

“Everybody is a winner”

A guide to giving (and selling) art and cultural artefacts
to UK museums and galleries

Art Fund_



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A visitor with *Fan* by Halima Cassell, gifted by the Jerwood Collection to The Hepworth Wakefield through Art Fund. © Halima Cassell, photo: Janie Airey / Art Fund 2022

Foreword

Museums and galleries are places of inspiration, reflection and connection. They help us discover who we are, where we come from and where we might be going.

At the heart of every museum is its collection. Brilliant collections are dynamic. They grow and evolve to bring in new audiences and provide new meaning.

Art Fund, then the National Art Collections Fund, was founded in 1903 to support museums, galleries and historic houses in the face of inadequate public funding for collections. Unfortunately today museums face the same challenges, with prices at the top of the art market continuing to soar and [acquisition](#) budgets under increasing pressure.

Over the years a number of initiatives have been developed by Art Fund, the Department for Culture, Media and Sport (DCMS) and HM Revenue & Customs (HMRC) to counteract these challenges and make giving or selling art and cultural artefacts to museums as simple and attractive as possible.

This guide, produced jointly by Art Fund and Arts Council England (ACE) who deliver several of these schemes on behalf of the UK government, sets out the different options available to owners, whether you're interested in making tax savings or would like support with finding the right home for your object or collection. We have also included a section aimed at those working in museums with advice on how to take advantage of the schemes.

All of the schemes in this guide are UK-wide and available to owners and institutions across all four UK nations. The schemes offered by ACE and HMRC can be used for both works of art and items of historic, scientific and local significance – from paintings to archives, jewellery to scientific instruments.



Sir Edwin Landseer, *The Braggart*, 1817. Grantown Museum, bequeathed by Beryl Goodworth in 2023 with Art Fund support. © Grantown Museum

The value of these schemes for the museums sector cannot be overstated. In 2022 ACE reported that the Acceptance in Lieu and Cultural Gifts Schemes had placed objects valued at over £57 million with public collections across the UK. In the same year, 729 works of art entered public collections through Art Fund's Gifts and Bequests programme. Objects acquired through these schemes have gone on to stimulate new exhibitions and research, engage new audiences and inspire work with schools, families and community groups.

And owners benefit too. By gifting or bequeathing through Art Fund, owners receive a free service that includes advice on the right home for their objects, correspondence and negotiation with museums, and legally binding documentation. Donors benefit from the security that donating through Art Fund gives, ensuring that the objects are properly cared for, accessible to the public and never sold.

Several of the schemes grant significant financial savings. In the case of the Acceptance in Lieu scheme and Private Treaty Sales – both detailed in this guide – offerors/sellers benefit more than they would if they sold the work on the open market.

Alongside topline information about each scheme, in this guide you will find case studies showing real life examples of the impact that acquisitions through these schemes have had on museums and their audiences.

You do not have to own a Picasso or a Renoir to make use of these schemes. In fact, we are keen to see offers of objects from a wide range of media, drawing on a diversity of artistic and cultural practice.

The schemes are there to be taken advantage of, and we actively encourage you to do so. Our doors are open – if you'd like further advice on which scheme is right for you, please do get in touch with Art Fund and we'd be happy to advise you.

programmes@artfund.org



Visitors with Bruce Lacy's *Old Money Bags*, 1964, supported by an Art Fund grant in 2003 and *Love Organism* 1984-85, bequeathed by the Estate of Bruce Lacey in 2021, Leeds Art Gallery. © Bruce Lacey, photo: Janie Airey / Art Fund 2022

"[Acceptance in Lieu] is in nearly every way the holy grail of public policy. Absolutely everybody is a winner under the scheme."

David Lammy, House of Commons, 2006

About Art Fund and Arts Council England

About Art Fund

Art Fund is the UK charity that connects museums and people with great art and culture. We help to enrich museum and gallery collections and ensure that as many people as possible can access and enjoy them.

As an independent charity, Art Fund does not receive government funding. We are able to do the work that we do through the support of our members, donors and partner funders.

artfund.org

About Arts Council England

Arts Council England (ACE) is the national development agency for creativity and culture and an arm's length non-departmental public body of the Department for Culture, Media and Sport (DCMS).

ACE delivers a number of UK wide cultural property schemes on behalf of government, including export licensing, the Government Indemnity Scheme and tax incentives for acquisitions. Each of these schemes helps to bring exceptional objects of cultural importance to UK audiences.

artscouncil.org.uk



Visitors to Art Assembly 2022 in Manchester © Andrew Brooks/ Art Fund 2022

Schemes and case studies

Gift through Art Fund

Lifetime Art Fund

Gift a work of art or item of artistic importance to a public collection during your lifetime with Art Fund support.

This scheme is for you if:

- You own a work of art or an item of artistic importance that you feel may be of museum interest.
- You'd like to gift it to a public collection in your lifetime.
- You'd like Art Fund to act as a conduit for the gift and provide support in the following areas: advice on appropriate museum recipients, making approaches, corresponding and negotiating with museums, coordinating collection, Art Fund's terms and conditions, announcement of the gift through Art Fund's communications channels.
- You are not interested in or eligible for additional tax benefits.

Points to note:

- The work does not need to be deemed '[pre-eminent](#)' – Art Fund can advise on whether the work is likely to be of museum interest.
- You don't need to know where you'd like the work to go – Art Fund can advise on appropriate museum collections.
- Interested museums must write an expression of interest which is then assessed by Art Fund before confirming a gift.
- Art Fund's terms and conditions ensure that the work is cared for, accessible to the public (either on display or otherwise readily accessible) and properly credited.



