



## ARTIVE – Database checks, Title research and The Family Office Masterclass: Buying, Owning and Selling Fine Art - The Pitfalls and Solutions on 16th October 2018, 4pm to 6pm at PwC, London, UK.

The Family Offices Masterclass sought to expose potential risks in the buying and selling of art. Artive served as the database and title check specialists on both panels, providing insight into proper due diligence prior to art transactions.

In the first case scenario – selling art - there were four different antiquities from three separate cultures that the client had purchased from a single dealer. Here, the first red flag is that it is very unusual for objects of three different cultures to be sold together as dealers often specialize their offerings. The unusual grouping of varied objects establishes the necessity of due diligence research to make certain none of these objects is associated with an active claim, say looted, forged, stolen, etc. By completing provenance research prior to the sale, the buyer would be able to purchase the pieces with the confidence that the chain of ownership and market activity was genuine, despite the irregular circumstance of the object's varied places of origin. With the two daggers, the ivory in the handles could be problematic depending on a country's legal restrictions on the importation of ivory. Finally, it would be critical to establish the correct provenance of the antiquities and the claret jug to determine if there might be a conflict with national treasure laws from their respective countries, which could lead to claims for repatriation. These potential risks demonstrate the necessity of due diligence research prior to any transaction, but especially one of such dubious circumstances. Artive would cater their due diligence approaches to the items at hand, conducting thorough research against its internal database as well as external specialised databases. This tailored approach to research provides the most detailed form of due diligence reporting possible, in order to protect the buyer or potential buyer.

In the second case scenario, focused on buying art, the panel discussed three works of art by very well-known artists: Jean-Michel Basquiat, Andy Warhol, and Claude Monet. All three have the potential to be fakes, as often well-known artists tend to be forged because of the perceived value. With the Basquiat and the Warhol specifically, there could be an issue with proving the authenticity since the Warhol Foundation dissolved its authentication board in 2011 following controversy. Similarly, the authentication committee of the Basquiat estate closed in 2012. The work by Monet has the potential to be a Nazi-looted piece, so it would be crucial to check title as well as search for an existing claim by requesting the work be searched against Artive's database and the relevant World War II records. Finally, all three works could be part of a fractional ownership scheme, in which the owner sells shares of the work to others, so it would be vital to check that the seller has full and clear title.

Lizzie Lockard, Ambassador and Special projects for ARTIVE