



# UNITED KINGDOM

## ART MARKET EXPERT GUIDE

### HOW TO RESPOND TO THE COVID-19 CRISIS?

23<sup>rd</sup> APRIL 2020

CONSTANTINE | CANNON



**Hallett  
Independent**  
Art & Heritage  
Insurance

**KINDLEWORTH** /



**RAWLINSON  
& HUNTER**

# INTRODUCTION

The impact of the rapid spread of the COVID-19 virus is already being severely felt by the art world, as social distancing measures are forcing gallery and exhibition spaces to close, and art fairs and auctions to be postponed or go online. The long-term impact of the current crisis is still too early to tell, but at the moment, surviving in the short-term is what really matters.

This is a ‘live’ document, and will be regularly updated with new contributions and practical advice from tax, finance, legal, insurance and other experts on how to best tackle the short-term and medium-term challenges in the UK art market during the COVID-19 crisis.

In the UK, central and local governments, charities, arts organisations and artists have responded quickly to the situation, through a range of measures and campaigns. We have started to put some of these initiatives together and will keep these updated regularly.

Please share any UK initiatives you are aware of by emailing us on [info@arttactic.com](mailto:info@arttactic.com). We look forward to hearing from you .

Stay safe.

Best wishes,

Anders Petterson

Founder, ArtTactic



# CONTENTS

<b>Introduction</b>	<b>2</b>
<b>Disclaimer</b>	<b>4</b>
<b>Legal</b>	<b>6</b>
• Tenancy, rent and business rates	6
• Force Majeure	8
• Frustration	10
• Price renegotiation	12
• Shipper - insolvency	14
• Shipping	16
• Selling online	18
• Non-Payment	20
• Loan	22
<b>HR</b>	<b>24</b>
• Staffing and Managing Costs	24
<b>Tax &amp; Finance</b>	<b>28</b>
• Strategy, cash flows and grants	28
<b>Insurance</b>	<b>34</b>
• Business Interruption	34
• Unoccupied Premises and Working From Home	36
• Art Fair Cancellations	38
• Reducing Premiums	40
<b>Links and Resources</b>	<b>42</b>
• Government Resources and Links	42
• COVID-19: Support for Businesses	42
• Support for Businesses That Pay Business Rates	43
• Self-Employed Support	44
• Support for Employers and Employees	44
• Support for businesses: Tax, VAT & Self-Assessment payments	45
• Banks / Insurance	46
<b>Emergency Funds</b>	<b>48</b>
• Arts Council England	48
• Creative Scotland	49
• Arts Council Northern Ireland (ACNI)	50
• Arts Council of Wales	50
• Museums Galleries Scotland (MGS)	51
• The Art Fund	51
• Heart of England Community Foundation	52
• a-n The Artists Information Company	52
• FORMAT	52
<b>Crowdfunding Campaigns</b>	<b>53</b>
• Covid-19 Related Art Crowdfunding Campaigns	53
<b>Artist Initiatives</b>	<b>54</b>
• Initiatives to support artists	54
<b>Petitions</b>	<b>55</b>

# DISCLAIMER

This Guide is provided to you free of charge. The contents of this Guide are for general information purposes only. Whilst we endeavour to ensure that the information provided is correct, no warranty, express or implied, is given as to its accuracy and we do not accept any liability for error or omission.

The information contained in each section of this Guide reflects the opinion of the author of the section and should not be treated as advice. If you require professional advice on any situation, please ask your professional adviser.

The views expressed by contributors to this Guide are their own and their contribution does not imply an endorsement of them or their firm.



# LEGAL

## Tenancy, rent and business rates

By **Pierre Valentin, Partner**  
Constantine Cannon LLP

### **I will struggle paying rent and rates in the foreseeable future. Can I suspend making payments? What is the risk that I shall forfeit the lease if I do not pay?**

The only options open to gallery tenants in England are to negotiate a rent-free period, a temporary reduction of rent, a deferral of rent or a monthly payment of rent in advance rather than quarterly.

Landlords are more likely to be open to negotiation if the tenant has leverage. If the gallery is genuinely in financial difficulty and could be pushed into insolvency, the landlord might not want to take the risk of loss of rent, an insolvent tenant in possession and eventually, a vacant space that may well be difficult to rent for the foreseeable future. The landlord might also be receptive to a threat to break or not renew the lease if either is allowed in the near future.

An early conversation between landlord and tenant can help both parties to agree a plan if the tenant is struggling to pay rent. This can include reaching a temporary agreement not to seek possession action for a period of time and instead accept a lower level of rent, or agree a plan to pay off arrears at a later date. Where a landlord does choose to serve notice seeking possession for rent arrears or has done so already, the notice period and any further

action will be affected by legislation suspending possession claims (see below).

If a gallery is about to take space, it should ensure that rent payments are deferred by any period during which it cannot trade at the premises.

If the gallery can avail itself of a business interruption insurance policy, the policy should be reviewed. Fixed costs such as rent may be covered by the policy. Generally, business interruption policies in England only cover loss resulting from physical damage to premises and exclude the economic impact of pandemics. However, that is not always the case. There may be a clear exclusion for pandemics, there may be no exclusion at all, or the wording may be ambiguous. Galleries should be prepared to see their claim rejected because insurers are likely to face an avalanche of claims and they may not be able to honour all of them. A claim under a business interruption policy must be made promptly, generally within 14 or 30 days of the event giving rise to the claim. In doubt, a claim should be made and the gallery should seek the assistance of its broker to explore whether the policy does in fact cover fixed costs such as rent.

The Government has announced a 12 month 'holiday' from 'business rates' payable by retail businesses starting from 1 April 2020. 'Art galleries (where art is for sale/hire)' qualify for the relief. To benefit, the business must be 'based in England'.

The total amount of relief available for each property for 2020/21 under this scheme is 100% of the bill.

Businesses are further protected from losing their premises if they fail to pay rent between now and the end of June. Under s. 82.1 of the Coronavirus Act 2020, a 'right of re-entry or forfeiture, under a relevant business tenancy, for non-payment of rent may not be enforced, by action or otherwise, during the relevant period'. A 'relevant business tenancy' means any tenancy where the property comprised in the tenancy is or includes premises which are occupied by the tenant and are so occupied for the purposes of a business carried on by him or for those and other purposes. Premises occupied by an art gallery qualify. The relevant period started on 26 March 2020 and will end on 30 June 2020 unless extended. This does not mean that the rent ceases to be due. This is simply a temporary protection. Rent remains due and if a business is unable to pay it during this period, it will remain due and payable.

In practice, the options available to the gallery include :

- Paying rent one month at a time instead of quarterly;
- Rental payments in arrears, rather than in advance;
- A rent-free period for 3–6 months. If the landlord objects to a rent-free period, the tenant could suggest that those rental payments are spread over the period of 3-6 months following the re-opening of the premises;
- A reduction in rent by, say, 50%: the landlord and the tenant "share the pain";
- Drawing on an existing rent deposit instead of collecting rent ;
- The rent is permanently or temporarily converted to a turnover-only basis.

Galleries who pay service charge to the landlord should look for a significant reduction of the service charge, as many services will not be provided until the building where the gallery is located, reopens.

Whatever is agreed should be recorded in writing.



**Pierre Valentin, Partner**  
**CONSTANTINE CANNON LLP**

**pvalentin@constantinecannon.co.uk**  
**DD: +44 (0)20 3959 0623**

Constantine Cannon LLP in London is a specialist legal practice. We are affiliated with Constantine Cannon in the United States, the leading antitrust and commercial litigation law firm with offices in New York, Washington, D.C. and San Francisco. We formed our Art and Cultural Property Law Group to make a total commitment to the art world. We pride ourselves in our knowledge of the art market, our legal expertise, our effectiveness and our entrepreneurial spirit, which we share with many of our clients. We assist our clients with all their legal issues relating to fine art and other collecting categories. We understand the business of creating, buying, selling, financing and looking after works of art and operate internationally.

Constantine Cannon LLP  
90 Bartholomew Close,  
London EC1A 7BN  
United Kingdom

[www.constantinecannon.co.uk](http://www.constantinecannon.co.uk)

# LEGAL

## Force Majeure

By Pierre Valentin, Partner  
Constantine Cannon LLP

### I hear that one can rely on ‘Force Majeure’ as a way out of a contract. What is ‘Force Majeure’ and how does it work ?

A force majeure event can be described as an unforeseeable event that prevents someone from fulfilling a contract. If force majeure is established, you may be excused for delaying the performance of your obligations under the contract, or for not performing them at all.

Can you claim that the Covid-19 pandemic amounts to an event of force majeure, and accordingly you are excused from performing the contract ? The answer depends, first, on the law of the contract because the concept of force majeure varies from country to country. The first thing to do if you are bound by a contract and you wonder what your rights are, is to look to see if there is an applicable law clause in the contract (i.e. a clause that expressly states the law of the contract – that clause is typically found at the end of the contract). If there is such a clause, then you know what law applies and you can take a advice in the jurisdiction in order to establish if you can rely on force majeure. If there is no applicable law clause, the law applicable to the contract requires a fact-based analysis. This may be straightforward if the parties are in the same jurisdiction and the contract was concluded in that jurisdiction. If the parties are based in different countries and the contract was concluded in a third country, the analysis can be complex.

Let’s assume that English law applies to your contract. In English law, force majeure is a creature of contract and not of the general common law. In other words, the answer as to whether you can rely on force majeure is found within the four corners of the contract. The answer is different in other legal systems where force majeure is a general legal concept and the courts (or the government) may declare that a particular event, such as the Covid-19 pandemic, is a force majeure event.

In England, force majeure clauses are contractual clauses which alter parties’ obligations and/or liabilities under a contract when an extraordinary event or circumstance beyond their control prevents one or all of them from fulfilling those obligations. You can potentially rely on force majeure if there is a clause in the contract allowing it. If there is not, force majeure will not help you.

The clause does not have to be labelled “force majeure”. You are looking for a clause which anticipates that there may be some supervening event beyond the control of the parties, be it factual (such as a pandemic causing staff to be ill and unable to work) or legal (such as restrictions imposed in reaction to a pandemic which might prohibit staff from travelling to work and cause them to be unable to work), which may affect the performance of a contract. Such clauses may be specific in the events listed, but may also be general (e.g. making reference generally to acts of government, or to performance having to be

lawful, or to anything preventing performance that is beyond the party’s control).

Each force majeure clause has its own unique scope and effect. Most force majeure clauses cover matters like Act of God, war, strikes, fire, weather and government action, such as prohibition of export. Often a number these or additional events are specified in a clause and then followed by the wording “or any other causes beyond our control”. This is because a draftsman will be concerned about the rule of contract interpretation under which the expression of one thing excludes other things. In light of this, a draftsman will often include sweep-up language to ensure that any list of events is not treated as an exhaustive list. Such general wording in a commercial contract will help the party seeking to rely on force majeure to rely on an event that is not specifically listed in the clause.

If a force majeure clause does refer expressly to a pandemic but includes the phrase ‘Act of God’, the question is whether the Covid-19 pandemic amounts to an Act of God. The phrase is said to mean “such a direct and violent and sudden and irresistible act of Nature as the defendant could not, by any amount of ability, foresee would happen, or, if he could foresee that it would happen, he could not by any amount of care and skill resist, so as to prevent its effect”. Historically, Acts of God have been linked to natural disasters such as floods and earthquakes. It could be argued that the phrase should be limited to ‘one off’ events which “involved no human agency”. Equally, the argument can be made that pandemics are natural disasters occurring on a microscopic rather than meteorological or geological level, and the phrase ‘Act of God’ is capable of covering a pandemic such as Covid-19.

A force majeure clause will normally also set out the threshold of hardship that the affected party must experience as a result of a qualifying event. Where a party seeks to invoke the protection of a clause which states that he is to be relieved of liability if he is “prevented” from carrying out his

obligations or is “unable” to do so, he must show that performance has become physically or legally impossible, and not merely more difficult or unprofitable. In contrast, words “hindered” or “delayed” set a lower standard for affected party.

Whether a force majeure clause is triggered by an event will depend on the proper interpretation of the clause. If the clause specifically refers to a pandemic, quarantine or lock down, you should be able to rely on force majeure. If the clause does not make any such reference, but it includes events beyond a party’s reasonable control, this may be sufficient but will not be guaranteed to succeed and will depend on the drafting, circumstances, intention of the parties and the extent to which this can be proved. If the clause specifically refers to ‘other events beyond a party’s control’, or words to that effect, this may also be sufficient.

The effect of a force majeure clause will depend on how it is drafted. Generally, its effect includes some or all of the following:

- suspension;
- non-liability;
- obligation to mitigate;
- right to terminate.

In the art world, there is often no written contract. In that case, the contract will be oral. Force majeure is rarely addressed if the contract is oral. Even if the contract is recorded in writing, it is unlikely to contain a force majeure clause because few art-related contracts do.

Unfortunately, if you cannot point to a force majeure clause in the contract, force majeure will not come to your rescue. You must look elsewhere.

If the contract is governed by the law of a country that applies force majeure even if the contract does not include a force majeure clause, force majeure can come to your rescue. That is the case in France, Belgium and other countries applying the Napoleonic codes. One must consider the situation on a country by country basis.



# LEGAL

## Frustration

By Pierre Valentin, Partner  
Constantine Cannon LLP

### Can I suspend or cancel a contract concluded before Covid-19 became a pandemic and that I cannot perform in the current climate?