James Oughtibridge, *Medium Jet Black Blade*, 2019, Fitzwilliam Museum, gifted by Nicholas and Judith Goodison in 2020 with Art Fund support. © James Oughtibridge. Photo: The Fitzwilliam Museum, Cambridge.



Glyn Warren Philpot, *Portrait of Lady Witt*, 1925, Courtauld Institute of Art Gallery, gifted 1983 by Sir John & Lady Witt with Art Fund support

- In the unlikely event that the recipient museum wishes to **de-accession** the gift, Art Fund will find an alternative museum home.
- Given its charitable remit, Art Fund is only able to support the gifting of works of art or items which are deemed to be of artistic importance. Do get in touch if you are unsure as to whether your item falls within this remit.
- You may also choose to give an additional donation to support Art Fund's charitable work.

First steps:

- Email Art Fund with details of your proposed gift, including an image and [cataloguing details](#).
- Art Fund will then arrange a phone call with you to discuss your wishes and next steps.
- Art Fund will undertake research to assess the likelihood of the work being of museum interest. If the answer is yes, Art Fund will send you a shortlist of suggested museums.

Contact information:

- Email programmes@artfund.org addressing the Gifts and Bequests Manager.

Further information:

- [Art Fund Gifts and Bequests webpage](#)

Case study: Gift through Art Fund

Scheme: Art Fund gift

Artist: Wilfred Avery (1926-2016)

Work: 55 paintings and works on paper

Beneficiary museums: Sheffield Museums, Brighton Museum and Art Gallery, the Royal Albert Memorial Museum in Exeter, The Hepworth Wakefield, the Museum of Barnstaple and North Devon and South Molton Museum

Date acquired: 2019-2022

Donor: Estate of Wilfred Avery

The estate of Wilfred Avery approached Art Fund looking for support with placing works by the artist with museums and galleries. Avery's work was largely unrecognised in his lifetime despite his skill and prolific output. Before Art Fund's involvement, only a few of Avery's works were in public collections.

After researching the artist and consulting the donor, Art Fund began approaching a shortlist of museums. On the shortlist was Sheffield Museums, who had received an Art Fund grant to research the then upcoming exhibition 'This life is so everyday': The Home in British Art 1950-1980. Art Fund was able to connect Avery's work with this research project. This resulted in Museums Sheffield acquiring 13 works, with one featuring in the exhibition.

With Art Fund's support, 55 works by Avery entered six public collections. The generosity of Avery's estate allows each of these museums to re-contextualise their collections and tell a more comprehensive story of post-war British art.

"We planted the seeds, Art Fund grew the tree"
Estate of Wilfred Avery

"Generous gifts, such as the works by Wilfred Avery, demonstrate that the collection is a dynamic and relevant resource for Sheffield, providing a wealth of opportunities to engage with visitors. The donation of such a significant gift enabled us to bring unseen works and fresh narratives to the exhibition 'This life is so everyday' and to include artists previously underrepresented within public collections in the Gallery displays."

Sian Brown, Head of Collections, Sheffield Museums



Wilfred Avery, *Male figure, head upturned*, 1960. Gifted by the Estate of Wilfred Avery through Art Fund to Museums Sheffield in 2019. © Estate of Wilfred Avery

Bequeath through Art Fund

After death Art Fund

Leave a work of art or item of artistic importance in your Will to Art Fund, who will then arrange for the work to be gifted to a suitable public collection.

This scheme is for you if:

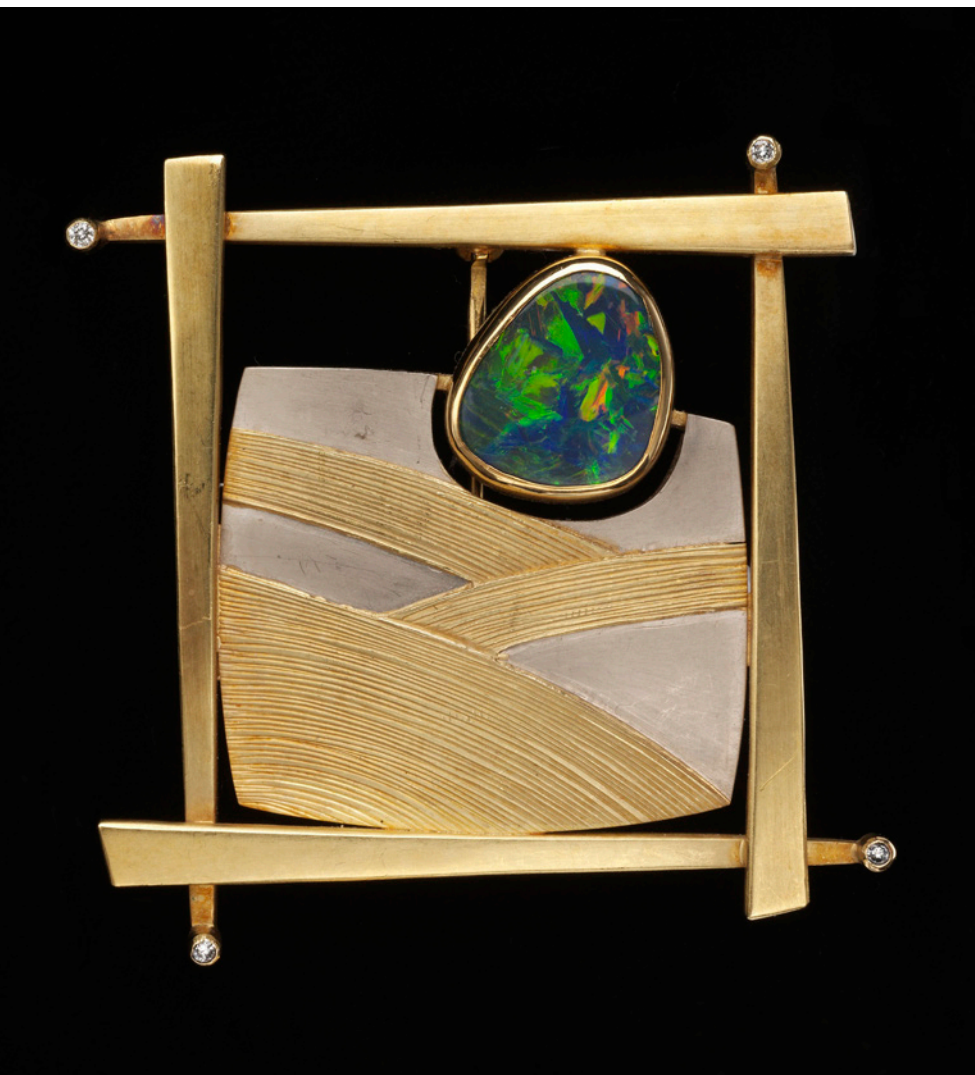
- You own a work of art or item of artistic importance that you feel may be of museum interest.
- You'd like to gift the work to a public collection after your death.
- You'd like Art Fund to act as a conduit for the bequest and provide support to you and your executors in the following areas: advice on appropriate museum recipients, making approaches, corresponding and negotiating with museums, coordinating collection, Art Fund's terms and conditions, announcement of the gift through Art Fund's communications channels.
- You may have a museum recipient in mind, but if the museum is unable to accept the gift for any reason, you'd like Art Fund to find an alternative home for the work.
- You'd like to gift to a UK registered charity in your Will and thereby avoid paying Inheritance Tax on the value of that gift.

