

## Art & Wealth management

### Understanding the global art market and art investment



Professional financial advisors, institutional investors and private investors have come to appreciate art as a real asset.

Art and collectible assets can represent sizable assets for many HNWI & UHNWIs. Art proves to have longevity and substance as an alternative asset class. There has been a growing interest in art related services among the financial community and an increasing focus on portfolio diversification from clients. These developments show that there is a significant opportunity to integrate the concept of collectible assets in wealth management. Services such as asset allocation strategy, liquidity optimisation, manage over-exposure to risk, develop appropriate reporting, optimize taxation or organise appropriate transmission to heirs / effective tax and inheritance planning for collections or gifting or donation to charity are examples of services that can be integrated in an extended wealth management service offering.

Deloitte Luxembourg is actively involved to support the set-up of an Art and Finance cluster in Luxembourg. One milestone project is the planned Luxembourg Freeport facilities, which will be used to keep for an unlimited period of time high-value objects – fine wine, art, jewellery - in duty-free and tax-free warehouses providing state-of-the-art security. It will consist of an innovative, environment-friendly, low-energy facility of around 25,000 m<sup>2</sup>, to be built within the Luxembourg airport area. The facility will be operated by specialised, duly licensed agents, with expertise in the handling and forwarding of valuable goods. The Luxembourg Freeport is expected to open for business in Q3 2014.

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With the Luxembourg Freeport planned to open for business Q3 2014, the financial community will leverage on a unique infrastructure in Europe to develop their service offering gears towards valuable assets

## Deloitte art-related Wealth Management Services

We offer a unique wide range of audit, consulting, risk and tax services that pertain to the art world in coordination with our network of international experts:

### Investment services

- Quantitative and qualitative market research
- Quantitative review of the appropriateness, soundness and accuracy of art work valuation models (quantitative approach)
- Portfolio optimisation services and help in efficient portfolios set-up integrated within the core investment strategy
- Full-fledged value proposition, articulated over model review /selection of external valuation agents / risk monitoring
- Art fund structuring: regulatory, compliance, registration, reporting
- Monitoring: selection of art funds, performance reviews
- Forensic & anti-money laundering services

### Art philanthropy

- Set up private foundations or museums manage gifts and donations to museums, lend art for exhibitions

### Art-secured lending

- Structure the underwriting processes for using art as collateral

- Deal with requests for proposals to identify the best providers for both end client and financial services provider.
- Sharing for art market professionals

### Collection management and advisory

- Tax planning services: tax planning, VAT analysis and optimisation, tax compliance, valuation and storage advice, , effective inheritance planning
- Showcase investment portfolio: lending programmes for exhibitions and museums

### Business consulting - operational and strategic assistance

- Support new venture development or new services: business plan, operational, IT, legal and HR assistance, etc.
- Strategic services: strategic analysis, market studies, target audience, cost control, etc.

### Professional education

- Art and Finance bespoke training, seminars and annual conferences with an aim to facilitate knowledge

## Contacts

### Art & Finance



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### Tax | VAT

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