The legal doctrines available to a party to a contract to suspend or cancel the contract in extreme circumstances like Covid-19 vary from country to country. The first thing to do if you are bound by a contract and you wonder what your rights are, is to look to see if there is an applicable law clause in the contract (i.e. a clause that expressly states the law of the contract – that clause is typically found at the end of the contract). If there is such a clause, then you know what law applies and you can take a advice in the jurisdiction in order to establish if you can rely on force majeure. If there is no applicable law clause, the law applicable to the contract requires a fact-based analysis. This may be straightforward if the parties are in the same jurisdiction and the contract was concluded in that jurisdiction. If the parties are based in different countries and the contract was concluded in a third country, the analysis can be complex.

Assuming that English law applies, the general rule is that contractual obligations are binding and absolute even if performance proves impossible. Parties may themselves alter this rule by including various provisions in the contract, particularly a

force majeure clause. Where a contract does not include a force majeure clause, the doctrine of frustration can also soften the onerous general rule. Frustration operates in situations where it would be unjust and unreasonable to hold the parties to their contract because of an occurrence of an unforeseen event. However, frustration ought not to be invoked lightly, as the doctrine operates within very narrow limits and the courts are typically reluctant to find that a contract has been frustrated.

Frustration only emerged as a contractual doctrine in the late nineteenth century. They does not seem to be an English case yet considering frustration by pandemic. Comparisons have been made between the current pandemic and the Spanish influenza pandemic of 1918, however there do not appear to be any reported cases arising from that pandemic addressing the doctrine of frustration.

To ascertain if frustration applies, one must first construe the contract and see whether the parties have themselves provided for the situation that has arisen. If they have, the contract governs it. A force majeure clause which is intended to deal with the relevant event (a pandemic, in our case) will normally preclude the application of the doctrine of frustration because frustration is concerned with unforeseen, supervening events, not events which have been anticipated and provided for.

The doctrine of frustration allows the contract to be automatically discharged when a frustrating event occurs so that the parties are no longer bound to perform their obligations. Frustrating events must:

- occur after the contract has been formed,
- be so fundamental as to be regarded by the law both as striking at the root of the contract and as entirely beyond what was contemplated by the parties when they entered the contract,
- not due to the fault of either party,
- render further performance impossible, illegal or make it radically different from that contemplated by the parties at the time of the contract.

An event that has been included in a force majeure provision in the contract will not qualify as a frustrating event. This is also true where the alleged frustrating event should have been foreseen by the parties.

There have been cases where disease was put forward to justify the frustration of a contract. In an early 20th century case, the judge ruled that in ‘a case where, for instance, a person has engaged a [taxi] to take himself and a party to Epsom to see the races there, but for some reason or other, such as the spread of an infectious disease, the races are postponed. In such a case it could not be said that he could be relieved of his bargain.’ This is not encouraging for those seeking to run a frustration argument for Covid-19 where it is the purpose that has been frustrated (rather than the performance being impossible or illegal).

In another, more recent case arising from the SARS outbreak, the court compared the length of the impossibility with the term of the contract. A 10-day isolation order prevented the claimant from reaching his flat in Hong Kong. He argued that this frustrated the lease and discharged him from having to pay any further rent. The court disagreed because the lease was for 2 years. A 10-day exclusion from the property was “insignificant” by comparison.

Where does this leave you ? If there is a written contract, you will need to take legal advice in order to ascertain whether you can rely on the doctrine

of frustration because the language of the contract may preclude it. If the contract does not preclude reliance on the doctrine, a lawyer will advise you on whether in the specific circumstances you are facing, the conditions of frustration are met.

If the conditions of frustration are met, you will be excused from further performance and you will not be liable for non-performance. The contract will be recognised as permanently frustrated. Temporary frustration (in the sense of temporary suspension) of the contract is not recognised.

If you successfully claimed frustration of a contract, what claims, if any, can be made against you by the other party to the contract after frustration takes place?

First, there are statutory claims. In most cases, your counterparty will have a claim under the Law Reform (Frustrated Contracts) Act 1943. Section 1(2) allows claims for money paid before discharge and section 1(3) allows for recovery of non-money benefits. There are conflicting cases involving the recovery of non-money benefits. As a result, it is difficult to predict in advance how a court will now approach the quantification of claims under the 1943 Act. Given the massive number of contracts affected by Covid-19, it is possible that appeals on this issue and other areas of uncertainty will be expedited to give legal certainty to commercial parties as soon as possible, so that other disputes can be settled without litigation.

Secondly, common law claims are available as an alternative to claims under the 1943 Act. A common law claim would be in unjust enrichment, likely for total failure of consideration. Well-known difficulties arise for a “total” failure where (as is often the case) the contract is partly performed.

To summarise, the doctrine of frustration is a way out of a contract but the conditions are strict and the courts are reluctant to allow it. There may be a wave of sympathy following this pandemic leading the courts to allow more claims for frustration. If a claim is allowed, the contract will be at an end, and the counterparty is likely to claim some or all their losses from you arising from the frustration of the contract.

# LEGAL

## Price renegotiation

By Simon Yeung, Senior Associate  
Constantine Cannon LLP

**I have sold a painting but because of Covid-19, the buyer wants to renegotiate the price. Must I accept a lower price? Can I insist that he pays the full price?**

The first question is whether you have agreed contract with the buyer. If so, you can demand that the buyer pays the agreed price, and refuse a lower price. However, there are situations where even where there is a contract, the buyer has the right to cancel the sale, and may use his right as leverage to negotiate a lower price.

If you have not yet agreed contract with the buyer, you cannot prevent the buyer from offering a lower price or walking away.

Under English law, a contract is formed when:

1. there has been an offer
2. the offer has been accepted
3. there is consideration
4. there is an intention to create legal relations, and
5. the terms of the contract are sufficiently certain.

A contract can be concluded orally, e.g. on the telephone or on a social media platform. It can be concluded by exchange of emails, texts or Whatsapps. If you have issued an invoice, typically the invoice confirms a contract concluded orally or in writing although that may depend on the context.

The party making the offer can be the seller or the buyer. For example, if you advertise an item on your website, generally speaking, under English law, this will amount to an invitation to treat. The buyer will make the offer (even if the buyer offers the asking price) and you will accept (or reject) the buyer's offer. Accordingly, if the buyer has, say by email, offered you a price of X for an artwork you advertised online, you have yet to respond, and the buyer emails you to say that he is offering 50% of X, there may not be a binding contract



Simon Yeung, Senior Associate  
Constantine Cannon LLP

90 Bartholomew Close

London EC1A 7BN

DD: +44 (0)20 3959 0644

e: syeung@constantinecannon.co.uk

yet, and you cannot force the buyer to pay X. If, however, you replied to the buyer's first email offering you X and accepted X, there will be a binding contract if the other conditions are met, and you can force the buyer to pay X even if he later emails you to say that he will only pay 50% of X. The question of whether there is a contract or not is a fact-based enquiry and in doubt, you should take legal advice, because the answer may depend on a variety of factors. This is even more so if the buyer is not in the same jurisdiction.

If there is a contract, in principle you can enforce the contract against a buyer attempting to renegotiate the price. You can sue a buyer for damages if the buyer reneges on the contract or does not pay the full price (subject to the buyer's right to cancel the contract, see below). Whether it is commercial to do so will depend on many factors, including whether the artwork is on consignment or from stock, the likelihood of recovery from the buyer, the cost of taking legal action, the commercial relationship with the buyer, confidentiality and the potential reputational damage of taking the buyer to court.

The contract may include a clause allowing the buyer to walk away in certain circumstances. It is unlikely that a contract for the sale of an artwork will include a clause allowing the buyer to pay less than the agreed price, unless the artwork is not as described. That is not our situation.

If the contract includes a force majeure clause, the buyer may use the clause as leverage, arguing that the contract can no longer be performed (for example, due to the Government imposed lockdown, the artwork cannot be delivered). Few contracts in the art world contain a force majeure clause, and even if your contract does, it may not allow the buyer to treat the contract as being at an end. A pandemic, quarantine or lockdown may delay performance of the contract but it is unlikely to render the contract incapable of being performed. The buyer may struggle to show that force majeure means that he is entitled to pay less. As a matter of law, the question of whether force majeure can be relied on depends primarily on the wording of the force majeure clause, accordingly, if a buyer sought to rely on it, you should take legal advice on whether the clause can be relied upon in the circumstances.

The buyer may argue that the contract has been frustrated. If so, and the conditions of frustration were met, the contract would be at an end. If the buyer wants the artwork but simply wants to pay

less, the doctrine of frustration will not assist. If the sale is one that falls within the definition of a "distance contract"<sup>1</sup> or an "off-premises contract"<sup>2</sup> under the Consumer Contracts Regulations 2013, and the buyer is a consumer as defined in the Regulations, the buyer has the statutory right to cancel the sale within 14 days of receiving the goods. As shipping has for the time being almost grinded to a halt, if you concluded a sale shortly before or since 24 March, the chances are that you have not delivered and the cancellation period is extended until 14 days after you will succeed in delivering the artwork to the buyer. Unfortunately, if you failed to provide buyers with the information required by Regulations, including information on the right to cancel the sale, the cancellation period is extended by 12 months. This means that if, for example, you did not comply with the Regulations by providing the consumer buyer with information on his right to cancel, you sold a painting to the consumer-buyer at a distance in the last week of March, and you are able to deliver the painting only in the first week of May, the buyer has until the first week of May 2021 plus 14 days to cancel the sale. If however, you provided consumers with the information required by the Regulations, the buyer will have until 14 days after delivery in the first week of May (in our example) to cancel the sale, say until around 20 May 2020. There is nothing to stop the buyer from using his right to cancel as leverage to negotiate a lower price during the cancellation period. Either you agree to a lower price, or the buyer returns the artwork, and if you were paid, you must return the price in full.

To conclude, if there is no binding contract, the buyer is free to seek to impose his price. You can accept or reject whatever price is offered. If there is a binding contract, the buyer must pay the agreed price, however you may decide to accept a lower price in order to complete the sale, especially if the buyer has the right to cancel, or there is a risk that the buyer could succeed if he claimed force majeure or frustration.

<sup>1</sup> A contract between a trader and consumer where the two are not physically in the same place. A distance contract is one where a consumer visits the premises to view and learn about an artwork and the contract is negotiated and concluded remotely. However, occasional one-off sales conducted at a distance are not distance contracts, nor are sales where the negotiations take place on the premises but concluded remotely or initiated remotely and concluded on the premises. (Regulation 5)

<sup>2</sup> A contract concluded in the presence of the trader and consumer but at a place that is not the trader's premises, or a contract where an offer is made by the consumer in the presence of a trader but not at the trader's premises. (Regulation 5)

# LEGAL

## Shipper - insolvency

By Simon Yeung, Senior Associate  
Constantine Cannon LLP

### **I have stock stored at a fine art shipper in England and I am concerned that they might go into administration. What happens to my stock if they do?**

If a shipper in England goes into administration, an administrator will be appointed to run the company's affairs with the purpose of rescuing the company, achieving a better result for creditors than in a winding up, or selling the company's assets to make a distribution to creditors. The administrator's powers include, for example, the right to dispose of the company's property and to set aside transactions at an undervalue or preference. However, the administrator cannot dispose of assets that do not belong to the company unless this is permitted under the Insolvency Act 1986 or by the Court<sup>1</sup>.

The administrator will likely notify customers with sums owing that it will exercise a lien over artworks and related documents until sums owing are paid.

If you are concerned that your shipper is in financial difficulty, you should refer to your shipping contract to check what rights the shipper (or administrator appointed to run the shipper) has over the artworks. You will also need to consider what actions need to be taken to protect the artworks stored at the shipper. You may want to settle quickly any sums owing to the shipper, to avoid the adminis-

<sup>1</sup> For example, an administrator, with the prior approval of the court, can dispose of property in the possession of the company under a hire-purchase agreement.

trator exercising a lien over the artworks. You may also want to make arrangements to regain possession of the artworks.

Importantly, you should consider whether the shipper hold any documentation that may be useful in the future, for example export licences, import licences, CITES permits and VAT documentation. You should ask the shipper to assemble the originals for your collection. If the shipper is wound up, after a period of time it might become difficult or impossible to access the shipper's archives, and if a relevant document is missing, there could be trouble ahead.

As a shipper is likely to hold artworks for multiple customers at any one time, consider whether the packaging of your artworks is correctly labelled and includes clear identification of the consignor to the shipper. This will assist the administrator identify artworks that must be made available for your collection.

If the shipper goes into administration, you will want to notify your insurers because they may take a different view of the risk of loss and damage to artworks held by a business in administration.

Please note that each country applies different insolvency rules. If you have stored stock with shippers in other jurisdictions, seek local legal advice if you are concerned that shippers in those jurisdictions might become insolvent. In certain jurisdictions, you may need to take additional steps to protect your stock in the event of a shipper's insolvency.





# LEGAL

## Shipping

By **Emelyne Peticca**  
Constantine Cannon LLP

**I have completed the sale of a painting except that I cannot deliver it to the buyer by the agreed date because I cannot find a shipper willing and able to do the job (or because the storage facility in which the painting is stored has temporarily closed). The buyer claims that I am in breach of contract and is making threats. What can I do?**

The first step is to check the law that governs the contract of sale of the painting. If the contract includes an applicable law clause, the law referred to in the clause typically governs the contract. If the contract does not include an applicable law clause, the first thing to ascertain is the applicable law. If you, the buyer and the painting itself were in England when the contract was concluded, it is more likely than not that the contract is governed by English law. If you, the buyer and/or the painting were in different jurisdictions when the contract was concluded, seek legal advice.