Points to note:

- The work does not need to be deemed 'pre-eminent' – Art Fund can advise on whether the work is likely to be of museum interest.
- Art Fund is able to provide suggested wording for your Will.
- In your Will you can instruct Art Fund to offer the work to a particular museum, or you can leave it to Art Fund's discretion.



Giovanni Battista Naldini, *Diana and Actaeon*, C16th, York Art Gallery, bequeathed by David Harrison in 2019 with Art Fund support. © York Museums Trust



Graham Stewart, Brooch of white and yellow gold set with a black opal, 2002, V&A (Victoria and Albert Museum), London. Bequeathed by Joan Wilkinson in 2021 with Art Fund support. © Estate of late Graham L. Stewart. Photo: Victoria and Albert Museum, London

- It is important to include in your Will a fallback option, in case Art Fund is not able to find a museum home for the work – you may wish for the work to go back to your estate, or you may choose to give Art Fund permission to sell the work, with proceeds going towards future acquisitions for museum collections.
- You may choose to include additional information or guidance for Art Fund and your executors in a letter of wishes.
- Collecting priorities change – Art Fund is not able to guarantee that a work will go to a particular museum. However, it can give a steer on which organisations might be interested.
- As with a gift, Art Fund's terms and conditions ensure that the work is cared for, accessible to the public (either on display or otherwise readily accessible) and properly credited.
- In the unlikely event that the recipient museum wishes to de-accession the gift, Art Fund will find an alternative museum home.
- Cataloguing and photographing the work(s) in advance helps Art Fund and your executors to act quickly.
- You may qualify to pay Inheritance Tax at a reduced rate of 36% if you leave at least 10% of your net estate to charity. See the [HMRC website](https://www.hmrc.gov.uk) for more information.
- You may also choose to leave an additional donation in your Will to support Art Fund's charitable work.

First steps:

- If you are considering bequeathing a work of art through Art Fund, do get in touch. Art Fund can provide tailored advice and draft wording for your Will.

Contact information:

- Email programmes@artfund.org addressing the Gifts and Bequests Manager.

Further information:

- [Art Fund Gifts and Bequests webpage](#)

Case study: Bequest through Art Fund

Scheme: Art Fund bequest

Artist: Angelo Campanella (1748-1811), engraver, after Anton Raphael Mengs (1728-1779); Camillo Buti (1747-1808)

Work: Group of 10 (from an original set of 12) hand-coloured prints depicting the fresco wall paintings of the Villa Negroni

Beneficiary museum: Pitzhanger Manor, London

Date acquired: 2022

Donor: Bequeathed by Antony Page

When these prints came to Art Fund they had been catalogued for probate as 19th-century chromolithographs. Art Fund trustees advised, however, that they may in fact be 18th-century colour engravings. After undertaking detailed research and consultation with museum experts, Art Fund found a very appropriate home for them at Pitzhanger Manor.

Pitzhanger Manor was the country home of Georgian Neo-Classical architect Sir John Soane. During his Grand Tour to Rome, Soane found inspiration in the Villa Negroni and its frescoes. Its influence can be found at Pitzhanger – the use of red paint, the faux-marbling of the entrance hall, the choice of statues. Soane even purchased a series of Villa Negroni fresco prints to display in his London home.

Pitzhanger's collection of objects related to Soane is limited and an area they would like to grow. Acquiring these prints allows them to provide audiences with a richer understanding of the inspirations that guided Soane's designs. The acquisition has since sparked displays that explore Soane's influences in more depth, and their research, supported by the V&A, concluded that they are indeed 18th-century engravings.



