

ARTICLES

Brexit Means Uncertainty in the Art World

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With Brexit slated to go into effect March 29, and still no official deal in place to govern regulations on issues like trade, travel, banking, business and shipping between the U.K. and the European Union, international art collectors and purveyors are starting to resemble the anxious, agonized face of Munch's *The Scream*.

For just about every industry that does business with both the U.K. and Europe, Brexit's No Deal problem will likely lead to logistical nightmares, including shipping delays, artwork being held up in customs warehouses, and potential damage to high-priced art. Collectors, art dealers, artist-endowed foundations and museums should consider the following when deciding if they want to lend or consign to entities in the U.K. soon after Brexit goes into effect:

- Will I face higher import and export duties?
- If I have a piece on loan to a British museum, will I encounter problems getting it out of the country?
- Will there be delays with getting my artwork into and/or out of U.K.?

The bottom line is that no one has all of the answers to the looming questions of Brexit quite yet, but when you're moving around a \$40 million piece of art, the last thing you want is any uncertainty.

Problems in Transit

From an insurance perspective, the biggest issue Brexit poses is that artwork could be exposed to damage from long delays in transit.

As we know, most damage to artwork happens in transit. Even when a piece is moved from one room to another in a collector's home, risk of damage is high. A stray nail. A slip of the hand. A misplaced fingerprint. Professional fine art shippers take extreme measures to ensure the safety of artwork in transit and handling, but the longer a piece is out and about, the greater the risk of accidents.

For example, if you're planning to send a piece from Paris to London, and it's held up in customs in a warehouse, you have little control over the conditions in which it exists. Is the warehouse temperature-



and humidity-controlled? Is it secure? If the backlog of cargo waiting to clear customs is as bad as experts predict, will the government resort to using secondary, non-secured facilities?

And shipping problems extend beyond European and U.K. borders. Say you're shipping artwork from New York to London. For small pieces that fit on a commercial passenger flight, it will be business as usual. However, in the case of large artwork that needs to ship via cargo freight, flights are usually routed through the European mainland, where it could be held up in customs before proceeding to its final destination.

How to Handle the Brexit Transition

During the transition period of Brexit, the best advice we can give clients is to hold off on shipping artwork between the E.U. and the U.K. and/or speak to your Customs Broker for a better idea of what to expect for your artwork. Similarly, as a broker, I'm hesitant to have private collectors agree to loan any high-end artwork to museums or galleries in the U.K. until after Brexit is settled and everyone has a better understand of the "new normal." We also recommend checking with the [EU Exit Guide from the Arts Council England](#) for best practices in the case of a No Deal Brexit.

Another consideration is that if works are delayed or rerouted, policy holders are responsible for tracking when multiple shipments are aggregated in a warehouse or customs at the same time. Why does this matter? If there is a fire or explosion, your insurance policy's per-transit limit will apply and you could potentially be under insured if multiple shipments are being held in the same facility.

Finally, one of the concerns in the art world is that Brexit might stifle the free flow of artist exchange Europe and the U.K. currently enjoys. International art festivals like [Art Basel](#) and [Freize London](#) that attract artists and aficionados from around the world will have galleries and collectors thinking twice about their shipping arrangements and the ease of attendance. People who buy, sell and display artwork are invested in more than the dollar value. For them, art is an integral part of our culture and history and needs to be shared freely.

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