The second step is to check whether the contract contains a clause on delivery of the painting to the buyer. It is assumed that the contract does contain a clause on delivery because the obligation to deliver falls on you. The contract could have provided that the buyer must collect. If the contract is silent on whether the seller delivers or the buyer collects, under s. 29(2) of the Sale of Goods Act, the place of delivery is the seller's place of business if he has one, and if not, his residence; except that,



**Emelyne Peticca,**  
Trainee Solicitor  
Constantine Cannon LLP

90 Bartholomew Close  
London EC1A 7BN  
e: [epeticca@constantinecannon.co.uk](mailto:epeticca@constantinecannon.co.uk)

if the contract is for the sale of specific goods (like a painting), which to the knowledge of the parties when the contract is made are in some other place (e.g. a storage facility), then that place is the place of delivery.

Assuming that English law governs the contract, if the buyer is a business and you have agreed a delivery date, the courts may construe delivery by that date as being of the essence. In other words, late delivery would entitle the buyer to terminate the contract and where applicable, claim damages. Where the buyer is a consumer, in some circumstances, late delivery may entitle him/her to treat the contract as at an end. The parties' respective rights will depend on the interpretation of the delivery clause and in doubt, seek legal advice. There are various concepts under English law that help soften the inflexibility of contract terms. When the parties' performance has been hindered by an event outside of their control, a force majeure clause may excuse a party from performing its obligations on time. Unfortunately, few art sale contracts contain a force majeure clause. If there is no force majeure clause in the contract, the doctrine of frustration may be of assistance. This doctrine has the effect of discharging the contract. The doctrine operates within narrow limits and the courts may find that frustration cannot be relied upon when there is merely a delay in delivering the painting caused by the pandemic. You may want to consider whether the buyer is actually making a loss as a result of late delivery. This may be the case if, for example, the buyer is another dealer buying to resell. The question then is, even if you succeeded in delivering the painting to the buyer, would the buyer succeed in delivering it to his buyer? The buyer might claim breach of contract and make threats, but if he is not suffering loss as a result of the alleged breach, he has nothing to claim for.

The best approach will be to keep an open dialogue with the buyer, and to explore options. Perhaps the buyer can arrange collection of the painting and the two of you reach agreement on the cost of such collection. Ultimately, the buyer should appreciate that if he brought a claim for breach of contract before the courts and argued that the delay in deliv-

ery that arose from the pandemic was an inconvenience or caused a minor loss, the courts are unlikely to look favourably at his claim.

You should consider whether the risk of loss of, and damage to, the painting is yours or the buyer's. This is relevant to the question of who insures the painting whilst it remains in your possession. Contracts often provide that ownership and risk pass at the same time. If so, ownership and risk may lie with the buyer, especially if the buyer has paid the price in full. If the contract is silent on the passing of risk, s. 20 of the Sale of Goods Act provides that the goods remain at the seller's risk until the property in them is transferred to the buyer. When the property in them is transferred to the buyer, the goods are at the buyer's risk whether delivery has been made or not. However, where delivery has been delayed through the fault of either buyer or seller (this is technically our scenario), the goods are at the risk of the party at fault as regards any loss which might not have occurred but for such fault. Given that we are in a situation where you have failed to deliver the painting on time, accordingly you could be liable for loss of/to the painting if there is no clause in the contract stating when risk passes to the buyer, it would be sensible to continue to insure it until you are able to deliver it. If the contract is clear that risk is with the buyer, you may still want to consider it prudent to insure the painting until delivery.

Last but not least, if the painting is in a storage facility which has closed or is operating reduced services due to the lockdown, and you continue to insure the painting, you should contact your insurer to confirm that the policy remains in place and all risks are covered despite the fact that the storage facility is not operating as usual.

# LEGAL

## Selling online

By Emelyne Peticca  
Constantine Cannon LLP

### My gallery space is shut and I want to start selling my stock online or via email. What rules do I need to keep in mind when doing so?

There is nothing to stop you from selling artworks online or using email. You can join an existing online platform, or simply advertise artworks on your website and sell them using the telephone, Skype, FaceTime or another voice app, or email, text or a digital app such as WhatsApp. Some dealers have their own online platform, and in due course, if you do not have your own online selling platform, you could commission one, although an exclusive online selling platform requires a significant investment.

If you start selling art remotely without relying on an online selling platform to handle logistics and payment, consider the following questions – it is assumed that English law applies:

**How do I conclude sale contracts remotely?** A valid contract can be concluded orally or in writing. S. 4(1) of the Sale of Goods Act provides that ‘subject to this and any other Act, a contract of sale may be made in writing [ ], or by word of mouth, or partly in writing and partly by word of mouth, or may be implied from the conduct of the parties.’ A contract for the sale of specific goods is typically made when one party has made an offer to sell or buy the goods for a specific price and the other

party has accepted the offer. When the contract is concluded at a distance and there is more than one country involved (e.g. the seller and the artwork are in country A and the buyer is in country B when the contract is made), the analysis of whether there is a contract at all and if there is one, where and when the contract was made, can be complex. In doubt, seek legal advice. The question of whether there is a binding contract is relevant because it will determine when you and the buyer are bound to perform your respective obligations, including, for the buyer, the obligation to pay the price. It is also relevant to the question of whether you can sell the art to someone else. If you have contracted to sell the art to X, you cannot sell it to Y, or there may be trouble ahead.

**How do I invoice?** The invoice can be sent to the buyer by email or communicated to him on any digital platform. If terms of sale are printed at the back of your invoice, make sure that you communicate them to the buyer with the invoice. Remember that there is a risk that the buyer might claim that if terms of sale are communicated to him after the contract was made, the terms of sale are not binding because they were introduced after the contract was made. To minimize the risk that such claim might succeed if the dispute were brought before the courts, either you make it clear to the buyer when you make the contract that you sell subject to your terms of sale and you make them available, say, on your website, or you communicate your terms of sale to the buyer when you make the contract. In any event, it is good practice

to require the buyer to acknowledge that he has read and understood your terms of sale. If you do not have terms of sale, it is advisable to record the terms of the contract of sale in writing. At its simplest, the key terms of a sale contract are:

- A description of the art
- The price
- The date and place of payment
- Transfer of ownership and risk
- The date and place of delivery
- Any representations and/or warranties given by seller to buyer
- Applicable law and jurisdiction.

**How do I arrange payment?** Payment can be made by bank transfer, Paypal or credit card. Consider the risk of fraud. The Rijksmuseum Twenthe in Enschede in the Netherlands has sued Simon C Dickinson, the London art dealers, because after a long email negotiation to purchase a painting by John Constable, hackers hijacked the exchange, posing as Dickinson, and convinced the museum to pay £2.4 million into a Hong Kong bank account. The museum claims that Dickinson should have known about the fraud. Dickinson say that the museum should have verified the account before making payment. Such cases are on the rise and sellers and buyers are advised to exercise caution.

**Where the buyer qualifies as a consumer, he has certain rights if he buys online that he does not have if he buys at the gallery.** The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 (the “Regulations”) set out mandatory information that must be provided to consumers buying at a distance. The information includes, but is not limited to, your (the seller’s) identity, whether you are acting on behalf of another trader and if so, the name and details of the other trader, the main characteristics of the art, the total price, payment and delivery arrangements, and details of the conditions, time limits and procedures applicable to the right to cancel (see below). This information must be available before the consumer is bound by the distance contract and set out in a clear and comprehensible manner.

For distance contracts concluded by electronic means, you must ensure that when placing the order, the consumer-buyer explicitly acknowledges that the order implies an obligation to pay. If placing an order entails activating a button or a similar function, you must ensure that the same is labelled in an easily legible manner only with the words ‘order with obligation to pay’ or a corresponding unambiguous formulation with the same effect. You must also ensure that any trading website through which the contract is concluded indicates clearly and legibly, at the latest at the beginning of the order process, whether any delivery restrictions apply and which methods of payment are accepted. Once a contract has been concluded, you must send a confirmation to the consumer confirming, in particular, the details of the order.

Consumer-buyers have the right to cancel distance sales at any time during the statutory cancellation period, which is 14 calendar days from the day on which the consumer or his agent takes possession of the artwork. The consumer can exercise such right without giving any reason and without incurring any liability, except in limited circumstances. Where the right to cancel is exercised by the consumer within the statutory period, you must reimburse the consumer. Where the right to cancel applies and you fail to inform the consumer of this right, the Regulations automatically extend the cancellation period by 12 months, unless you subsequently notify the consumer of the right to cancel, in which case it runs for 14 days from the date of notification. Information on the right of cancellation and the model cancellation form must be given or made available to the consumer before the conclusion of the contract (available at Schedule 3 of the Regulations <http://www.legislation.gov.uk/uksi/2013/3134/contents/made>).

If the buyer is a business, the consumer rights outlined above do not apply. Nevertheless, you are still required to provide certain information on your website including a description of the different technical steps to conclude a contract, the confirmation of where such contract will be filed and accessible, the technical means for correcting input errors prior to the placing of an order and the languages offered for the conclusion of the contract.



# LEGAL

## Non-Payment

By **Azmina Jasani, Partner**  
**Constantine Cannon LLP**

**I am a dealer and have sold a valuable artwork from stock. Payment was due last week. The client says that he cannot pay until he is able to resume work. I need the funds now. What are my rights?**

Under English law, a seller has the right to either sue the buyer for payment of the purchase price or for damages, but not both.

The Sale of Goods Act 1979 provides that the principal right of the seller is to be paid for the goods. If the price remains unpaid, the seller enjoys, in addition to the right to sue the buyer for the price, other rights to the goods themselves. The seller has a lien on the goods. Where the buyer is insolvent, the seller enjoys a right of stopping the goods in transit after having parted with possession of the goods. These rights arise notwithstanding that the title in the goods may have passed to the buyer, and they arise even if they are not expressly provided in the sale contract.

If your agreement with the buyer explicitly provides that the time of payment is of the essence, and the buyer fails to make payment on the due date, typically you can cancel the contract by giving written notice to the buyer, on the grounds that the buyer materially breached his obligations under the contract. Additionally, you have the right to sue the buyer for damages. If you elect this option, you have a duty to mitigate your loss. In the case of a sale of art, this normally means reselling the artwork at the best possible price, thereby minimizing your loss. Reselling is considerably more difficult in



**Azmina Jasani, Partner**  
**Constantine Cannon LLP**

90 Bartholomew Close  
London EC1A 7BN  
DD: +44 (0)20 3959 0642  
e: [ajasani@constantinecannon.co.uk](mailto:ajasani@constantinecannon.co.uk)

the current climate. Nonetheless, you should try, for example by advertising the artwork on your website if you use the website as a sale platform.

If your agreement with the buyer does not explicitly state that the time of payment is of the essence, you cannot unilaterally cancel your contract with the defaulting buyer. In that case, you may decide to give notice to the buyer requiring him to make payment within a reasonable time frame and notifying the buyer of your intention to resell the art if he does not pay within such time. What constitutes reasonable time is a question of fact and the courts exercise their discretion when assessing reasonableness, depending on the circumstances, in particular the agreed payment term. If the parties agreed that payment would be made within 30 days, a notice to make payment within 14 days if the buyer has not paid by the 30th day is probably reasonable. However, in the event of a dispute, the courts are likely to be sympathetic to buyers claiming that they need longer to pay given the pandemic. An additional period of 14 days may be considered unreasonable. In doubt, seek legal advice.

Where the unpaid seller gives notice to the buyer of his intention to re-sell and the buyer does not pay within a reasonable time, the unpaid seller may re-sell the goods and recover from the original buyer any loss occasioned by his breach of contract.

If you decide to issue a notice to the buyer, your notice must clearly state the following:

- that the buyer has defaulted on his payment obligations pursuant to the contract between the parties; and
- that you have been patient, but cannot afford to continue giving the buyer any further extension – this is assuming that you and the buyer have discussed when payment would be made after payment was not forthcoming on the due date; and
- that unless the buyer makes payment within a specified period starting on the date of this notice, with the “time of payment being of the essence”, you will deem the contract to be repudiated by the buyer and you will sell the artwork to someone else.

The courts are unlikely to have much sympathy for contract parties who take unilateral action during the pandemic, at the expense of other contract parties. In the event that a dispute about non-payment escalated, you will want to show the court that you behaved reasonably and with moderation. Accordingly, communications with the defaulting buyer should preferably be in writing, and the tone of your correspondence should not come across as overly aggressive or unreasonable. That is not to say that if payment is due, you should not insist that it be made in a timely fashion. If the buyer fails to make payment even after you have given him a reasonable period to do so, seek legal advice.

You should check who owns the artwork whilst you await payment. If English law applies to the sale contract, and the contract is silent on ownership, once you have agreed to sell the artwork to the buyer, in principle, the buyer owns the artwork. This is because under English law, unless the parties to a sale agree otherwise, ownership passes to the buyer when the contract is made (if the sale is unconditional, the goods are specific and in a deliverable state, see s. 18 Rule 1 Sale of Goods Act). The contract is made when the seller agrees to sell the goods, and the buyer agreed to pay the price for such goods. The contract can be made orally (e.g. by phone, on Skype, FaceTime or any other voice technology platform) or in writing (by exchange of emails, WhatsApp or on any other digital platform). Your position is more precarious if the buyer owns the artwork and you have not been paid. As mentioned above, if you have possession of the artwork, you can exercise a lien on the artwork until you have been paid.