Villa Negroni plates, Pitzhanger Manor & Gallery, London, bequeathed by Antony Page with Art Fund support. © Ardon Bar-Hama

"The impact of acquiring the Villa Negroni prints has been tremendous for Pitzhanger. They make the story of John Soane come alive for our visitors."
Clare Gough, Director, Pitzhanger Manor

Cultural Gifts Scheme

Tax incentive **Lifetime** **ACE**

Donate a work of art or cultural artefact to a public collection during your lifetime and receive a tax reduction based on the value of the item.

This scheme is for you if:

- You are the sole owner of a work of art or cultural object or collection that is of historic, artistic, scientific or local significance, either individually or collectively (i.e. 'pre-eminent') or the object is associated with a building in public ownership.
- You'd like to give it to a public collection in your lifetime.
- You're a UK taxpayer.
- You have UK Income Tax or Capital Gains Tax liabilities – 30% of the agreed value of the item (spread across a maximum of five tax years) is offset against your tax bill.
- OR you're a company with Corporation Tax liabilities – 20% of the agreed value of the item (only in the accounting period in which the gift is offered) is offset against your tax bill.

Points to note:

- The Cultural Gifts and Acceptance in Lieu (see next section) schemes share a £40 million annual limit for the amount of tax that can be satisfied under the schemes.
- The item will be considered by the [Acceptance in Lieu Panel](#), who will make a recommendation to the relevant government minister as to whether the item is pre-eminent and what its fair value is.



Parts of the Winchcombe meteorite. Accepted under the Cultural Gifts Scheme in 2022 by HM Government from four separate donors and allocated to the Natural History Museum, the Winchcombe Museum and The Wilson. Photo © The Trustees of the Natural History Museum, courtesy Arts Council England



The Golden Wedding Group, with Lady Murray seated bottom left. A collection of private papers belonging to Lady Murray (d. 1932), accepted under the Cultural Gifts Scheme in 2021 by HM Government and allocated to the Imperial War Museum. Courtesy of Omnia Art and Arts Council England

- Gifts can be made with or without a museum recipient in mind (a 'wish'). If your offer is made without a wish, the item will be advertised for museums and galleries across the UK to apply for – the Panel then makes a recommendation for the most appropriate destination for the item.
- Donors must register for self-assessment to receive the tax reduction generated by a successful gift.
- An offer through the Cultural Gifts Scheme must be made by an individual, rather than a couple or a family.

First steps:

- Read the Cultural Gifts Scheme leaflet and guidance on ACE's website.
- You will need to submit an application to ACE where you will be asked to provide information including an image, cataloguing information, a valuation, a condition report, evidence of legal title, **provenance**, a statement on why the work is considered pre-eminent, information on your tax status and how you wish to apply your tax reduction.
- You may choose to consult an agent, an interested museum and/or a tax adviser to help you collate the above information.

Contact information:

- Email [Arts Council England](#)

Further information:

- [Arts Council England Cultural Gifts Scheme](#)

Case study: Cultural Gifts Scheme

Scheme: Cultural Gifts Scheme

Artist: Duncan Grant (1885-1978)

Work: A collection of 422 works on paper, many on repurposed paper such as envelopes and letters.

Beneficiary museum: Charleston, Firlie

Date acquired: 2021

Donor: Norman Coates

This collection of studies of the human form was produced by Duncan Grant, a central member of the Bloomsbury Group, in the 1940s and 1950s.

Given its homoerotic subject matter, the collection was kept secret and not made public until recently. At the time the drawings were made, homosexuality was a criminal offence and prosecutions were common. Instead, the drawings were passed from custodian to custodian for safe keeping.

Through the Cultural Gifts Scheme this collection was acquired by Charleston, the former home and studio of Duncan Grant and Vanessa Bell in Sussex. The acquisition allows Charleston's audiences to see the playful side of Grant's personality, as well as the influence of Greco-Roman traditions and contemporary physique magazines on his work. In 2022 Charleston held an exhibition, *Very Private?*, in which six contemporary artists responded to the collection and the themes of sex, intimacy, gender and identity.

"I'm so pleased that after more than 70 years this collection of drawings by Duncan Grant, until now kept secret, will be made available to the public at Charleston."

Norman Coates, collection donor

"This collection, so very nearly destroyed in less enlightened times, is tangible evidence of the importance queer sex played in Duncan's life as well as a testament to his consummate role as an artist, constantly exploring and experimenting with mark making. The works start many conversations and avenues of research that will demonstrate how vital Grant's work is and how relevant the experience of the Bloomsbury Group is to our present day exploration of sexuality and queer desire."

Dr Darren Clarke, Head of Collections and Research, Charleston



Duncan Grant, *Untitled Drawings*, c.1946-1959, The Charleston Trust © The Estate of Duncan Grant, licensed by DACS 2023

Acceptance in Lieu

Tax incentive After death ACE

Transfer a work of art or cultural artefact to a public collection and settle your inheritance tax or estate duty liability.

