can be grouped together by type, approximate size, qualities (shape, colour, clarity), with total estimated weights provided for groupings. Descriptions will be provided as described for major stones but can be given individually or as an average for groups of matching material of similar qualities.

### C. METAL, CONTENT and STAMPED MARKS

- Gold - Colours including: yellow, green, red and white;
- Karat: 9K to 24K or 375 to 999.99;
- Silver – If known, purity should be specified eg: 925, Sterling;
- Platinum – If known, purity and composition should be stated;
- Other – eg: but not limited to below 9K gold, gold-filled, vermeil, gold electroplating, rolled gold plating;
- Karat Stamps - if the karat stamp is not marked then the item should be tested to determine what the metal is and what karat, if gold, it is. An electronic metal tester or acids may be used to determine the results. It should be stated on the appraisal whether the metal was tested or not and the testing may have limiting conditions;
- Hallmarks and other national marks are frequently seen in jewellery. If mentioning the origin of these hallmarks, a reference must be made to country, city and year, if available;
- Trademarks - most jewellery is trademarked with a manufacturer's mark. Trademarks may be recognized as letters, shapes, figures or animals, or the name of the trademark holder, and should be described in the appraisal.

### **PRECIOUS METALS MARKINGS**

The *Precious Metals Marking Act* (PMMA), administered and enforced by the

Competition Bureau, prescribes uniform methods of marking precious metals articles made in whole or in part of gold, silver, platinum or palladium and prohibits markings that do not truly and correctly indicate the quality of the precious metal content. Acceptable quality marks and minimum quantity of precious metal for articles other than plated articles are described in section 6 of the *Precious Metals Marking Regulations* (PMMR) and are summarized in the following table.

| Precious Metals | Quality Marks   | <u>Minimum</u> Quantity of Precious Metal   |
|-----------------|---|---|
| Gold            | "Karat", "karat", "Carat", "carat", "KT", "Ct", "K", "C"<br>e.g., 10k, 14k, 18k<br>decimals: ".416", ".583", ".750" | 9 karats  |
| Silver          | "silver", "sterling", "argent", "sterling silver", "argent sterling"<br>decimal: .925                               | 925 parts by weight in every 1,000 parts pure silver  |
| Platinum        | "platinum", "plat" or "platine"   | 95% platinum, or<br>95% platinum and iridium, or<br>95% platinum and ruthenium                  |
| Palladium       | "Palladium" or "Pall."  | 95% palladium, or<br>90% palladium and 5% platinum, iridium, ruthenium, rhodium, osmium or gold |

Section 7 of the PMMR describes acceptable quality marks and the specifications for plated articles while sections 8 to 12 describe acceptable quality marks and specifications for watch cases, bracelet watch cases, plated flatware and plated hollow ware.

In accordance with section 2 of the PMMA, a "mark" includes any mark, sign, device, imprint, stamp, brand, label, ticket, letter, word or figure.

**Quality Marks** - It is not mandatory to mark or advertise a precious metal article for quality, however, any reference made as to the quality of a precious metal article must be factual and disclosed in the prescribed manner. A quality mark may be applied to a precious metal article by any method - (subsections 4(1) and 4(2) of the PMMA)

**Trademarks** - Where a quality mark is applied to a precious metal article, it must bear a trade-mark that has either been applied for or registered with the Registrar of Trade-marks, Canadian Intellectual Property Office, Industry Canada - (subsection 4(3) of the PMMA). The trade-mark must be applied by the same method as the quality mark - (subsection 5(2) of the PMMR).

**Hallmarks and Foreign Government Marks** - If a precious metal article is hallmarked according with the laws of the United Kingdom or has a foreign government mark applied according to the laws of the foreign country which truly and correctly indicates the quality of the precious metal, it does not require a trade-mark and may have a quality mark applied to it as per the Regulations - (subsection 4(4) of the PMMA).

**Canadian National Mark** - A national mark consists of a representation of a maple leaf surrounded by the letter "C". The Commissioner of Competition can authorize a dealer to apply this mark to an article wholly manufactured in Canada if it is composed of a precious metal which has a quality mark prescribed in the Regulations and is quality-marked - (section 5 of the PMMA).

