

ART ADVISORY E-BULLETIN

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1858 Ltd International Art Advisory

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Singapore - Asia's New Art Hub

The "Switzerland of Asia", Singapore is the region's financial centre, boasting a premium range of private wealth management services for high net worth individuals regionally and internationally. In addition, the explosion of contemporary art as a form of investment, a lifestyle and something to be admired has had a profound impact on Asia's rise in prominence on the world stage. Recognising this, the Singapore government have been actively driving cultural tourism and creating various arts-related economic opportunities. Well-positioned in terms of its strategic location, stability, infrastructure and government support, Singapore is fast becoming the arts centre of South East Asia. With developments such as new museums, an arts district, a state-of-the-art Free port, Art Stage Singapore and the Singapore Biennale, Singapore is fast becoming Asia's new art collecting hub.

1858 in Asia

According to worldwide auction results, 2011 reinforced China's domination of the art market, with the economic strength of Asian collectors generating higher price levels than anywhere else in the world. China has established itself for the second consecutive year as the first global marketplace for the sale of art.

1858 Ltd's Managing Director Viola Raikhel-Bolot spoke to CNBC Asia about the strength of the Asian art market today and the growing interest in Southeast Asian art.

Raikhel-Bolot, told CNBC that Chinese clients are helping spur the art market while the next market to be watching is Indonesia, where auction revenues last year grew even faster than China's, up 39 percent.

<http://video.cnbc.com/gallery/?video=3000081127>

ART HK 12 - Hong Kong International Art Fair

Art HK, one of the leading art fairs in Asia will be held this year from May 17th – May 20th. Last year's Art HK welcomed 260 galleries from 38 countries and welcomed an impressive 63,000 visitors. Last year Art HK organised the first of its kind and tremendously successful Private Museum Forum and are preparing for the highly anticipated sequel this year. 30 owners or soon to be owners of private museums will get together to discuss their private museums and the motivations behind them. Private foundations and museums are becoming more popular in China. They are also becoming larger in scale, scope and better in quality. Public funding for museums are being slashed and wealthy collectors are picking up the pieces. There is a shift in the way art is seen and this shift is good for the art-loving public. Besides the Private Museum Forum, IQ2 Asia, Asia's forum for live debate will coincide with Art HK 2012 and will take place on Friday, May 18th. Four leading art world figures will argue the motion: 'Contemporary Art Excludes the 99 Per Cent'. The debate will address issues such as what the role of Contemporary art museums is today, whether biennales and art fairs are platforms for experiment and exchange or little more than social attraction for the elite and whether collectors are taking over from curators.

One of the most famous art shows in the world, [Art Basel](#), recently bought a majority stake of Art HK, thus sending a very clear message that Hong Kong is being seen as a destination for collectors in the region looking for Modern and Contemporary art.

Tax Benefits for Collectors

Tax planning is an integral part of effective collection management. 1858 Ltd works with specialist accountancy firms to ensure clients are up to speed with the latest tax laws and what this means to them. Accountancy firm, Dixon Wilson report the recent changes to the tax laws from April 6th 2012.

Those who live in the UK but who are non-UK domiciled for tax purposes will find the tax rules relating to bringing funds or works of art into the UK relaxed in a few key areas.

For the many art collectors and art dealers in this position, they will have the opportunity to bring works of art into the UK for sale or to fund their UK businesses using income or capital gains which have built up offshore, all potentially without a UK tax charge. Where works of art are temporarily brought into the UK and then sold, so long as sales proceeds are brought back out of the UK within 45 days, there will be no tax charge on bringing the item in and any capital gain on the disposal will be treated as if the gain had been realised outside the UK.

It is hoped that this measure will remove barriers to individuals selling items through UK auction houses and dealers. In a move designed to stimulate investment in UK businesses, non UK-domiciled individuals are now potentially able to use income and gains which have built up overseas and have not been subject to UK tax to invest in unlisted trading companies in the UK, including galleries and art dealing businesses, without triggering a UK tax charge on investment. *For anyone looking to take advantage of these relaxations, professional advice should be sought to avoid an unwelcome tax charges down the line.*

Artist In Focus - Henri Matisse



Henri Matisse
Nu bleu II (Blue Nude II), 1952
Gouache painted cut outs mounted on canvas,
116.2 x 88.9 cm
© Succession H. Matisse

Henri Matisse (1869 - 1954) is widely regarded as the greatest colorist of the 20th century, and as a rival to Picasso in the importance of his innovations. He emerged as a Postimpressionist, and first achieved prominence as the leader of the French movement Fauvism. His current exhibition at the Centre Pompidou will feature 60 of his masterpieces, ranging from his early works such as *Luxury, Calm and Voluptuousness*, considered one of his more important oil paintings from 1904, to his later works including the *Blue Nudes* from 1952, a series of his final pieces made from cutouts.