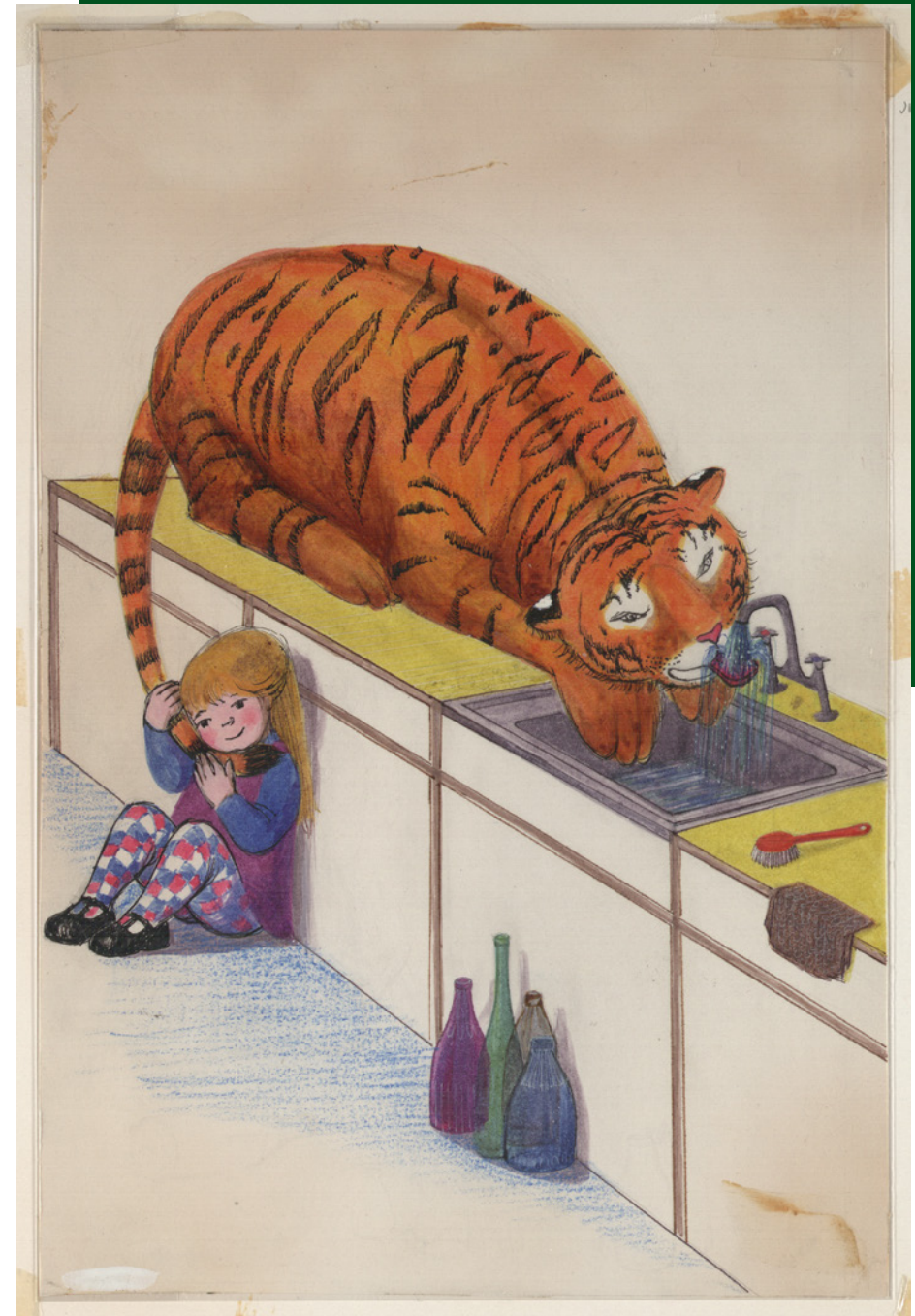
This scheme is for you if:

- You're making your Will, you're an executor of a Will or you have UK Inheritance Tax liabilities (or one of its earlier incarnations).
- You own either of the following:
 - A work of art or cultural artefact or collection that is of historic, artistic, scientific or local significance, either individually or collectively (i.e. 'pre-eminent').
 - An object or collection associated with a historic building in public ownership or certain heritage organisations such as the National Trust or English Heritage.
- You'd like to transfer the item to a public institution and benefit from a greater proportion of its value than if you were to sell it on the open market to pay off the liability (generally, this is about 17% more).

Points to note:

- The Cultural Gifts and Acceptance in Lieu schemes share a £40 million annual limit for the amount of tax that can be satisfied under the schemes.
- The item will be considered by the [Acceptance in Lieu Panel](#), who will make a recommendation to the relevant government minister as to whether the item is pre-eminent and what its fair value is. If the item is offered on the basis that it is associated with a building owned by the government or a heritage organisation it will make a recommendation as to whether it is desirable for the association to remain.

Finished artwork for *The Tiger Who Came to Tea* (HarperCollins, 1968) by Judith Kerr. Accepted in lieu of Inheritance Tax by HM Government and allocated to Seven Stories, The National Centre for Children's Books in 2022. Photo courtesy of Seven Stories, © Kerr-Kneale Productions, courtesy Arts Council England





Glass incubator used by Robert Edwards for the first IVF treatment. Accepted in lieu of Inheritance Tax by HM Government and allocated to the Science Museum in 2022. Photo courtesy of the Science Museum Group and Arts Council England

- Offers can be made with or without a museum recipient in mind ('unconditional'). If you do have a recipient in mind, offers can be made with a 'wish' (non-binding) or a 'condition'. If your offer is unconditional or with a wish, the item will be advertised for museums and galleries across the UK to apply for – the Panel then makes a recommendation for the most appropriate destination for the item.
- If the value of the item satisfies more tax than is payable, you can make a 'hybrid' offer – i.e. the acquiring museum or gallery pays some or all of the difference – though some offerors choose to waive this. Funding bodies like Art Fund will often offer grants towards these hybrid cases.
- The offered item does not have to have come from the estate. Someone liable for tax or duty can offer anything which belongs to them.
- An offer in lieu must be made to HMRC and it is through HMRC that the tax credit is applied. HMRC seeks advice from the Arts Council whether an item offered via AIL can be recommended for acceptance under the scheme.

