



LALIVE

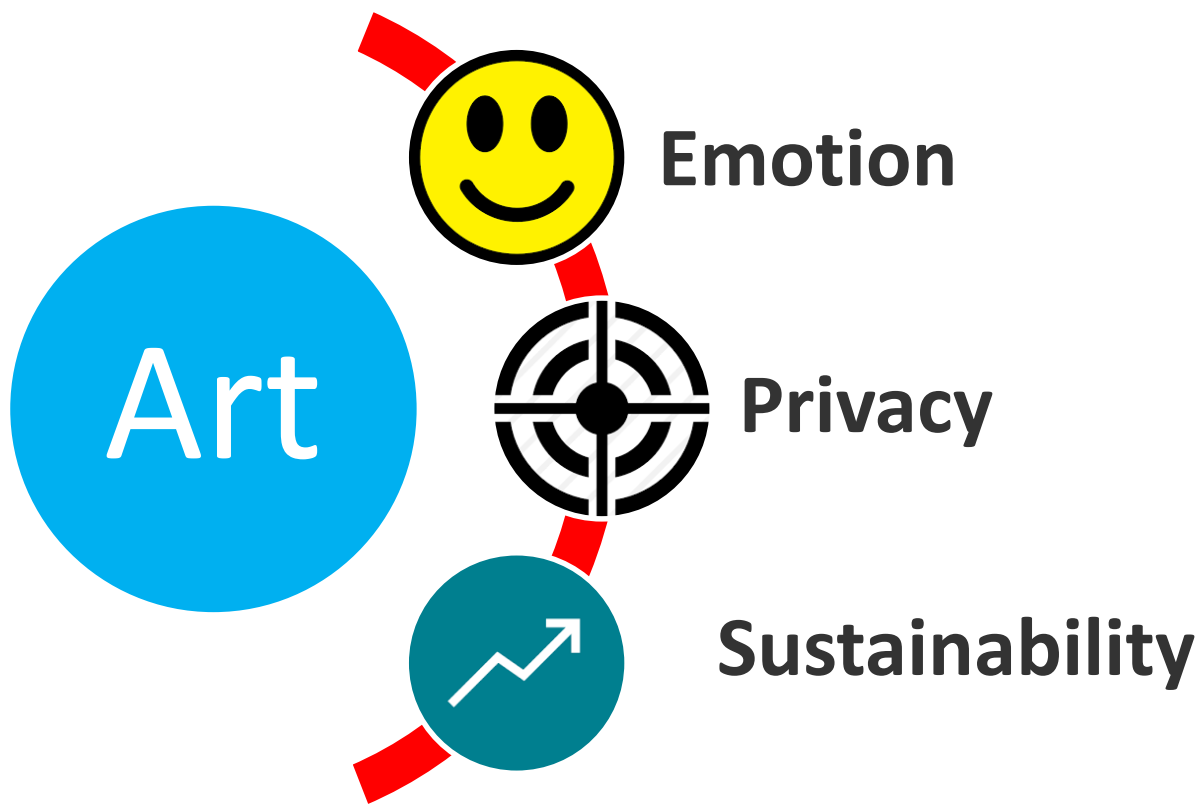
THE DISPUTES POWERHOUSE

**Regulating the Art Market:
Will Ethical and Similar Considerations Spoil all
the Fun? – The Responsible Art Market**

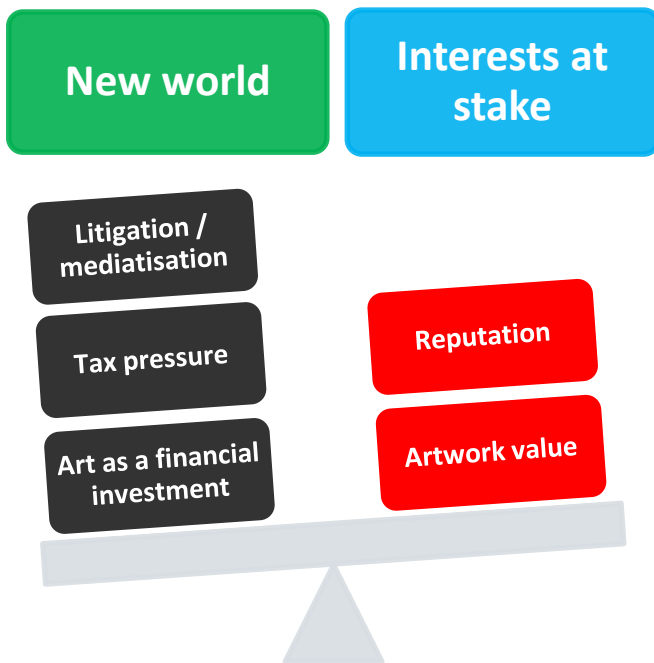
Appraisers Association of America

New York, 10 November 2017

How to enjoy art peacefully



New era – factors of change



Great Wave off Kanagawa, Hokusai

Factors of change



Ryolovlev v. Bouvier



The Black-Market Battleground

Degrading and destroying ISIS could take place in the halls of auction houses, not the Pentagon.

BY JUSTINE SHENKAR | OCTOBER 27, 2014



Wildenstein case

The tide of AML / CFT regulation

- **2012 FATF recommendations:** serious tax offence becoming predicate offence to money-laundering
- **2015 UN resolution 2199:** underlining Member States' obligations to take steps to prevent terrorist groups in Iraq and Syria from benefiting from trade in oil, antiquities and hostages
- **2016 Luxembourg:** all entities operating in the Luxembourg freeport (including e.g. transporters) subject to AML regulation
- **2017 EU Commission supranational risk assessment of money laundering and terrorist financing:** recommendation to include auction houses, art and antiques dealers and specific traders in high-value goods in AML list of obliged entities

Self-regulation and best practices initiatives

- **2012:** Basel Art Trade Guidelines
- **2017:** The Responsible Art Market Initiative
- **2017:** Art Basel Art Market Principles and Best Practices

The Responsible Art Market Initiative



Raising awareness of risks faced by the art industry and providing practical guidance on establishing and implementing responsible practices to address those risks.

What?

What is the Responsible Art Market Initiative ?

The Responsible Art Market Initiative (“RAM”) is a cross industry initiative formed in Geneva in 2015. RAM’s members span the entire spectrum of the art market from galleries, dealers, auction houses, advisors and service providers, to lawyers, academics and public prosecutors specialising in art related matters.

Who?

CHRISTIE'S



FDA
fondation
pour le droit de l'art
art law foundation

SEYDOUX & ASSOCIÉS Fine Art



Jean-Bernard Schmid

Professor Ursula Cassani

Galerie Grand Rue

Advantages

Flexibility and speed in developing and adapting

- Greater efficiency
- Lower compliance costs

Bespoke

- Meet the industry technical requirements

Participatory process

- Mitigate conflict of interest
- Increase support

Transcend national boundaries

- Avoids jurisdictional conflicts

How?

2017

Guidelines on
combatting Money
Laundering and
Terrorist Financing

2018

Future Publications

Keep me posted

Art Transaction Due Diligence Toolkit

- Client
- Artwork
- Transaction

Consultation **NOW**

RAM Art Transaction Due Diligence Toolkit

- The Toolkit comprises the following documents, which you can access below:
 - Due Diligence Checklist
 - Red Flag List
 - Due Diligence Explanatory Notes
- Consultation until 30 November 2017:
<http://responsibleartmarket.org/guidelines/art-transaction-due-diligence-toolkit/>

Join



<http://responsibleartmarket.org/>