

Art & Finance
Generating
value from art



The art market: opportunities and trends

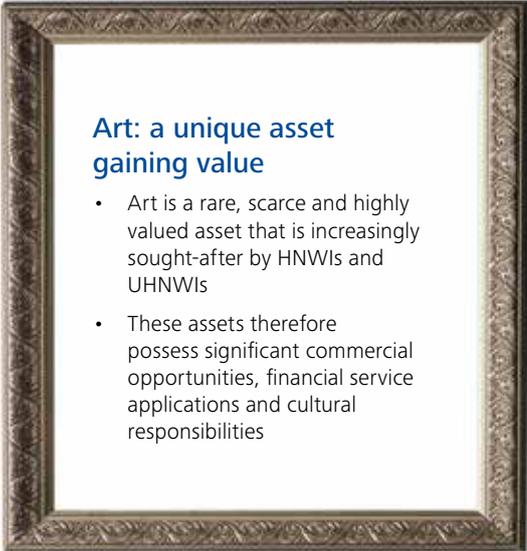
The globalisation of the art market and the growing value of art continue to drive the rising interest in art as an asset class and represent one of the *raisons d'être* of the Art & Finance industry. Art is a rare, scarce and highly valued asset that is increasingly sought-after by HNWI's and UHNWI's. This asset or store of wealth therefore possesses significant commercial opportunities, financial service applications and cultural responsibilities.

Strong market trends amidst economic uncertainty and BRIC expansion



Art market moves online

- Digital disruption has occurred in the art market and traditional art businesses are now facing interesting challenges to buy, sell, and transact art or art content online



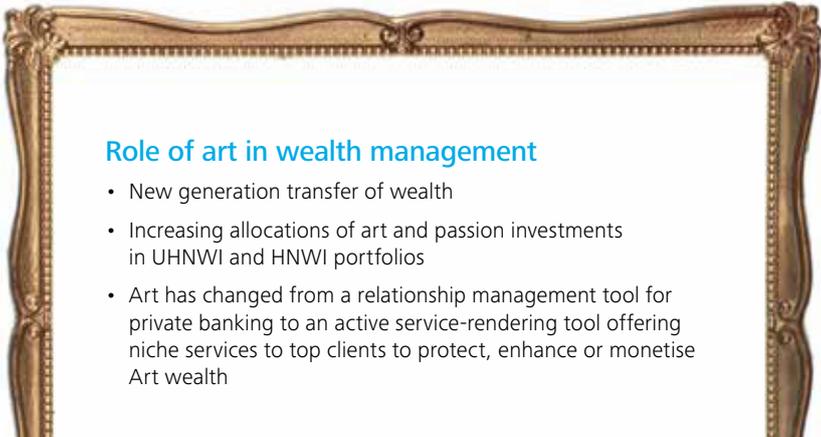
Art: a unique asset gaining value

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- These assets therefore possess significant commercial opportunities, financial service applications and cultural responsibilities



Culture & social impact

- Cultural institutions are realigning current resources to new realities and are under pressure to use resources in new ways and seek new revenue sources



Role of art in wealth management

- New generation transfer of wealth
- Increasing allocations of art and passion investments in UHNWI and HNWI portfolios
- Art has changed from a relationship management tool for private banking to an active service-rendering tool offering niche services to top clients to protect, enhance or monetise Art wealth

Our proven expertise

Deloitte Art & Finance is the first professional business advisory to serve this market. The Deloitte Art & Finance department began with the development of a milestone project, the Luxembourg Freeport. This project began in 2008 when Deloitte decided to seriously look at the art market. This catalyst project aims to be a leading storage facility for high-valued goods in Europe and the greater world. It will be a future home for art, wine, jewellery and other collectibles.

Deloitte Art & Finance has now achieved a position of eminence as a professional services advisor to the art market. This position has been gained prudently through dedicated research, the development of its widely cited Art & Finance Reports and its annual international Art & Finance conference, organised since 2008.

The Deloitte Art & Finance Report, first launched in 2011, puts Deloitte Luxembourg at the cutting edge of Art & Finance development and it may be viewed as a key observer of both the business and financial trends within the art market. The Art & Finance Report has been exceptionally well received by the international media. It has enabled Deloitte Luxembourg to establish partnerships with other offices in the global Deloitte network, and we are delighted that so far Deloitte Austria, Deloitte China, Deloitte Germany, Deloitte Italy, Deloitte Netherlands, Deloitte Monaco, Deloitte Poland, Deloitte Singapore, Deloitte Spain, Deloitte Switzerland, Deloitte UAE, Deloitte Digital UK and Deloitte US have all joined in this initiative.

www.deloitte-artandfinance.com

We serve the financial,
the cultural and the art
business sectors worldwide—
Our golden triangle approach

Finance

- Private bankers
- Wealth managers
- Family offices
- Private investors
- Art/collectibles fund promoters
- Art insurance companies
- Art trading companies
- Etc.