First steps:

- Read the Acceptance in Lieu leaflet and guidance on ACE's website.
- Contact the Heritage Team at HMRC to establish whether you have a tax liability that can be settled in this way.
- When you are ready to proceed, offers through Acceptance in Lieu should be submitted to the HMRC Heritage Team. When submitting the offer to HMRC you will be asked to provide information such as: an image, cataloguing information, a valuation, a condition report, evidence of legal title, provenance, a statement on why the work is considered pre-eminent, information on your tax status. For the full details of what is required please refer to section 11.14 of HMRC's 'Capital Taxation and the National Heritage' guidance (linked below).

- You may choose to consult an agent, an interested museum and/or a tax adviser to help you collate the above information.

Contact information:

- [HMRC Heritage Team](#)
- [Arts Council England](#)

Further information:

- HMRC guidance '[Capital Taxation and the National Heritage](#)' (see Chapter 11)
- HMRC [Inheritance Tax Manual](#)
- [ACE Acceptance in Lieu](#)



Pierre-Auguste Renoir, *L'allée au bois* (*The Woodland Path*) c.1874 - 1880. Accepted in lieu of Inheritance Tax by HM Government and allocated to Ulster Museum in 2023, with the assistance of a grant from Art Fund. © Christie's. The offer in lieu was negotiated through Christie's.

Case study: Acceptance in Lieu

Scheme: Acceptance in Lieu

Artists: Various

Work: Two collections of studio ceramics:

- A collection of 22 20th-century pots formed by Henry Rothschild (1913-2009).
- A collection of 531 pieces of studio ceramics by around 150 different artists formed by John Christian (1942-2016).

Beneficiary museum: Shipley Art Gallery, Gateshead

Date acquired: 2013 and 2018

Shipley Art Gallery in Gateshead has received two significant collections of studio ceramics through the Acceptance in Lieu scheme, which have helped to further its reputation as one of the UK's best collections of studio ceramics.

The first placement was a collection of 20th-century pots, formed by collector and dealer Henry Rothschild, which included works by the likes of acclaimed makers Bernard Leach, Lucie Rie and Hans Coper.

In 2018 Shipley Art Gallery was the recipient of a further collection of studio ceramics – in this case, 531 ceramics collected by the art historian John Christian. The collection included works by emerging artists as well as pieces by more familiar names, such as James Tower and Karen Karnes. The strength of the collection lies in the fact that it includes works by a number of makers from across their careers, giving audiences an insight into how they refined and developed their style.

Both collections are used by Shipley Art Gallery in their outreach programmes for schools, families and community groups. School groups use them to explore form, materials and surface texture and as a source of inspiration to create their own ceramic pieces. Shipley is also working with a group from the Gateshead Recovery Partnership – a drug and alcohol service for adults living in Gateshead – to co-curate a ceramics display from the John Christian collection.



Lucie Rie, *Pot with sgraffito squares*, c.1959. Accepted in lieu of Inheritance Tax by HM Government and allocated to the Shipley Art Gallery, 2013. Image courtesy Tyne & Wear Archives & Museums and Arts Council England.

"The acquisition of these collections has reinforced the Shipley Art Gallery's reputation as the place in North East England to learn about 20th-century and contemporary craft."

**Dr Esmé Whittaker, Keeper of Art (Art Galleries),
Tyne & Wear Archives & Museums**

Private Treaty Sale

Tax incentive Lifetime HMRC Sale

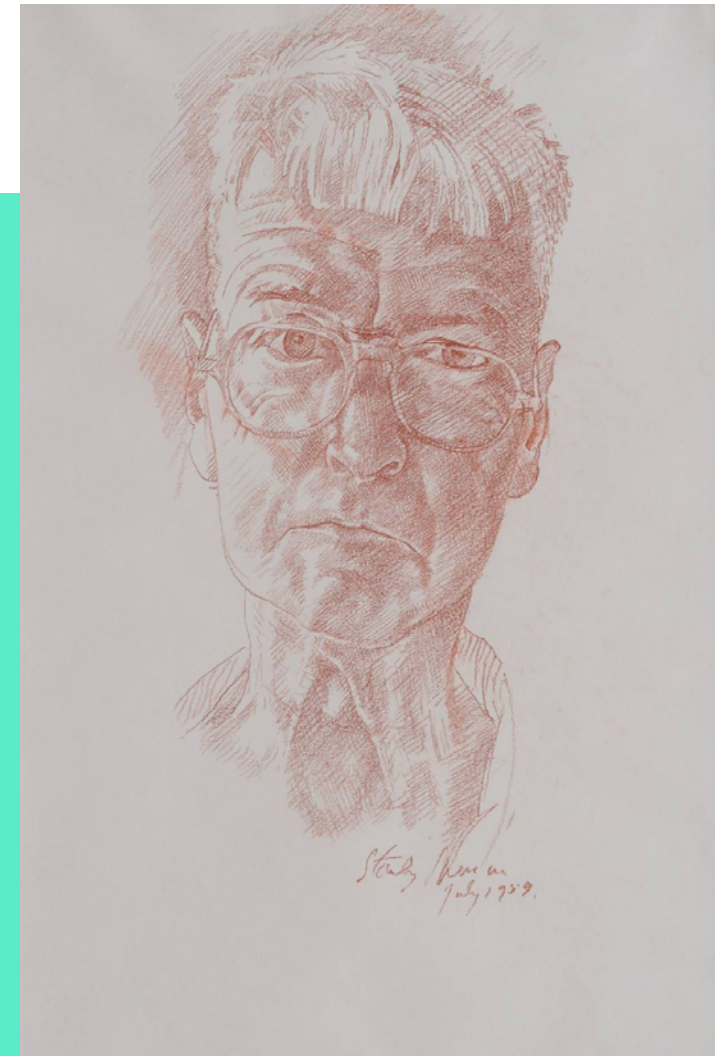
Sell a work of art or cultural artefact to a public collection entirely tax free. The seller often receives more money than they would at auction, whilst the public institution acquires work that they might otherwise be unable to afford.