Anyone wishing to obtain additional information about the *Precious Metals Marketing Act* should contact the Competition Bureau's Information Centre whose coordinates can be found on Page 17 of this document.

#### D. PROCESS OF MANUFACTURING

If known, the manufacturing method of an item of jewellery should be mentioned.

These methods include:

- Handmade;
- Cast;
- Die struck;
- Hand assembled;
- Machine made.

An understanding of quality in the various types of manufacturing methods is very important to the appraiser. A common design should not be assumed to be a production piece nor should a custom design be assumed to have been cast. The analysis of manufacturing methods is important in estimating the cost of the item.

#### E. OTHER DESCRIPTIONS

- Shape, Style and/or Motif

Jewellery styles may be described by common trade names (e.g. crossover style ring, round, hollow, dome shaped earrings, bow-tie style brooch”) or other general terms such as ribbon, wave, step, shield, butterfly, concave, rectangle, square, teardrop, oval, ballerina, etc. Ring shank descriptions and terms may include split, flat tapered, half round, knife edge, double split, and raised bordered.

- Sizes

Significant dimensions of jewellery items (length, width, depth and/or thickness as appropriate) should be accurately reported. Ring size may also be reported.

- Chain

Chain link styles may be referred to by trade name (e.g. Gucci) or by descriptive names which may include, rope (twisted), box (twisted), serpentine (twisted), curb, cable, foxtail, herringbone, C-link, zipper, wheat, cobra, mesh, Figaro, etc.

- Stone Setting Styles and Patterns

The style, arrangement, and colour (if different from other parts of the item) of settings should be reported. Some examples of types of settings include: 4 prong (claw), 6 prong (claw), buttercup, split prong (claw), fish tail, bezel, pave, tube illusion, channel, half bezel, Gypsy illusion, bead set, Roman, invisible, basket multi-claw, fancy filigree claw set, scroll filigree Roman set, graduated channel, and multi-level random setting.

- Decorative Details

A motif is a design feature which is repeated and may be raised, indented, perforated, applied or incorporated into the outline shape of the item. Example motifs may include foliate, leaf, scroll, floral, scalloped, animal.

Texture describes a surface finish, and some examples of finishes on metal include high polished, brushed, sandblasted, bark, Florentine, ribbed, scaled, hand engraved.

Embellishments are additions (material or decorative detail other than texture) to enhance or beautify the main piece. Examples would include: enamel, twisted wire borders, milgraining and granulation.

- Necklaces, Neck chains and Bracelets - These should be described using trade name. Measurements should also be recorded for length, width and thickness.
- 
- Clasps, Closures and Bales - Some examples of clasp and closure should include: box clasps (hidden), fish hook (filigree), spring rings, barrel clasps, lobster clasps, sister hooks, hidden bead clasps, screw clasp, safety chains, figure eight safety catch.
  - Earrings – Some examples of findings: omega clips, French backs, post and butterfly, threaded stud, shepherds hook, screw backs and clip backs.

- Brooches – Some examples of closures include: hinged bar catch, hook catch, safety pin catch, roll-over pinstem catch, side-swing pinstem catch, sliding tube pinstem catch.
  
- Pendants – Some examples of bale findings: V-bale, split bale, straight bale, tapered, ribbed.
  
- Connectors used to assemble two-part earrings, multi-drop pendant brooches, necklaces or bracelets should be described and measured. Some examples of these findings are: jump rings, rivets, bar links, pins and posts.

#### F. GROSS WEIGHT

The gross weight of each item, the total gross weight of each pair or set or the average gross weight of each like item in a set should be accurately reported in grams to at least one decimal place.

## **APPENDIX II**

### **INSURANCE APPRAISAL CHECKLIST**

The insurance appraisal for a jewellery item should include the following:

#### Appraiser Information

Credentials;

Appraiser's warranty;

Date of appraisal;

Date of examination of item (if different from date of appraisal);

Printed name and signature of appraiser or authorized representative.

#### Descriptions

Name and address of person or firm for whom the appraisal was prepared (if applicable);

Type of item;

Quantity of pieces;

Gender style (if applicable);

Metal & content analysis;

Trademarks and quality marks;

Description of major stones;

Description of secondary stones;

Total gross weight of item;

Photograph(s);

Currency used;

Disclosure/limiting conditions (if applicable).