If the contract provides that ownership will pass only when you have been paid, in principle you still own the artwork, and you will continue to do so until you have received payment.

If the artwork is no longer in your possession, it is imperative that you recover possession whilst you await payment of the price, especially if ownership of the art has passed to the buyer. Without possession, you run the risk that your debt claim against the buyer is unsecured and should the buyer become insolvent, you would rank as an unsecured creditor in the liquidation. If so, by the time secured creditors have been paid, there may be nothing left to pay unsecured creditors.

# LEGAL

## Loan

By Azmina Jasani, Partner  
Constantine Cannon LLP

**I have lent a valuable painting to a museum in Europe. Due to Covid-19, the museum has temporarily shut its doors without any firm timeline of when it will reopen. The exhibition for which I loaned my painting was scheduled to close in June 2020, but the museum is considering extending the exhibition until October 2020. I would like my painting back. Can I demand that the museum return my painting in July, as agreed with the museum?**

Yes, you can demand that the museum return your painting in July as agreed, provided that: (i) nothing in the loan the agreement gives the museum the right to unilaterally extend the term of the loan without obtaining your prior written consent, (ii) the museum can arrange shipment of the painting back to you without violating any relevant governments' restrictions in place as a result of Covid-19, and (iii) fine art shippers are still operating in the relevant countries. If government restrictions prevent the museum from arranging shipment and/or fine art shippers are not operating, you can negotiate the return of your painting as soon as the restrictions are lifted and shipping companies have resumed their operations.

Museums around the world have been forced to shut their doors as a result of the Covid-19 pan-

demic, and some of them may be struggling to keep their collections safe. Museums are short staffed and furloughing employees to save costs, and law enforcement officials are occupied with ensuring the safety of the general public and enforcing lock-down. With limited resources at hand, museums and their collections are particularly vulnerable to art crime. In late March 2020, a van Gogh painting was stolen from the Singer Laren museum in the Netherlands.

While you wait for your painting to be returned and the museum is shut, you would be well-advised to maintain steady communication with the museum to enquire how and where they are storing your painting and the security measures in place to protect artworks in their premises. If the painting is insured by you, it is imperative that you check whether your insurance policy protects the painting against the risk of loss and damage whilst it is kept in a closed museum. It is also imperative that you keep your insurers informed of your communications with the museum and encourage them to directly communicate with the museum, where necessary. If the risk of loss and damage is covered by the museum or a government indemnity, you should seek written confirmation from the museum that insurance cover remains unchanged until the museum reopens.





# HR

## Staffing and Managing Costs

By Frances Haughian, Partner  
Kindleworth LLP

**Salaries are a significant overhead and I am looking for ways to look after and retain staff, whilst also protecting the business for the future. What are my options?**

You have a number of options. Some measures were introduced by the UK government to tackle the pandemic. Other measures are available to you in the normal course of business.

### A. Job Retention Scheme (Furlough Leave)

The Coronavirus Job Retention Scheme was introduced by the Government in March in order to protect jobs. The scheme is available to all UK employers who created and started a PAYE payroll scheme on or before 19 March 2020; have enrolled for PAYE online and have a UK bank account. Through the scheme, businesses can recover 80% of wage costs up to a maximum of £2,500 per month per employee. It is aimed at employees whose work has diminished or fallen away as a result of the crisis and who may have otherwise been made redundant, laid off or placed on unpaid leave.

In order to receive this grant from the Government, the designated employees must be “furloughed” for a minimum period of three weeks and, although



Frances Haughian, Partner  
Kindleworth LLP

DD: +44 (0) 7968 348541  
e:frances.haughian@kindleworth.com

Kindleworth LLP is a managed services provider in the legal sector. We are not employment lawyers and this contribution to this report should not replace sound legal advice available from employment lawyers.

they remain employed, they cannot work at all for the business whilst on furlough leave. It is possible, but not obligatory, for employers to top up the employee's pay either to 100% or some other amount greater than the Government grant.

The grant is available for four months, from March to June and claims can be backdated to the 1 March so long as the furloughed employee was working and on the payroll on 19 March 2020. HMRC has created a portal to facilitate making claims under the scheme.

### How do we select people for Furlough Leave?

You can select workers to be furloughed if they have no work to do or cannot do their job from home if their workplace is closed. If you have some work for employees to do, but not enough, you could consider consolidating tasks so that some employees continue to work for you and others are placed on furlough leave. It is important to remember that employees cannot work for you whilst on furlough leave. However, they are able to volunteer or work elsewhere if their employment contract allows for that, although you may want to consider any reasonable restrictions on employees working for a competitor, if not already covered in your employment contracts.

Selecting for furlough leave must be fair and should not discriminate. Where more than one person could be furloughed or kept on to work, it is worth considering consulting with your employees to see if anyone would be prepared to volunteer for furlough leave, or rotating employees with some being furloughed and others working, and then switching.

When furloughing employees, it is important to ensure that you have a written agreement with the employee, in order to vary their contract and reduce their salary. You should keep these documents for your records.

### We made some redundancies in early March, can we still claim the grant?

If you made redundancies due to Covid-19 after 28 February 2020, you can reinstate the employees and place them on Furlough Leave instead. This is not mandatory if the redundancy has already taken

place, but it is an option if you would like to protect jobs. This option is not available for employees who were made redundant prior to 28 February 2020. However, if you do this you need to consider any redundancy payments, pay in lieu of notice or holiday pay that has already have been paid and would need to be paid back. You could consider agreeing with the employee to defer repayments and deduct from future salary payments. If you did not make employees redundant but instead put them on unpaid “lay-off”, you can switch them to furlough leave and claim the Government grant, backdated to 1 March 2020.

### Can part-time workers or employees working irregular hours be furloughed?

Yes. The scheme covers part-time workers as long as they were on the payroll at the end of February 2020. The reference salary for claiming the grant will be their normal monthly salary.

Employees working irregular hours can be paid by reference to their previous average earnings. The method of calculating this will vary depending on when the employee started with your business and how long they have worked for you. The Government website provides further details on this.

### What do I do if someone refuses to be furloughed?

Ideally businesses should try to gain agreement to furlough. This is why seeking volunteers can be a good idea where possible. If an employee refuses, you should first try to understand their concerns. It may be that they simply cannot afford to take the pay cut. Rotating staff on furlough leave and/or asking staff to reduce their working days and take holiday might be possible alternatives. But it is worth remembering that the Government scheme is designed to protect jobs, so if there really are no other options, you could be left with no alternative but to dismiss by reason of redundancy. In this event, as is always the case with redundancy, you would need to ensure that you have undertaken a fair selection process and follow the correct procedure. If you think that redundancies are inevitable in the future anyway, it might make sense to carry out a selection process for furlough, using a similar one to a redundancy selection process.

# HR

However, it is likely that faced with these exceptionally challenging times, most employees will be grateful for the opportunity to protect their job and take furlough leave.

The Government's website has full details on the Job Retention scheme.

## B. Redundancies

### Can I make people redundant instead of furloughing them?

The aim of the Job Retention Scheme is to help employers who would otherwise make redundancies, protect jobs. Additionally, as part of a redundancy process there is a requirement to explore alternatives to redundancy. Your employees could therefore see this as unfair whilst the Job Retention Scheme is in place. If you decided to make redundancies regardless, you should ensure that you fully consult and keep good records to demonstrate why you decided to take this option instead of furloughing staff, where that was possible.

### What about after the Job Retention Scheme has ended?

The Job Retention Scheme is currently set to be in place until the end of June. Once it has ended, whether in June or later if the Government decides to extend it again, businesses will need to consider their position at that time. It may be that employees will be able to return to work, but if there is not enough work, or the business has suffered in some other way financially, redundancies may be the only option. If so, the correct procedure should be followed, including formal notifications to "at risk" staff; using appropriate selection methods; consultation meetings (collective consultation if more than 20 employees are to be made redundant within a 90 day period); exploring alternatives to redundancy; and making appropriate statutory payments.

## C. What other options are there for reducing costs?

### Lay-offs and short-time working and temporary reductions in pay

If the Job Retention Scheme is not possible, perhaps when the Government grant has ended, then other possibilities include short time working (where employees are given reduced work for correspondingly reduced pay) – or lay-offs (where employees retain their employee status but are not working and therefore not receiving pay whilst there is no work). As with furlough, the employee must agree to the change, unless there is a lay off or short time working clause in their contract, and even then, it would be sensible to take advice.

As with all changes to contract terms, particularly when they result in a reduction in pay, consulting with employees is required and collective consultation rules will apply if there are 20 or more employees affected by the change within a 90 day period.

A temporary reduction in pay might be in the form of a reduced working week; reducing pay for the same hours or reducing pay with a commitment to repaying the lost wages once the crisis is over. Options should be considered carefully alongside the business' future financial prospects and again, any reduction in salary must be agreed in writing with each employee. It is also worth noting that employees cannot be paid less than the National Minimum Wage.

### Taking annual leave

Asking employees who have been placed on furlough leave or unpaid leave to take holiday can increase the employee's earnings (holiday taken whilst on furlough leave must be paid at the employee's normal daily rate) as well as protect the business in the future, although paying out holiday at full salary during furlough leave might not be

the best option for cash strapped businesses. Depending on the wording in employment contracts or other policies, employers are generally allowed to refuse a request to take annual leave at a particular time, as long as the employee can take the holiday at another time that works for them and the business.

In response to this crisis, the Government has passed regulations allowing employees to carry over up to 4 weeks of holiday into the next two annual leave years, where they have been unable to take holiday due to the Coronavirus.

Additionally, businesses can request that employees who are still working, even if at home, take some holiday. Whilst it doesn't address any current cash flow issues, it does help to prevent a resourcing problem further down the line and ensures that staff is available to support the business when things return to normal.

It is possible for employers to instruct employees to take holiday during this time. Generally, the rule is that notice should be given which is double the length of the holiday to be taken. However, it is always important to check employment contracts to ensure there is no wording that prohibits this. If an employee is off sick, they cannot be compelled to take holiday.

### Temporary freeze on salary/bonus review

Many organisations have agreed to postpone the annual salary and/or bonus review until the economic picture is clearer. Entitlement to a salary increase or bonus is often non-contractual and is therefore likely to be a fairly straightforward decision to implement as long as time and care is taken in communicating the reasons for the decision to staff. In the current climate, it is likely that employees will understand. However, it is important that contracts of employment are checked carefully, to ensure that there is no contractual entitlement to an annual increase in pay or a bonus.

## Deferring or cancelling new joiners

Many firms have put a freeze on recruitment. This is perhaps a sensible decision at the moment. But what do you do if you have already made offers to people? If circumstances have changed and the business now no longer requires the new hire, then you could agree to postpone the future employee's start date. This may be difficult if the employee has already resigned from their current employer, or if the contract has been signed and gives a start date, but it is worth having a conversation. It might be that a deferred bonus of some sort could soften the message.

A tougher, but perhaps necessary decision might be to withdraw the offer or terminate the contract. If the offer has not been accepted, withdrawal is a possibility, particularly if the contracts have not been signed. If the contract has been agreed and signed, it is likely that you would need to pay out the notice period stated in the terms and conditions of employment, in order to terminate.

## D. Communication

The most effective way of obtaining an employee's agreement to any type of change is to maintain a clear line of communication, and as far as possible, be honest. Talking to employees about the financial impact of the current climate on your business; explaining the challenges you are facing and highlighting the costs that need to be saved and why, are all likely to encourage buy-in and a collective effort to help your business protect its future.

# TAX & FINANCE

## Strategy, cash flows and grants

By Craig Davies, Partner

Rawlinson & Hunter LLP

**I operate a gallery and the cost of this is supplemented by art fairs which usually make the difference between a good and bad year. What should I be looking at to get me through the coming months without either exhibitions or art fairs on the horizon?**

Like many businesses, art galleries will typically have very seasonal flows of revenue. Perhaps more than most businesses though, art galleries tend to run on a model which requires the generation of income over and above exhibitions in their own space to be able to afford that space and all of the other overheads that they have to cover.

Over the last decade in particular the seasonality of revenue has been very heavily influenced by art fairs. And this brings volatility - as the question says, a successful run of sales at a number of art fairs will usually make the difference between a good or acceptable year and a difficult one.

This crisis brings into sharp focus the need to control cash flows. A great majority of businesses, art or otherwise, have been concentrating in recent weeks on cash preservation. If everyone does that, money flows grind to a halt very quickly. If one supplier is not paid by their customer who is hoarding cash, that same supplier will necessarily feel it

needs to do the same with those further down its own supply chain. One significant bad debt or a customer with ample cash who is hoarding money seemingly unnecessarily can effectively put many businesses in the chain into very difficult financial positions from which many may not recover.

Acknowledging this, the UK government has announced a wide range of measures focused on minimising the impact on UK businesses in the coming months - and if they can help those businesses feel more confident about the future and their own cash position, cash might start flowing again. Those measures broadly fall into three camps: (i) grants, (ii) cashflow deferrals and (iii) financing support.

### Do some strategising

Though any benefits should be maximised, the government initiatives are not the first place to start. Whilst it is easy to say and rather difficult to do in the current climate, any art business (and galleries in particular) need to now examine its business model and attempt to forecast what life may be like after this crisis passes and "normal" life resumes. What seems increasingly clear is that the art world we may see in twelve months' time will be fundamentally different to that which we have all grown used to over many years.

Crystal ball gazing is hard and imprecise by its na-

ture but it is important that the business owners try to think strategically about what the longer term future might look like for them and their business. With more clarity on that, the near term decisions that need to be made around money, people, premises, clients and suppliers will be easier to make.