This scheme is for you if:

- You own a work of art or cultural artefact that is of historic, artistic, scientific or local significance, either individually or collectively (i.e. 'pre-eminent')
- You're a UK taxpayer that may be liable to pay Capital Gains Tax or Inheritance Tax when selling on the open market.
- You'd like to sell the item to a public collection and avoid these tax liabilities.

Points to note:

- The savings made by not paying Capital Gains Tax and/or Inheritance Tax are shared between the seller and the institution. Usually, the seller receives 25% of the saving (the douceur) and the remaining 75% is deducted from the price paid by the institution – however this split is flexible and depends on negotiations between the seller and the institution.
- Private Treaty Sales are also not subject to VAT.
- Ultimately the institution typically pays 70% of the total market value of the item.
- Items either need to have already been granted Conditional Exemption (see below) or satisfy the pre-eminence criteria.
- HMRC will consult ACE on whether the item is deemed to be pre-eminent.
- The buying institution should be a qualified purchasing body, listed in the Schedule 3 of the Inheritance Tax Act 1984 (**Schedule 3 body**).



Stanley Spencer, *Self Portrait*, 1959. Acquired by the Stanley Spencer Gallery through Private Treaty Sale in 2020, supported by a grant from Art Fund.
© Estate of Stanley Spencer. All Rights Reserved. 2020 / Bridgeman Art Library.



Unknown maker, 'Blue-Dash' Tulip Delft charger, c1680, bequeathed by Margaret Macfarlane in 2022 with Art Fund support. © The Holburne Museum, Bath

- Art Fund is a Schedule 3 body itself, so it can 'front' the purchase of works of art on behalf of an institution that is not a listed Schedule 3 body. This can save the institution legal fees.
- Land and historic buildings can also be sold to Schedule 3 bodies as Private Treaty Sales.

First steps:

- We advise that you read the Private Treaty Sales guidance on ACE's website (linked below).
- You should be prepared to provide as much cataloguing and provenance information about the item as possible, as well as proof of title. An interested museum may be able to help fill in any gaps.
- Once the work has been deemed pre-eminent and an interested institution identified, you will be expected to negotiate and agree the current market value of the work.
- HMRC can then calculate the notional Capital Gains Tax and Inheritance Tax liabilities.
- You may choose to employ an agent to help you with approaching and negotiating with museums.

Contact information:

Email [HMRC Heritage Team](#)

Further information:

- [Capital taxation and tax-exempt heritage assets guidance](#)
- [ACE Private Treaty Sales](#)
- [List of Schedule 3 bodies](#)

Case study: Private Treaty Sale

Scheme: Private Treaty Sale

Artist: Gwen John (1876-1939)

Work: *Portrait of a Girl in Grey*

Beneficiary museum(s): National Galleries of Scotland (NGS)

Date acquired: 2020

Portrait of a Girl in Grey (also known as *Girl in Grey with Rosary*) is one of Gwen John's largest and best-known paintings. It comes from a celebrated series of four very similar paintings of a woman in a grey-blue cloak looking out to the left; the other three versions are held in major public collections in North America. John's portraits are celebrated for their nuance and the careful, deliberate application of paint. Whilst the artist made thousands of drawings and watercolours, her finished paintings are rare.

Belonging to a private family collection for about 40 years, this painting had been on loan to the National Galleries of Scotland since 2003. It has been exhibited almost continuously during this time. Before this acquisition NGS only had one work by John in their collection – in fact it was the only painting by John in a public collection north of York.

The acquisition allows NGS to enhance their representation of female artists and, through its numerous connections to different artistic movements, add further context to works already in the Gallery's collection.

By offering the work as a Private Treaty Sale the family received more than they would have at auction, whilst NGS were able to acquire it for less than its market value. The acquisition was supported by a grant from Art Fund.



Gwen John, *Portrait of a Girl in Grey*, c.1915-25, Scottish National Gallery, acquired in 2020 with Art Fund support. © National Galleries of Scotland

"The Private Treaty Sale mechanism, which enabled us to purchase this work for a significantly reduced figure, has been instrumental in allowing us to add this popular, accessible and versatile painting to our permanent collection."

Patrick Elliott, Chief Curator of Modern and Contemporary Art, National Galleries of Scotland

Conditional Exemption

Tax incentive **Lifetime** **After death** **HMRC**

Defer the payment of Inheritance Tax or Capital Gains Tax when transferring the title of a work of art or cultural artefact to a new owner by gift or inheritance.