On May 1st Christie's New York will be auctioning *Les Pivoines (The Peonies)* from 1907, a lush still-life from Henri Matisse's highly-desirable Fauve period that bursts with vivid color and pattern and this is estimated to sell between \$8 -12 million US.

Increased Demand for Art Finance from BRIC Countries

With increasing sums of money being invested into art within the BRIC countries (Brazil, Russia, India and China) 1858 Ltd provides owners of art access to innovative and competitive financing to enable them to monetise their art holdings. Harvey Mendelson, Managing Director of 1858 Ltd told the Singapore Business Times, "We are seeing increasing demand for art finance, clients are able to borrow against the art work they own. It's a way of realising liquidity without having to sell the work". To read the complete article featured in the Singapore Business Times, please visit our latest press and media archives.

<http://www.1858td.com/press.php>

Indonesia Sets Art Records

At Sotheby's Hong Kong Contemporary Southeast Asian Paintings auction (31st March-4th April) records were set for Indonesian Bandung School painters Ahmad Sadali (HK\$2.9 million; estimated: HK\$180/250,000) and But Mochtar (HK\$2.5 million; est: HK\$200/300,000), both of whom had multiple bidders competing. Ahmad Sadali (1924-1987) is a prolific Indonesian painter strongly recognised in the region. In the history of Indonesian art, he is known as 'the Father of Indonesian Abstract Painting' and one of the founding fathers of Indonesian Islamic art. This record sale for his work reinforces the growing trend in the Indonesian contemporary art market which Viola Raikhel-Bolot of 1858 Ltd forecast when speaking to CNBC last month about the growth of emerging art markets in Asia.



Ahmad Sadali
Abstract Orange, 1966
Oil on canvas
100cm x 100cm

Image courtesy of Sotheby's.

India - Modern Masters

The 4th edition of India Art Fair earlier this year, once again brought focus to the rapidly growing Indian art market. The 4th edition in 2012 drew 85000 visitors over 3 days.

While 80% of the galleries reported buoyant sales, the fair also attracted a record number of new collectors (30-40%). In only four years, India Art Fair has become the region's leading platform for modern and contemporary art.

With a significant increase in the participation of important international galleries and leading artists from around the world, Delhi has become a cultural destination for collectors and art lovers alike.

The most popular category of Indian art being sold was from the Modernism movement. Collectors seem more confident acquiring works by artists from India's Modern school of painting, a movement spearheaded by F.N. Souza, S.H. Raza and the late M.F. Husain.

The 5th Edition of India Art Fair will be held from 1-3 February, 2013 at NSIC Exhibition Grounds in New Delhi.

1858 Ltd Art Advisory

Buying
Selling
Authentication
Valuations
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Collection Management
Art Philanthropy Advice
Art Finance
Art related Tax and Estate
Planning

How an 1858 Ltd advisor can help you:

- **Exclusive Access** to works of art in private collections that are not available on the market
- **Impartial Advice** being independent of auction houses, galleries and dealers, we provide impartial advice when buying and selling on behalf of our clients
- **Time Savings** as we are able to manage all areas of the collecting process on our clients behalf, we are able to build or sell complete collections with as much or as little involvement from the client as they wish
- **Direct Savings** due to our buying and negotiating capabilities we significantly reduce transactional charges which in turn we pass directly on to our clients
- **Reducing Risks** by undertaking thorough due diligence on all transactional decisions, we ensure that potentially costly mistakes are avoided and the client has complete confidence in the decision made.

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Art Calendar Highlights

Hong Kong International Art Fair 2012

Hong Kong Convention and Exhibition Centre
17 May - 20 May 2012
www.hongkongartfair.com

Berlin Biennale 2012

27 April - 1 July 2012
www.berlinbiennale.de

The Works of Henri Matisse - An Odyssey in Colour

Pompidou Centre, Paris.
7 March - 18 June 2012
www.centrepompidou.fr

Lucian Freud Portraits

National Portrait Gallery, London
until 27 May 2012
www.npg.org.uk/freudsite/

Damien Hirst

Tate Modern, London
4 April - 9 Sep 2012
www.tate.org.uk

Jackson Pollock - A Centennial Retrospective

Museum of Modern Art, Tokyo, (MOMAT)
until 6 May 2012
www.momat.go.jp/english/

Rembrandt and Degas - Portrait of the Artist as a Young Man

Metropolitan Museum of Art, New York
until 20 May 2012
www.metmuseum.org



Top Image: taken from the ART HK 2011 virtual tour <http://www.hongkongin360.com/virtualtours/art-education-events-hongkonginternationalartfair2011/index.html>. Bottom image: Jackson Pollock- A Centennial Retrospective