In some cases, it is unfortunately likely that a strategic exercise like this might bring home a realisation that the business needs a fundamental restructuring in order that it has a hope of surviving in the coming months. For others it may be that an upcoming lease extension no longer looks attractive, or certain clients/ suppliers may no longer make the cut due to the way they have behaved in the past, or certain difficult discussions on staffing need to be had.

These are all hard decisions particularly when other people's livelihoods might be impacted by a decision made in the best interests of the business' survival. These are particularly hard decisions for art businesses which continue to operate in an informal honour based system where bad decisions today can ruin a reputation permanently. But these decisions are made easier if you are galvanised by a longer term vision.

You will also not be alone amongst peers in having to make such difficult decisions and there is no shame in that.

### Develop a full understanding of your cash flows

The cash that leaves the business will either be fixed, variable or discretionary costs. Prepare cashflows with the aim of understanding how your liabilities are to fall due and what options may be available on a line by line basis to defer or remove costs.

Rental costs will fall into the fixed camp but many landlords are now willing to negotiate on the current quarter's rent. Very few are offering waivers but many will consider deferred payment terms which should be explored.

Your next largest single fixed cost is likely to be staffing on which more is said below. To the extent that this is variable (commissions) or discretionary



Craig Davies, Partner

RAWLINSON & HUNTER LLP

Rawlinson & Hunter are an international grouping of professional firms that provides advice to entrepreneurial high net worth individuals, families and their businesses. We offer a holistic range of tax, accounting, fiduciary and advisory services designed to address the concerns and requirements of our unique clients.

We have an enviable and possibly unrivalled reputation for handling complex cross-border business and family issues and, largely via personal recommendation, we work with individual and corporate clients across every continent.

Our Arts Advisory practice works with many of the world's leading contemporary art galleries and artists providing accounting and tax advisory services (particularly with a cross-border focus). Given the nature of many of our private clients, many are avid collectors of art of all genres and we regularly advise on the tax and reporting implications of acquiring, holding and selling artwork and the wealth reporting and estate planning implications that go alongside complex collections.

Rawlinson & Hunter  
6 New Street Square  
London EC4A 3AQ  
United Kingdom  
[www.rawlinson-hunter.com](http://www.rawlinson-hunter.com)



# TAX & FINANCE

(bonuses), you will need to consider what your obligations are to your employees on these items and what is appropriate for the business at this juncture. Optics are also important – paying a bonus to a top salesperson at the same time as furloughing a few back office people may not play well even if it may be the correct business decision.

Beyond those costs, the single largest variable items will be costs relating to art fairs. Booth hire fees, T&E, PR, shipping, etc.. Much of this will fall away but to the extent that deposits have already been paid for cancelled or postponed fairs, you should seek repayment of these amounts to the extent possible.

Your cashflow projections will also include income. If you have amounts due to you from clients, where previously you may have been reticent to do so, pick up the phone and see whether you can accelerate those funds coming to you. Many art collectors will be financially impacted by the crisis too and may prioritise their own outgoings – with art purchases seen as a luxury, discretionary spend - so you will need to judge this carefully.

## Communicate and focus on key relationships

Good clear and candid communication with all of your stakeholders is vital. Business survival will be paramount and there may be some suffering as a consequence of decisions that need to be taken so talking people through decisions is important.

Stratifying your key clients, suppliers and, yes, staff and artists, will seem anathema to any art business but your time and energy will be resources just as precious as cash in the coming months. By identifying the key relationships you have which will see you through the other side, you will be able to focus on maintaining those relationships well.

That does not mean that everyone else is jettisoned of course but preparing some sort of summary along these lines – written or mental – will allow

you to maximise the benefits of your time and maximise the impact of that on maintaining the business into the future. If the business survives, everyone, including those not towards the top of the list, should benefit too.

## Consider the grants available

When looking at the government initiatives, you need to consider grants first, deferrals second and financing options third.

A business rates holiday, which should be available to galleries, will be automatically applied by the local council for the 2020/21 financial year. If you have not received this already you should contact your council. The government appears to have allowed councils discretion in how this is rolled out with Westminster Council apparently taking a pragmatic stance that it is the “use” of the premises rather than the rates categorisation as “retail” which is of the most importance. With some galleries operating out of spaces which are not necessarily graded as “retail” this is to be welcomed.

There are also cash grants of £10,000 or £25,000 available if the rateable value of property is below £15,000 or £51,000, respectively. Again, this should be automatic but if you think you qualify but have not received notification, speak to your local council.

The key initiative garnering the most attention is the Coronavirus Job Retention Scheme (“CJRS”). The guidance on this is developing at a significant pace and you would be well advised to discuss this matter with your accountant and an employment lawyer. The intention behind the scheme is to allow businesses time to pause before making redundancies. With as many employees as possible being retained, unemployment rates can hopefully be kept in check in the near term at least.

CJRS introduces the US concept of furloughed workers – employees remain on the payroll but are

unpaid. In reality, you continue paying the individuals but the government will step in and fund up to 80% of the individuals salary (capped at £2,500 per month) and associated national insurance and pension auto-enrolment costs. The employer pays the furloughed workers but the government then reimburses the employer subject to a claim process which is as yet not operational but should be by the end of April 2020.

The scheme is in operation for three months from 1 March 2020 – employers qualify if they had a PAYE scheme in place on 28 February and employees are in scope if they were on the payroll then (with the 80% grant being linked to their February pay or averaged pay over the 2019/20 tax year in the case of those with variable pay).

Recent press reports have indicated how costly this scheme will be for the government with some indicating a total cost of £30bn to £40bn. The government is so far refusing to name a number. Should lockdown continue beyond June, whether in full or partial, the government will be under immense pressure to consider extending the scheme for another three months. If you are therefore in a situation where you have a number of staff working from home who are unable to fulfil their duties, this could be a very attractive option to allow you to retain those staff and avoid redundancies.

There is a significant moral dimension to all of the difficult decisions mentioned earlier. The decision around staffing is the most profound and many employers are taking the opportunity of the breathing space provided by CJRS to defer more fundamental moves on the staffing front. This has to be in the best interests of the business and the employees themselves at this time.

If you wish to avail of CJRS, you will have to make some decisions around how the scheme will operate for your business and who it may apply to. For example, will you top up “furloughed workers” for the additional 20% not reimbursed by the govern-

ment? If you haven't done so already, you should take advice from your professional advisors at the earliest opportunity to examine your circumstances.

Many art galleries are looking at other options too to reduce staff costs in addition to taking advantage of CJRS where possible. For those employees for whom furloughed status would not work (i.e. they can usefully work from home and generate value for the business), some businesses are looking at options such as reducing pay temporarily, reducing working hours, freezing pay rises, freezing commission and bonus payments, etc.. Almost universally, where these discussions have been had, art businesses have met with a warm reception from the affected individuals – many feel lucky still to have a job and are accepting of reduced financial terms in the interests of helping the business survive.

## Take advantage of cashflow deferrals

The government announced a number of deferrals to cashflows associated with tax liabilities that will be very helpful for many galleries and other art businesses:

### 1. VAT deferral:

For any VAT due to be paid to HM Revenue & Customs between 20th March 2020 and 30th June 2020, the payment will not be expected by HMRC but the liability will need to be settled by 31 March 2021.

The usefulness of this measure will depend on your specific circumstances. Many art galleries are in net repayment positions for VAT purposes due to a proportion of sales being zero rated (either to outside the EU or being sold to clients from bond with the client paying the import VAT).

If you are a beneficiary of the measure, consid-



# TAX & FINANCE

er whether the timing works for you – could you change your VAT periods to maximise the benefits?

If you are a business that is usually in a repayment position, focus on filing your returns earlier. Also, consider whether moving from quarterly to monthly returns would be beneficial for your cash flow.

A word of caution: we are advising VAT registered clients to cancel direct debits. Once a return is submitted, HMRC may still seek payment automatically even though we are in the deferral period (and they cannot be sure that their systems won't do this). The direct debit can be setup again in a few months' time.

## 2. Self-assessment payment on account deferral:

For those paying tax in January and July each year under self-assessment, July 2020's "payment on account" is being deferred and will need settling instead by 31 January 2021.

Whilst this doesn't look like a business focused initiative, it will likely have some cash flow benefit for many art galleries. In many cases, owners draw dividends from those businesses. It is not ideal but in many cases also, extra dividends are drawn each January and July to pay for their personal tax bills due in those months. With July's payment being deferred, some businesses' cash flows will therefore benefit.

If you are in self-assessment as an individual, do get your accountant to consider whether any repayment might be due to you for the payment on account already made in January 2020. This is the first payment towards the 2019/20 personal tax liability and with 2019/20's income likely to have been negatively impacted by Covid-19 measures, you may well find that you have overpaid. It is unlikely and would require a lot of your income to be drawn typically in March each year but there is no harm in considering this further.

Either way, get your tax return done early so that you know what amounts are due at the end of January 2021 so that you can prepare for this.

## 3. Time To Pay requests:

Time To Pay arrangements have always been available. A TTP request is however usually a last resort discussion with HMRC. They have historically been difficult about these if the liabilities in question are substantial and I have had bitter experiences with a number of clients over the years on such requests. Businesses usually apply for these in respect of either PAYE or Corporation Tax.

Experience since the pandemic however has been very positive. HMRC have significantly resourced this team and once you get through (which takes a very long time still), they are typically sympathetic and willing to listen to proposals about spreading payments for tax liabilities over several months. There is a dedicated COVID-19 helpline available on 0800 024 1222.

This may therefore be of most use in the case of a large corporation tax payment. Once a TTP has been granted, it will be more difficult to go back for another one in a few months' time so pick your moment carefully.

Deferrals are just that. They defer the cash pain but it is coming eventually. To the extent that you can, try to plan your cash flows around these deferrals. Use the money for working capital but try to ensure that you have a way to pay the liabilities to HMRC when they fall due on their deferred dates.

As with CJRS, take professional advice on how to approach deferrals and in particular any TTP requests.

## How about a Coronavirus Business Interruption Loan?

Before taking on further debt at this point, you should ensure that you have done your cash projections through at least a year hence. Like the crystal ball gazing exercise, this is difficult to do but you will have a high degree of certainty over expenditure even if not income. This will be a way of identifying the size of gap you may need to look at to fill. Banks will also be looking for you to have maximised the options you have available to you to free up cash – CJRS, other grants, stretching supplier payment terms, calling in debts more quickly from clients, etc..

The CBILS (Coronavirus Business Interruption Loan Scheme) was announced to great fanfare. It is, on paper, very attractive with businesses with turnover of less than £45m potentially able to access a loan of up to £5m. These limits have recently been extended significantly for medium sized businesses. For the very largest businesses there is also a separate scheme but that has no application in the context of an art gallery business.

The bank that loans to a business under this scheme will have up to 80% of any bad debt underpinned by the government. From the borrower's perspective, the government underpinning should lead to a lower interest rate and, into the bargain, the government pays the interest for the first twelve months.

As of mid-April 2020 however, only £800m of loans have been made available and only 1.4% of applications have been accepted by the partner banks and other lenders. The government is keen to enhance take up and will undoubtedly apply pressure on the lenders in the coming weeks so these numbers should rise dramatically.

However, the lender you apply to will score the application on the same basis it has always done – were you profitable before and will you be again.

The process is meant to be scored on the basis of "except for the pandemic" but the statistics do tend to point to this not being the case. Banks and other lenders are however under great strain operationally like other businesses so it is likely that processes will catch up in due course.

The ability of art businesses, particularly galleries, to access this scheme is likely to be limited. They can be very profitable businesses but with income streams drying up in the near term, many banks may take the easy option of denying the application.

If you are looking to make an application, visit the British Business Bank website to view more details on the scheme and the lenders that are associated with it. If you have a relationship manager at a high street bank, you may wish to approach them first as this should make the process simpler given the history that they should have to hand.

### In summary:

- Pause for thought.
- Strategise as best you can about how the business might look in the next few years and work back from that.
- Pull together cash flow projections so that you can see the size of any hole that may be opening up.
- Consider key relationships and how these are to be handled.
- Develop your tactics for maximising cash for the coming months – try to have a phased plan in place as circumstances develop.
- Take full advantage of the government initiatives available to you.
- Take advice from your professional advisors.
- All along, communicate with your key stakeholders.... It is your key clients, staff, artists and suppliers that will help see you through this.

# INSURANCE

## Business Interruption

By Adam Prideaux, Managing Director  
Hallett Independent

**I have had to close the gallery as a result of Covid-19 and my business has been severely interrupted. I have Business Interruption insurance and would like to know if I can claim under my gallery policy?**

Not surprisingly, Business Interruption (BI) insurance has received a great deal of press attention in recent weeks. BI insurance covers a business for loss of income in periods when their ability to trade is obstructed by a set of perils that will be specified in the policy (these will include, but will not be limited to physical damage to the business premises). The intention of BI insurance is to replace certain losses sustained by the business during the period of the disruption. It may cover increased running costs or shortfall in profits resulting from the insured event, up to a certain limit that is set out in the policy.