Business

- Companies selling art
- Digital art companies
- Art logistics companies
- Art & media companies
- Etc.

Culture

- Large public museums
- Private museums
- Public investors
- Private investors
- Etc.

Bringing our clients to the next level

Our services

We continue to build on our several years of experience in serving art market professionals, cultural organisations and the financial community around the world, leveraging our international network of professional experts and following our client-centric approach. In pursuit of this, we have developed services to answer market needs.

Niche services, cross-functional focus and global reach - answering to your needs

Deloitte Art & Finance service offering is twofold:

1. Entry point to our audit, classical consulting and tax services pertaining to art-related companies, cultural or financial communities needs
2. Provide market-specific services tailored to the client's needs

Serving different targeted groups



Digital strategy for art market professionals

Whether 'going digital' is new to you or you are a 'digital native', our expertise in the art market, digital strategy and customer practice can assist your digital transformation. By partnering with Deloitte Digital UK, we offer e-commerce, s-commerce and m-commerce strategic options.



AML strategy & forensic

Deloitte Luxembourg provides a cluster of expert services (Anti-Money Laundering, Forensic and Business Intelligence Services) for the art market.



Art-secured lending

Deloitte offers strategic analysis for offering art-secured lending services within your organisation. Deloitte can offer Gap Analysis for your current Art & Finance capabilities, wealth management capabilities and art secured lending service expertise.



Cultural management

Deloitte Luxembourg and Deloitte Bilbao together offer cultural sector stakeholders a fresh and independent view on the strategic planning, implementation and day-to-day management of cultural facilities and projects. Deloitte has established key partnerships with cultural consultancies, and leading education authorities.



Art & wealth management

We offer a unique and wide range of services at the intersection of art and wealth management including investment services, art philanthropy, tax planning and portfolio management. We support new venture development, new services and provide professional education surrounding Art & Finance.



Implementation of art-related finance opportunities in Luxembourg

We provide business consulting, tax and audit services to develop your art business in Luxembourg.



Bringing your art business to Luxembourg

Have you ever considered Luxembourg as a starting point to create art-related financial services or your art business? Luxembourg can offer you a unique and competitive environment

Art-related opportunities

Deloitte Luxembourg is actively involved in the setting up of an Art & Finance cluster in Luxembourg as part of the diversification of Luxembourg's economy. One milestone project is the planned Luxembourg Freeport, a duty-free and tax-free warehouse where valuable assets such as fine wine, artwork, jewellery and precious metals can be stored in a state-of-the-art environment for an unlimited period of time. The facility opened for business on 17 September 2014.

In addition to the Freeport, an immense IT infrastructure underpins Luxembourg. Notable developments include the recent heavy investment in technological infrastructure to build one of the best data centre parks in Europe, as well as the establishment of a highly favourable IP regime. With these significant developments, Luxembourg represents an attractive environment in which art-related finance or business activities can develop, serving Europe and further afield. Luxembourg is quickly becoming a strategic location for the development and implementation of art-related activities such as Art-secured lending, online businesses, advisory services, investment activities, logistic hubs for art and collectible goods, new ventures, legal and tax services, etc.

Luxembourg in a nutshell

An ideal financial, legal, social and political environment

- Centrally located in the European market and in the middle of the 'Blue Banana', where approximately 50% of Europe's GDP is produced
- A financially healthy country (AAA rating) in a stable social and political environment
- A top-level financial cluster: the 2nd largest investment centre in the world behind the U.S., the main captive reinsurance market in the EU and the largest private banking centre in the eurozone

- Among the top competitive countries in the world of pro-business attitude, with a multilingual and qualified workforce
- A wide range of financial services for international investors, creating a concentration of highly sophisticated buyers

A competitive logistics hub

- The Cluster for Logistics Luxembourg, launched in 2009, has set goals to strengthen collaboration and synergies between actors of the logistics sector
- Luxembourg's international airport, which is the 5th largest air cargo hub in Europe and the base of Cargolux—one of the world's leading cargo airlines—has long been entrusted with the transportation of artwork
- Great transport links with the rest of Europe: Luxembourg lies at the heart of a dense highway network, i.e. around two hours' driving time from Brussels and Frankfurt, around three hours from Paris and the German Ruhr region, and around four hours from Amsterdam and Zurich

A top ICT business environment

- A proactive government to develop new ICT opportunities
- A pioneer in communication technologies and home to several leading brands in media and electronic services (eBay, iTunes, Microsoft, Skype, Amazon, etc.)
- One of the best data centre parks in Europe
- Highly favourable IP regime, which applies to copyrights, patents, trademarks and domain names

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