You should, in the first instance, contact your insurance broker to determine whether you have this cover as an extension to your Art Dealers Insurance Policy. There are a wide range of specialist art insurers, with differing terms, conditions and exclusions and no one policy is the same, as the insurance needs of galleries vary greatly. It may well be that your broker will have already been in touch to highlight whether you can claim or not, because there is generally a “claim notification period” (typically 14 days) after which any claim may be immediately declined. The trigger date for most potential



Adam Prideaux, Managing Director  
HALLETT INDEPENDENT

DD: +44 (0)207 612 2773

e: [a.prideaux@hallettindependent.com](mailto:a.prideaux@hallettindependent.com)

Hallett Independent is a specialist firm of art and private client insurance brokers. Independent of the big, global insurance firms, we provide a service defined by expert advice and attention to detail. We are a small team of knowledgeable individuals with a shared enthusiasm for art and cultural heritage.

Hallett Independent  
4th Floor, 28 Mortimer Street  
London W1W 7RD  
United Kingdom

[www.hallettindependent.com](http://www.hallettindependent.com)

Covid-19 Business Interruption claims will be 24th March 2020, this being the date the UK Government ordered the closure of commercial businesses, including galleries.

It is difficult to imagine a more extreme scenario than that currently faced by all galleries, so it is very unfortunate that the vast majority of Business Interruption policies will not respond to claims resulting from Covid-19. These insurances are designed primarily to protect individual businesses whose ability to trade is hindered by physical damage (resulting from events such as fire, flood, storm or theft) and other disruptions at the insured premises or in the immediate vicinity; they have not been designed to cover the macro-economic effects of a global crisis such as the Covid-19 pandemic. Indeed, most policies that have been regularly updated will contain Communicable Disease exclusion clauses, which have become increasingly commonplace following the SARS outbreak in 2002, MERS 2012 and the Salisbury Novichok incident in 2018.

That said, some policies may include cover for Business Interruption resulting from restriction of access to insured premises due to specific circumstances (such as the police cordoning off an area following a crime, riot, fire, gas leak, terrorist attack, or the risk of a collapsing building). In many cases this is known as ‘restricted access’ cover or ‘non-damage business interruption’ cover. Some such policies will include the outbreak of infectious diseases in the list of insured perils – although it is likely that this will be qualified in some way, for example by stipulating that the outbreak of disease must be manifested at the insured premises or “within a 25-mile radius.” In this particular case, the insurers are maintaining that

the intention of the policy is to cover only localised outbreaks of disease, which is quite different to a national outbreak leading to Government-mandated closure of all non-essential businesses. The simple fact is that a global pandemic will not have been contemplated when gallery insurance policies were arranged. So even where cover does not respond, and significant sums are involved, it is likely that there will be disputes and possible legal action. Indeed, anticipating this many brokers will already be seeking legal advice to share with their clients, although it will be up to clients and at their cost whether they wish to pursue any potential action.

If, following discussion with your broker, you believe that your policy is set up to respond to Business Interruption resulting from the Covid-19 pandemic, you should begin quantifying your potential loss of income based on historical monthly accounts. A loss adjuster or accountancy firm specialising in these claims will be appointed and they will provide details of the information required to demonstrate your loss but given the unprecedented volume of claims and the fact that site visits are impossible during the lockdown period then this may take time. It is essential you keep your broker copied into all correspondence relating to your potential claim so they can monitor the claim’s progress.

# INSURANCE

## Unoccupied Premises and Working From Home

By Adam Prideaux, Managing Director  
Hallett Independent

### My gallery is now closed and I would like to know if my insurance remains in place unchanged or am I responsible for doing anything in order to maintain cover?

Nearly all insurance policies, including specialist policies for art dealers, include conditions that are intended to ensure good practice in protecting buildings and property from loss or damage by fire, theft and escape of water, the risk of which is often increased when a building is empty. It is essential that you check with your broker whether you have any un-occupancy clauses in your gallery policy. Insurers normally ask you to tell them if your property is going to be left unoccupied for more than 30 consecutive days and, given the present exceptional circumstances, many insurers are extending this period to 90 days.

It is important that you continue to follow risk management advice and ensure that you understand what steps you need to take in order to mitigate the increased risks for your unoccupied spaces. If you are in doubt on anything then you must contact your broker immediately.

Below is a list of the measures that all galleries must consider:

- Make sure that the security and fire alarms are turned on and in good working order.
- Arrange for a member of staff to visit the gallery once a week to check that everything is in order. Keep a record of every visit as this may be required in the event of a future claim.
- Shut off the water supply.
- Turn off all electrical devices such as computers and heating apparatus.
- You are advised to remove stock to your storage facilities or occupied premises and return consigned works to consignors where possible. This is of course extremely difficult now given the enforced lockdown and the lack of available fine art shippers, but certainly moving more valuable works to a locked room within the gallery, if available, is a good idea and removing works from the gallery window is essential.
- Make sure that any work of art that is not in your immediate care, custody or control is delivered to its destination or is returned. If the work is delayed, cover will be continued in accordance with your policy period, terms and conditions. If an extension is required, then you must contact your broker.
- Make sure you have a copy of your Stock and Consignment records away from the gallery.
- Make sure any works of art temporarily stored in a basement are at least 6 inches off the floor.
- You must also notify your insurance broker if any works of art which were being insured in transit have been temporarily held up in storage en route, as many gallery policies have limitations on the time that cover is given at un-named storage facilities. Stay in touch with the shippers who arranged the transit.
- Install CCTV that can be monitored on a mobile phone if CCTV not already in place. Often this is very inexpensive and is an excellent deterrent.
- Ensure pest control management is routinely checked

Some insurers may make specific requirements which you will need to address as a result of temporarily closing your gallery. Some requirements you will be able to comply with but some you may not. The Financial Conduct Authority's guidance to insurers is that they must act fairly, honestly and professionally in accordance with the best interests of their customers, which will include flexibility in their treatment of them given the current unprecedented circumstances. Customers' behaviour will change because of the pandemic which will include the need to work from home or commute by car. The ability to make a claim ought not to be impacted by circumstances over which customers have little control.

However, if you find yourself trying to send a work of art to a client which was previously being shipped by a fine art shipper but now, because of the general lockdown, is no longer possible and you wish to use a courier to complete the shipment instead, it is vital you relay this to your broker who will need to obtain the insurer's confirmation. It is important to remember that all gallery policies have sub-limits for transits not carried out by fine art shippers and this is usually a maximum of £20,000. Shipments via couriers represent a significant increase in risk for insurers and it should never be assumed that cover is in place.

While staff are working from home, it is important that their laptops are insured and backed up. You must also remind staff of the increased threat of cyber risks. The surge in home working has increased the use of potentially vulnerable services, such as Virtual Private Networks (VPNs), amplifying the threat to individuals and organisations. The UK's National Cyber Security Centre has advised of an increasing number of malicious cyber actors and government branded scams relating to COVID-19. It is, therefore, essential to make sure basic safeguards are in place which will include keeping passwords up to date, encrypting or password-protecting invoices or documents containing sensitive information, urging staff to be extra vigilant when opening emails and not downloading attachments from untrusted sources. It is vital that any anti-virus software protection is kept up to date too.

Above all, keep a record of what you have done and stay in touch with your broker.

# INSURANCE

## Art Fair Cancellations

By Clare Pardy, Associate Director  
Hallett Independent



Clare Pardy, Associate Director  
HALLETT INDEPENDENT

DD: +44 (0)20 7612 2775

e: [c.pardy@hallettindependent.com](mailto:c.pardy@hallettindependent.com)

**I was due to attend various art fairs which have now been cancelled. Am I able to claim for the loss of expenses under my gallery policy?**

As the global pandemic Covid 19 spreads, inevitably more and more events have been affected and all fairs are now either cancelled or postponed. TEFAF Maastricht which took place in early March, was forced to close after only 4 days when an exhibitor tested positive after returning to Italy. Significantly, the decision was made in close consultation with the City of Maastricht, the health authorities and the venue, MECC.

For those fairs that are planned to take place later in the year, the organisers have the advantage of being able to cancel before exhibitors have expended much or any money on flights, hotels and the transport of stock and as in the case of Frieze New York, the organisers have committed to offering exhibitors a full refund for booth fees in addition to any money paid in advance for booth construction and other deposits.

For those dealers who have purchased art fair cancellation cover as an extension to their Art Dealers Insurance policy, it is important to check the scope of that cover by contacting your insurance broker. As with Business Interruption cover, there are a wide range of specialist art insurers with differing terms, conditions and exclusions. The position will be further complicated by the stance adopted by the Fair organiser and the amount of refund and compensation they are proposing to offer. In some instances, fairs are offering to defer the paid-up stand costs to 2021.

Any art fair cover that isn't already arranged will be limited and exclude communicable disease/Coronavirus. If a fair such as Art Basel, for which the insured already has cover, is postponed beyond the renewal date, insurers will honour any cancellation cover for that event. This will only apply however if no claim has been made for the initial postponement.

Event cancellation cover is designed to compensate for non-attendance at a fair due to unforeseen circumstances outside your reasonable control, the

non-delivery of stock, due to reasons outside of your control – customarily, this excludes items sent by sea, and if the fair is cancelled altogether. The costs and expenses that are covered are stand rental, transportation of stock, travel and accommodation costs of employees and specific marketing and advertising costs directly related to participation in the fair.

If, following discussion with your broker, you believe that the terms of your policy does cover you against fair cancellation, you should ensure that you keep a record of all your relevant invoices and credit notes (or email confirmations) These claims should be more straightforward and the cost more quantifiable than Business Interruption losses but due to the current overwhelming volume of claims, insurers might well decide to appoint a loss adjuster or an accountant to assess the claim. It is therefore vital that you keep your broker informed so that they can help in ensuring the claim is handled as quickly and constructively as possible.



# INSURANCE

## Reducing Premiums

By Adam Prideaux, Managing Director  
Hallett Independent

**I urgently need to reduce my operating costs and would like to know how I could reduce my insurance premium? Furthermore, if my business isn't able to operate because of COVID-19, should I just cancel my insurance outright?**

Insurance is a substantial operating cost for all galleries and there is no question that you will be scrutinising these costs in order to extract saving wherever they can be made. Steps that must be taken immediately will include obtaining a return premium for those art fairs which have been cancelled and for which insurance has been paid. There will be a return premium due also if any consigned stock has been returned which results in the overall total stock value being reduced.

Re-negotiation of existing terms may be hard but it is certainly worth asking your broker. You could consider taking a higher excess, removing all art fair cover given that no fairs are taking place for the foreseeable future and reducing the transit limit. Negotiation well in advance of the renewal of insurances is, as always, essential and, given that cash-flow is now more important than ever, you must ask what terms of credit are available. Paying premiums by monthly instalment is usually possible through finance companies such as Premium Credit but sometimes insurers will offer interest-free instalments too. Unfortunately, as many of the smallest galleries know, there are minimum premiums below which saving cannot be made.

As to whether you should consider cancelling your insurance in order to save money, it is important to remember what insurance is and why you have it. Insurance is a mechanism for transferring risk from you (the gallery / business), to the insurer in return for a premium. These risks, in the absence of insurance, would generally be considered too great to accept personally which in turn would deter a gallery opening or business being done. Insurance is a device at the heart of helping all businesses trade. It helps protect galleries against everyday risks to stock and consignments, including fire, theft, accidental damage including loss of value as a result of subsequent depreciation, as well as damage to the premises. It can also include protection against professional mistakes, public liability, legal costs and cyber-attack, to name a few. There are also some types of insurance that you are legally obliged to have, such as employer's liability and motor insurance.

Even in a time like this when a gallery is unable to operate as usual due to the impacts of COVID-19, it is important that it remains insured for the standard risks, many of which may be more likely when the space is unoccupied, such as fire and water damage, vandalism of the property and theft of stock. It would be a terrible outcome for a gallery without adequate insurance cover to experience significant damage whilst temporarily closed, which would delay their ability to get back up and running once permitted to do so.



# LINKS AND RESOURCES

## Government Resources and Links

### COVID-19: Support for Businesses

#### Business Rates:

[Support for businesses that pay little or no business rates](#)

[Support for retail, hospitality and leisure businesses that pay business rates](#)

#### Relief & Cash Grants:

[Support for self-employed through the Self-Employment Income Support Scheme](#)

[Support for businesses through the Coronavirus Job Retention Scheme](#)

[Support for businesses who are paying sick pay to employees](#)

[Support for businesses through the Coronavirus Business Interruption Loan Scheme](#)

[Support for larger firms through the COVID-19 Corporate Financing Facility](#)

#### Tax, VAT & Self-Assessment:

[Support for businesses through deferring VAT payments](#)

[Support for businesses through deferring Self-Assessment payments on account](#)

[Support for businesses paying tax: Time to Pay service](#)

#### Additional Business Support:

[Protection from eviction for commercial tenants](#)

[Extension of Business Improvement Districts \(BIDs\) arrangements](#)

[Commercial Insurance](#)

#### Outside England:

[Support for businesses in Scotland, Wales and Northern Ireland](#)

## Support for Businesses That Pay Business Rates

[COVID-19 Support for Businesses - Support for retail, hospitality and leisure businesses that pay Business Rates](#)

#### Business rates holiday for retail, hospitality and leisure businesses:

- **Overview:** A business rated holiday is being introduced for retail, hospitality and leisure businesses in England, Scotland and Wales for the 2020 to 2021 tax year. Businesses in Northern Ireland will pay no business rates between April to June 2020.
- **Who is eligible to apply?** Properties that will benefit from this relief will be occupied properties that are wholly or mainly being used: as shops, restaurants, cafes, drinking establishments, cinemas and live music venues; for assembly and leisure; for hospitality, as hotels, guest & boarding premises or self-catering accommodation
- **How to access the scheme?** No action is required.

#### The Retail and Hospitality Grant Scheme:

- **Overview:** Provides cash grants of up to £25,000 (per property) for businesses in the retail, hospitality and leisure sectors. Businesses in these sectors with a property that has a rateable value up to £15,000 may be eligible for grants of £10,000. Businesses with a property that has a rateable value of over £15,000 and less than £51,000 may be eligible for a grant of £25,000.
- **Who is eligible to apply?** If the businesses is in the retail, hospitality or leisure sectors, based in England and has a rateable value of under £51,000. Businesses in Scotland, Wales and Northern Ireland are also eligible for grants, please see below for further details.
- **How to access the scheme?** No action is required. Local authorities will contact eligible businesses directly.
- **Scotland:** <https://www.mygov.scot/non-domestic-rates-coronavirus/>
- **Wales:** <https://www.cardiff.gov.uk/ENG/Business/Support-and-Finance-for-Business/COVID-support%20for-business/Pages/default.aspx>
- **Northern Ireland:** <https://www.gov.uk/government/news/COVID-19-guidance-information-for-ni-businesses-employers#businesses>

#### Small Business Grant Scheme:

- **Overview:** Funding for local authorities to support small businesses that already pay little or no business rates because of the small business rate relief (SBRR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs.
- **Who is eligible to apply?** Small businesses based in England that occupy property and are receiving small business rate relief or rural rate relief as of March 11th, 2020. Businesses in Scotland, Wales and Northern Ireland are also eligible for grants, please see below for further details.

# LINKS AND RESOURCES

## Self-Employed Support

### The Coronavirus (COVID-19) Self-employed Income Support Scheme

- **Overview:** This scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 per month for the next 3 months. This may be extended if needed.
- **Who is eligible to apply?** Your self-employed trading profits must also be less than £50,000 and more than half of your income come from self-employment. You can apply if you're a self-employed individual or a member of a partnership and you:
  - have submitted your Income Tax Self-Assessment tax return for the tax year 2018-19
  - traded in the tax year 2019-20
  - are trading when you apply, or would be except for COVID-19
  - intend to continue to trade in the tax year 2020-21
  - have lost trading/partnership trading profits due to COVID-19
- **How to apply?** HMRC will contact you if you are eligible for the scheme and invite you to apply online. Once HMRC has received your claim and you are eligible for the grant, they will contact you to tell you how much you will get and the payment details.

## Support for Employers and Employees

### **The Coronavirus Job Retention Scheme:**

- **Overview:** Employers can claim for 80% of furloughed employees' (employees on a leave of absence) usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage. A temporary scheme or at least three months starting 1st March 2020. Employers can use this scheme anytime during this period.
- **Who is eligible to apply?** All UK employees that had created and started a PAYE payroll scheme on 28th February 2020.
- **How to access the scheme?** Claim for wage costs through the Coronavirus Job Retention Scheme.

### **Support for businesses who are paying sick pay to employees:**

- **Overview:** Small and medium-sized businesses and employers can reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. [For further details see here.](#)
- **Who is eligible to apply?** If you are a small or medium-sized business based in the UK, which employs fewer than 250 employees as of 28th February 2020.
- **How to access the scheme?** A rebate scheme is being developed. Further details will be provided in due course once the legalisation has passed.

## Support for businesses: Tax, VAT & Self-Assessment payments

### **Support for businesses through deferring VAT payments:**

- **Overview:** Value Added Tax (VAT) payments will be deferred for three months.
- **Who is eligible?** If you're a UK VAT registered business and have a VAT payment due between 20 March 2020 and 30 June 2020, you have the option to: defer the payment until a later date or pay VAT due as normal.
- **How to access the scheme?** Find out how to defer your VAT payment.

### **Support for businesses through deferring Self-Assessment payments on account:**

- **Overview:** If you're due to pay a self-assessment payment on account by 31 July 2020, then you may defer payment until January 2021.
- **Who is eligible?** You are eligible if you are due to pay your second self-assessment payment on account on 31 July. You do not need to be self-employed to be eligible for the deferment. The deferment is optional. If you are still able to pay your second payment on account on 31 July you should do so.
- **How to access the scheme?** This is an automatic offer with no applications required. No penalties or interest for late payment will be charged if you defer payment until 31 January 2021. During the deferral period you can set up a budget payment plan to help you pay the deferred payment on account when it comes due. More help is available from HMRC's Time to Pay scheme.

### **Support for Businesses paying TAX; Time to Pay service:**

- **Overview:** All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service. These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.
- **Who is eligible?** If your business pays tax to the UK government and has outstanding tax liabilities.
- **How to access the scheme?** If tax payments have or might be missed, call the HMRC's dedicated help-line: 0800 024 1222.

# LINKS AND RESOURCES

## Banks / Insurance

### Mortgage Payment Holidays:

The following banks are offering customers mortgage payment holidays for a period of up to three months. Terms may vary between banks, please see the relevant links below.

#### Barclays:

[Mortgage Information](#)

[Mortgage Payment Holiday Form](#)

#### HSBC:

[What is a payment holiday?](#)

[Request a Mortgage Holiday](#)

#### Lloyds:

[Managing your mortgage](#)

[Request a payment holiday](#)

#### Santander:

[Mortgage Information](#)

[Request a payment holiday](#)

#### NatWest:

[Mortgage Information](#)

[Request a payment holiday](#)

### Overdrafts

#### Barclays:

Is [automatically waiving interest on all authorised overdrafts](#) between 27<sup>th</sup> March the end of April 2020

#### HSBC:

Customers have access to a [temporary £300 interest-free buffer on their overdraft](#) for three months from 26<sup>th</sup> March

#### Lloyds:

From 6<sup>th</sup> April, Lloyds, plus Halifax and Bank of Scotland, customers will automatically get access to a [temporary £300 interest-free overdraft](#) for three months until 6<sup>th</sup> July

#### Santander:

From 6<sup>th</sup> April, customers will automatically get access to a [temporary £350 interest free overdraft buffer](#) for three months

#### NatWest:

From 30<sup>th</sup> March until 14<sup>th</sup> July [Personal Banking customers will pay 19.89% APR](#) rather than the standard rate of 39.49%. Customers can request £500 interest free on existing arranged overdrafts.

### Further Financial support for small businesses (TBC):

#### Barclays:

Are offering [business loans up to £100,000 with fixed interest rates](#) and the option to take a 6-month repayment holiday at the start of the loan

#### HSBC:

Has allocated [£5 billion to help businesses](#) that need support and are asking relationship managers to proactively contact customers to see what help their businesses need. HSBC has launched a helpline to support any customer queries (0800 0121 614 – open 8am – 6m Monday – Friday).

#### Lloyds:

Has introduced a [£2 billion package of arrangement fee free finance for businesses with a turnover up to £25 million](#) to help minimise disruption to business operations over the coming weeks and months. For businesses with a turnover of up to £3 million, please visit Lloyds Overdraft page for more information on how to apply. For businesses with a turnover of £3 million - £25 million, please contact your relationship manager.



# EMERGENCY FUNDS

## Arts Council England

### [COVID-19 Support](#)

A total emergency fund of £160 million available for those organisations and individuals who will need it during this crisis.

### [Funding for National Portfolio Organisations](#)

- **Overview:** Total fund of £90 million will be made available to NPOs, to reboot their creative work and to alleviate financial pressures.
- **Who is eligible to apply?** All organisations within the Arts Council's 2018-22 National Portfolio of Organisations (including Bands 1-3, and Sector Support Organisations).
- **When do applications open?** All NPOs will be contacted directly and funds will be made available as soon as possible.

### [Funding for organisations outside the National Portfolio](#)

- **Overview:** Organisations in the cultural sector can apply for a maximum of £35,000 from a total fund of £50 million. National Portfolio Organisations (NPOs) or Music Education Hubs are not eligible to apply.
- **Who is eligible to apply?** Organisations with a track record in publicly funded culture, who will be expected to show how they will do all they can to support the freelance creative practitioners on whom they rely.
- **How to apply?** There will be two rounds of this fund. Please note, it will only be possible to apply for one of these rounds.
  - Round 1:** Opens 9<sup>th</sup> April 2020, Deadline 16<sup>th</sup> April 2020
  - Round 2:** Opens 16<sup>th</sup> April 2020, Deadline 30<sup>th</sup> April 2020

[Guidance for Applicants \(pdf\)](#)  
[Begin your application here](#)

### [Funding for Individuals](#)

- **Overview:** Individuals working in the cultural sector (including artists, creative practitioners and freelancers) can apply for grants of up to £2,500 from a total fund of £20 million.
- **Who is eligible to apply?** Creative practitioners whose main work is focussed on the following artforms and disciplines: Music, Theatre, Dance, Visual Arts, Literature, Combined Arts, Museums Practice, Libraries (activity that helps deliver the Universal Library Offers). This work includes choreographers, writers, translators, producers, editors, freelance educators in the disciplines and artforms supported by the Arts Council, composers, directors, designers, artists, craft makers and curators.
- **How to apply?** There will be two rounds of this fund. Please note, it will only be possible to apply for one of these rounds.
  - Round 1:** Opens 9<sup>th</sup> April 2020, Deadline 16<sup>th</sup> April 2020
  - Round 2:** Opens 16<sup>th</sup> April 2020, Deadline 30<sup>th</sup> April 2020

[Guidance for Applicants \(pdf\)](#)  
[Begin your application here](#)

## Creative Scotland

### [Bridging Bursary](#)

- **Overview:** The £2 million fund offers a one-off bursary (of between £500 and £2,500) that will provide a financial bridge for freelance artists and freelance creative practitioners working in the not-for-profit sector in Scotland, who are experiencing immediate financial difficulty due to the loss of income as a result of the COVID-19 pandemic.
- **Who is eligible to apply?** This fund is targeted at freelance artists and freelance creative practitioners who derive a significant proportion of their income from working in the not-for-profit sector in Scotland and have experienced a loss of earnings as a result of COVID-19.
- **How to apply?** See the [Bridging Bursary online request form](#) or download the [PDF on Bridging Bursary Guidance](#)

### [Open Fund: Sustaining Creative Development](#)

- **Overview:** The fund aims to enable organisations to explore ways of working that will help them to adapt and respond to the current changing circumstances. The overall budget for the Open Fund for Individuals and the Open Fund for Organisations totals £7.5m, with funding available for between £1,000 and £50,000.
- **Who is eligible to apply?** If the businesses is in the retail, hospitality or leisure sectors, based in England and has a rateable value of under £51,000. Businesses in Scotland, Wales and Northern Ireland are also eligible for grants, please see below for further details.
- **How to apply?** Application forms will be available from Friday 3<sup>rd</sup> April 2020. The fund is Open all year round, with no deadlines and can support activity for up to 12 months. Download the [PDF on Open Fund Guidance for Individuals](#) or download the [PDF on Open Fund Guidance for Organisations](#).  
[Download the Open Fund for Individuals Application Form \(pdf\)](#)

### [Screen Scotland](#)

- **Overview:** £1.5 million fund to support freelance or self-employed screen practitioners working in Scotland's screen sector, who are experiencing immediate financial difficulty due to the loss of screen sector income in Scotland as a result of the COVID-19 pandemic. Available funding ranges between £500 and £2,500 and there is no application deadline.
- **Who is eligible to apply?** Freelance or self-employed screen practitioners working in exhibition, distribution, development, production or postproduction for film or television, scripted or unscripted, live-action or animation, talent and skills development, film education.
- **How to apply?** See the [online application form](#) or download the [Screen Bridging Bursary Guidance PDF](#).

# EMERGENCY FUNDS

## Arts Council Northern Ireland (ACNI)

### COVID-19 Creative Support Fund:

- **Overview:** The ACNI has announced a £1 million fund as a creative practitioner-led programme of support to help freelancers obtain employment and payment for their work in these difficult times.
- **Who is eligible to apply?** To be confirmed
- **How to apply?** To be confirmed

## Arts Council of Wales

### Arts Resilience Fund

£7 million fund allocating £1.5 million to individuals and £5.5 million for organisations and dispersed amongst the following three funds:

### Urgent Response Fund for Individuals:

- **Overview:** Short-term emergency funding offering grants of up to £2,500, with no minimum level of support.
- **Who is eligible to apply?** Freelance artists and creative practitioners
- **How to apply?** There are two rounds of funding and applications are online.  
Round 1: (Opens) 14<sup>th</sup> April 2020 (Deadline) 20<sup>th</sup> April 2020  
Round 2: (Opens) 28<sup>th</sup> April 2020 (Deadline) 6<sup>th</sup> May 2020  
[Apply here](#)

### Stabilisation Fund for Individuals:

- **Overview:** For freelance artists and creative practitioners trying to survive the threat to their livelihoods caused by Coronavirus. Funds are intended to help build resilience and maintain creative practices through grants of between £1,000 and £10,000.
- **Who is eligible to apply?** Freelance artists and freelance creative practitioners working in the not-for-profit sector in Wales.
- **How to apply?** The fund opens for applications from Friday 29<sup>th</sup> May 2020 until Monday 15<sup>th</sup> June 2020.

### Stabilisation Fund for Organisations:

- **Overview:** For arts organisations working in the not-for-profit sector in Wales who are experiencing immediate financial difficulty due to Coronavirus.
- **Who is eligible to apply?** Arts Portfolio Wales organisations and organisations outside the Portfolio will be able to apply for support. Support to members of the Arts Portfolio Wales (APW) will be limited to according to qualifying criteria and funding thresholds.
- **How to apply?** The fund opens for applications from Tuesday 21<sup>st</sup> April 2020 until Friday 8<sup>th</sup> May 2020. More information on how to apply for this fund will be available on Thursday 16<sup>th</sup> April 2020.

## Museums Galleries Scotland (MGS)

### Urgent Response COVID-19 Fund:

- **Overview:** Offering funding of between £3,000 and £60,000 for Independent Accredited museums and galleries to cover core costs if critically affected by loss of income as a result of COVID-19.
- **Who is eligible to apply?** Funding is available to independent accredited museums. Museums without core funding who are reliant on trading income. The fund cannot accept applications from the following types of organisations: Local authorities; National Museums; Other organisations that are principally funded by government (including local government); University museums.
- **How to apply?** The fund is open for applications. There are no deadlines and applications will be assessed on a rolling basis. [For further details see here.](#)

### Digital Resilience COVID-19 Fund:

- **Overview:** The £55,000 fund is designed to support museums to purchase equipment and software that will enable them to adapt to more digital working during the period of closures brought about by COVID-19 and the associated restrictions. Funding is available for between £300 and £3,000.
- **Who is eligible to apply?** Any organisation that runs an Accredited museum in Scotland can apply. Non accredited museums in Scotland can also apply but must demonstrate that they meet the following criteria: Meet the agreed definition of a museum; Operate a physical site/space/building which is normally open to the public for a minimum of 20 days a year; Have a governing document and be a registered charity.
- **How to apply?** The fund is open for applications and will operate on a rolling basis until all funding has been distributed. [For further details see here.](#)

## The Art Fund

This is not an emergency fund, but it is still active despite COVID-19.

### Small project grants

- **Overview:** Project grants of up to £10,000 to provide funding to help museums, galleries and visual arts organisations act on good ideas and/or test new ways of working that will benefit their audiences. The fund encourages project proposals, activity and outcomes that align with one or more of the four strands of its programme: building collections, shaping futures, reaching audiences, and making connections
- **Who is eligible to apply?** UK public museums, galleries, historic houses, libraries and archives that deliver public benefit. The fund particularly welcomes applications which focus on: audience development; equality, diversity and inclusion; activity outside London, and/or in areas of low cultural provision/engagement and new partners.
- **How to apply?** Registration is required as a professional user with a [My Art Fund account](#).

# EMERGENCY FUNDS

## Heart of England Community Foundation

This is not an emergency fund, but it is still active despite COVID-19.

### Coventry 2021 Coronavirus Resilience Fund

- Overview:** The Coronavirus has had an unforeseen impact on the arts sector that has put the future of organisations and the welfare of those working in the cultural sector at risk. Coventry 2021 want to support those in the community for whom the cancelling of public events has hit the hardest across Coventry and Warwickshire. This hardship fund will support arts organisations and individuals to help them through this difficult time.
- Who is eligible to apply?** Grants of up to £500 are available to individuals and grants of up to £1,000 are available for organisations..
- How to apply?** Please fill out the [application form](#)

## a-n The Artists Information Company

### a-n The Artists Information Company

- Overview:** a-n is distributing £300,000 of Arts Council England funding to artists and arts organisers who work in a self-employed capacity to support the production of exhibitions and artwork. Bursaries are available from £500 - £1,500.
- Who is eligible to apply?** Artists working in all visual arts disciplines, arts organisers such as art handlers, technicians, art installers, conservators and restorers, and those who work with artists in the production of their work and exhibitions.
- How to apply?** Activity is taking place until 31 December 2020 and the deadline for applications is Thursday 7th May 2020. [For more information see here.](#)

## FORMAT

### The Photographer Fund

- Overview:** A \$25,000 fund to help photographers impacted by COVID-19. Provided by Format, an online platform designed for photographers to show their work and promote their businesses. Offering assistance of up to \$500 per person.
- Who is eligible to apply?** Anyone in the global photography community is invited to apply.
- How to apply?** [For further details see here.](#)

# CROWDFUNDING CAMPAIGNS

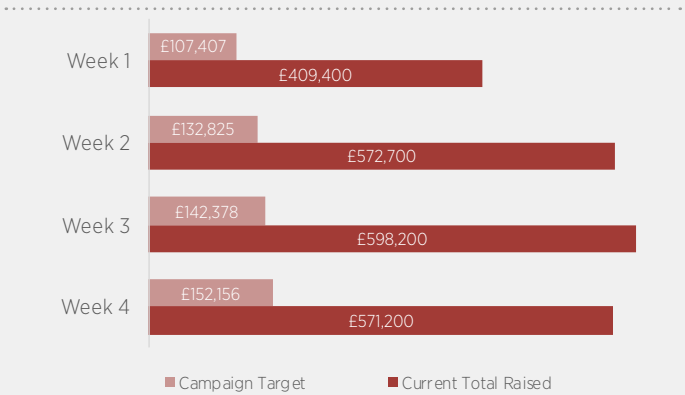
## Covid-19 Related Art Crowdfunding Campaigns

Click on links to support a campaign:

### Selected Active Campaigns (up to 22<sup>nd</sup> April 2020)

<a href="#">Bread and Butter Fund Coronavirus NI Artists</a>
<a href="#">Save The Astor</a>
<a href="#">Nottingham Artist Fund</a>
<a href="#">West Midlands Artists Coronavirus Emergency Fund</a>
<a href="#">Wales Artist and Freelancers Coronavirus Fund</a>
<a href="#">Liverpool Artists Coronavirus Fund</a>
<a href="#">Sputnik Emergency Artists Fund</a>
<a href="#">Supporting Cambridge Contemporary Art</a>
<a href="#">Hull Artists Coronavirus Fund by Middle Child</a>
<a href="#">Donate-Precarious Workers &amp; Artists Hardship Fund</a>
<a href="#">NGYT and Local Artist Coronavirus Impact Fund</a>
<a href="#">Manchester Artists Coronavirus Hardship Fund</a>
<a href="#">Artists/Musicians Coronavirus Relief Fund</a>
<a href="#">South West Creatives-Corona Virus Impact Fund</a>
<a href="#">Daisy's Campaign for The Art House</a>
<a href="#">Help the Native Makers community survive COVID-19</a>
<a href="#">Covid Impact Fund for Artists</a>
<a href="#">South Yorkshire Creatives Covid-19 Hardship Fund</a>
<a href="#">Support The Yard at Reigate Station</a>
<a href="#">Through Arts We Rise</a>
<a href="#">Save Aire Place Studios</a>
<a href="#">London Artist &amp; Creatives Coronavirus Fund</a>
<a href="#">Leeds Creatives-Corona Virus Fund</a>
<a href="#">Coronavirus North East Creatives' Hardship Fund</a>
<a href="#">East Midlands Artists Corona Virus Impact Fund</a>
<a href="#">Natwich and Norfolk Artists' Hardship Fund</a>
<a href="#">Keeping art alive at The Sydney Nolan Trust</a>
<a href="#">Artists In The East Coronavirus Fund</a>
<a href="#">Essex Artists Coronavirus Impact Fund</a>

Campaign Targets vs. Total Amount Raised (As of 22<sup>nd</sup> April 2020)



Sum raised to date Target Sum

£16,236	£10,000
£10,172	£25,000
£6,572	£5,000
£6,530	£10,000
£6,450	£6,000
£6,355	£1 billion
£5,950	£4,000
£5,851	£20,000
£5,402	£6,000
£4,226	£50,000
£3,530	£5,000
£3,450	£5,000
£3,010	£4,000
£2,330	£3,000
£2,968	£20,000
£2,163	£2,000
£1,835	£2,000
£1,780	£2,000
£1,765	£2,100
£1,697	£5,000
£1,617	£6,000
£1,576	£20,000
£1,375	£2,000
£1,285	£2,000
£1,245	£2,000
£1,000	£1,000
£732	£10,000
£640	£2,000
£550	£2,000



# ARTIST INITIATIVES

## Initiatives to support artists

**#ArtistSupportPledge:** Due to the COVID-19 pandemic, many artists have found themselves without work, teaching, technical support and gallery work. Exhibitions and sales have disappeared. In an attempt to help alleviate some of this stress Matthew Burrows has instigated the ARTIST SUPPORT PLEDGE #artistsupportpledge. The concept is a simple one. Artists post images of their work, on Instagram which they are willing to sell for no more than £200 each (not including shipping). Anyone can buy the work. Every time an artist reaches £1000 of sales, they pledge to spend £200 on another artist/s work. To make a pledge, post your work with the #artistsupportpledge and follow the # to see everyone else’s work. Keep updated on new opportunities and announcements @artistsupportpledge.

**The Other Art Fair / The Online Studios:** The Other Art fair along with Saatchi Art will introduce ‘[The Online Studios](#)’ - an online platform where you’ll be able to buy all of our Fair artists online and explore hundreds of artist profiles, both locally and across the globe. You can step into the world of the Fair artists by joining their online Q&A sessions and studio tours.

**Arts Council England:** Making £20 million available to individuals working in the cultural sector, including artists, creative practitioners and freelancers.

**Leveler:** Peer-to-peer wealth redistribution in small increments. Applicants fill out a form explaining how they’ve been impacted and others who are in better financial positions can donate. Who’s it for? People in the arts, hospitality, and gig economy who have been directly impacted by COVID-19. Funds go directly to the persons on the database via Venmo/PayPal.

**Patreon ‘What the Fund’:** One-time grants to support artists, as chosen by a board of fellow creators. Patreon has donated \$10,000 in initial funds and is accepting further donations. Who’s it for? Any creator, anywhere in the world, who has been demonstrably impacted by the COVID-19 situation.

# PETITIONS

Dated to 22<sup>nd</sup> April 2020  
(Source: [change.org](#) & [petition.parliament.uk](#))

Click on links to support a petition

Petition	Number of Signatures
<a href="#">Self-employed to Access Full Pay Through HMRC Earnings Through This Crisis</a>	771,188
<a href="#">Include self-employed in statutory sick pay during Coronavirus</a>	696,645
<a href="#">Implement UK lockdown for preventing spread of COVID19</a>	407,870
<a href="#">Create an emergency fund to support freelancers with coronavirus income loss</a>	214,314
<a href="#">Government to offer economic assistance to the events industry during COVID-19</a>	150,815
<a href="#">Encourage lenders, landlords and utilities to freeze payments during lockdown</a>	124,768
<a href="#">Implement Universal Basic Income to give home and food security through COVID-19</a>	110,757
<a href="#">Require councils to suspend council tax payments during the coronavirus outbreak</a>	103,480
<a href="#">Cancel Utility Bills for 3 months during COVID-19</a>	44,298
<a href="#">COVID-19: Protection for Equity members &amp; the creative industries</a>	71,341
<a href="#">Pay self-employed workers a wage due to lack of earnings caused by COVID-19</a>	35,698
<a href="#">UK Government should provide rent and mortgage relief for all residents during COVID-19</a>	26,172
<a href="#">Provide financial support to performers and creators during the COVID-19 crisis</a>	3,912
<a href="#">Pay self-employed for self-isolating due to corona virus</a>	3,410
<a href="#">Remove the minimum earnings threshold for Statutory Sick Pay</a>	2,874
<a href="#">Temporarily Suspend Council Tax</a>	1,442
<a href="#">Encourage banks to delay 40% bank overdraft charges during the corona pandemic</a>	1,377
<a href="#">Provide immediate financial support to the Tourism Industry.</a>	658
<a href="#">Remove Universal Credit's 'Minimum Income Floor' for the self-employed.</a>	404
<a href="#">Suspend VAT/Business Rates/PAYE Payments for three months amid outbreak COVID-19</a>	76
<a href="#">Zero VAT during the Coronavirus Crisis.</a>	45
<a href="#">Require recipients of COVID-19 loans/grants to pay staff and freelancers first.</a>	29
<a href="#">Provide a loan facility for self-employed workers and directors of companies</a>	23

## Contact Information:

Anders Pettersen  
Founder & Managing Director  
[anders@arttactic.com](mailto:anders@arttactic.com)

[www.arttactic.com](http://www.arttactic.com)

ArtTactic is a progressive art market analysis firm that offers dynamic and bespoke market intelligence on the fast-paced and ever-changing global art market.

For a detailed overview of ArtTactic reports please download our [Product Guide](#).

We are always on the look-out for new areas of art industry research or ways to collaborate in the industry; if you have ideas you would like to discuss or have questions regarding any of our reports or services – please contact us at [info@arttactic.com](mailto:info@arttactic.com).

## Report Disclaimer:

Information in this report is compiled from a number of sources; it may contain errors and information may not be complete. Readers must assume the responsibility of checking facts themselves. ArtTactic shall not be liable for any errors or inaccuracies in this report or for any actions taken in reliance on information or opinion contained in this report.

Report contents represent the opinion of ArtTactic and state of affairs only as at the date the report is prepared and may quickly become out of date.

Information in this report is to be used for general research purposes only. It does not represent any form of investment or trading advice and should not be used as such. Any statements referring to the desirability of holding, selling, or buying are general opinions and not recommendations to buy or sell any item or artist.

Further specialist advice, where necessary from authorised investment professionals, should be sought regarding the appropriateness of buying or selling any works of art or implementing any of the strategies discussed or recommended in this report. Information in this report does not have regard to the specific business or investment objectives, financial situation or other particular needs of any person.

Any buying and selling of works of art could result in a person losing money.

Copyright © 2020 ArtTactic Limited; This report and all intellectual property rights in or arising from it belong to ArtTactic Limited, and all rights in it are reserved. No further copying or distribution of this report in whole or in part, by any means, is permitted.