This scheme is for you if:

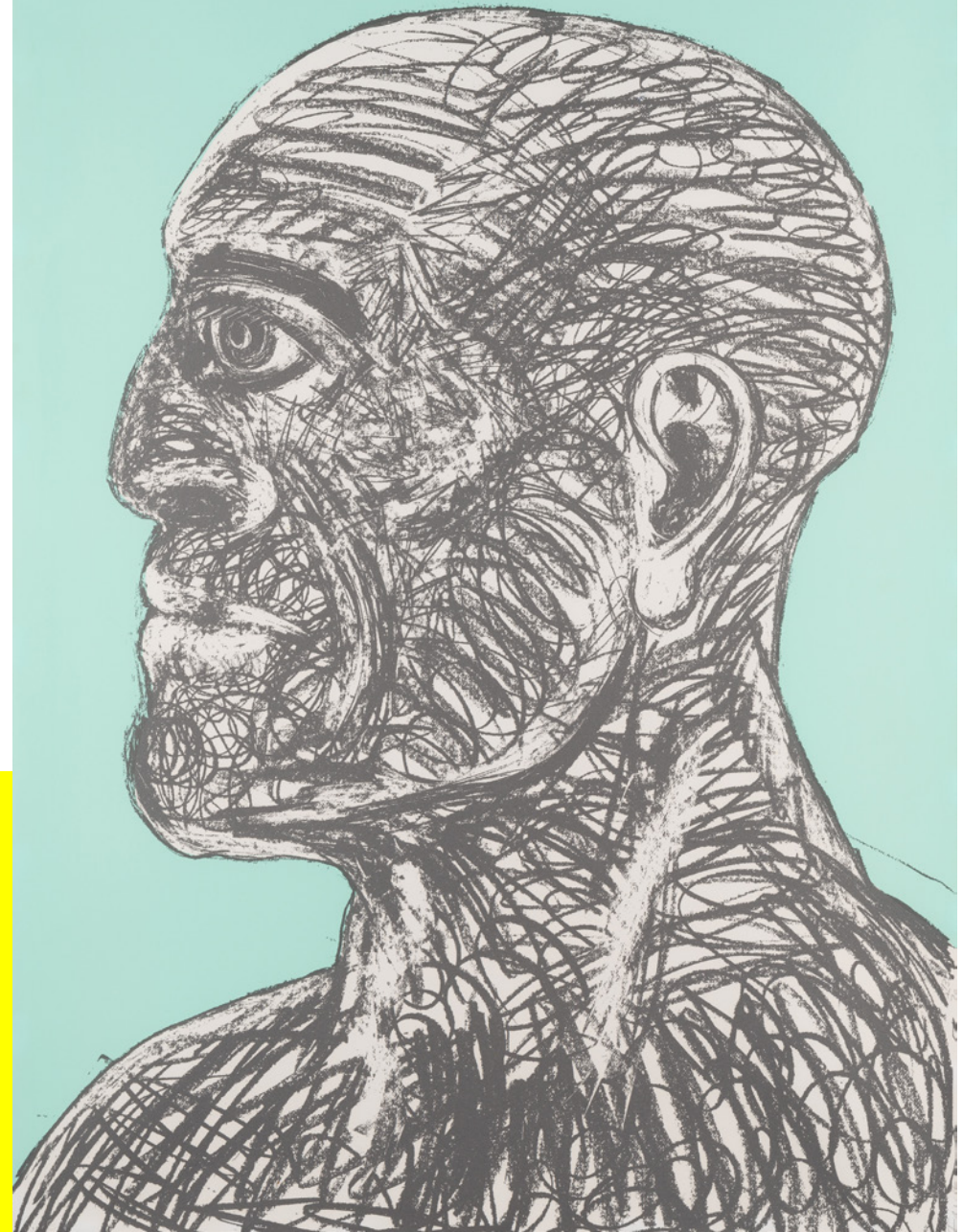
- You own a work of art or cultural artefact that is of historic, artistic, scientific or local significance, either individually, collectively (i.e. 'pre-eminent') or due to their connection to historic buildings.
- You are happy to commit to looking after the item and making it available for the general public to view in the UK – either by displaying it at a museum or gallery on loan, or by providing public access to the work in situ.
- You're a UK taxpayer that may be liable to pay Capital Gains Tax or Inheritance Tax when transferring ownership of the item.

Points to note:

- HMRC will consult ACE on whether the item is deemed to be pre-eminent, or English Heritage for items connected with historic buildings.
- If the conditionally exempt item is sold (unless through a Private Treaty Sale, see above/below), the exemption comes to an end and the tax must be paid.
- Land and historic buildings can also qualify for conditional exemption.

First steps:

- Contact HMRC to see whether you would be eligible for Conditional Exemption.
- You should be prepared to provide HMRC with as much cataloguing and provenance information about the item as possible.



Elisabeth Jean Frink, *Head II*, C20th, Falmouth Art Gallery, Bequeathed by Bernard Heine, 2021, with Art Fund support. © Elisabeth Jean Frink / DACS 2023. Courtesy Falmouth Art Gallery.

- You may choose to consult an agent, an interested museum and/or a tax adviser to help you collate the above information.

Contact information:

[HMRC Heritage Team](#)

More information:

[HMRC guidance on capital taxation and the national heritage](#)



Wilhelmina Barns-Graham, *Olive Green Squares on Vermillion*, 1968, Sainsbury Centre, Presented by the Wilhelmina Barns-Graham Trust with Art Fund support, 2021. © Wilhelmina Barns-Graham Trust

Case study: Conditional Exemption

Scheme: Conditional Exemption

Works: A group of Northern Renaissance portraits by artists including Ulrich Apt the Elder and Jan Cornelisz Vermeyen, and a landscape painting by the Dutch Old Master painter Adriaen van de Velde.

Beneficiary museum: The Holburne Museum, Bath

For those wishing to apply for conditional exemption, lending objects to a museum or gallery is an effective way of ensuring that the requirements around public access are met. Of course, the museums benefit too – they are able to borrow objects of cultural importance that they may not otherwise have access to.

This significant collection of paintings, including a striking double portrait of merchant and banker Jakob Fugger (known as 'Fugger the Rich') and his bride, is now on loan to the Holburne Museum in Bath for 20 years.

By borrowing these works, the Holburne has been able to create a whole new permanent gallery. It also triggered two exhibitions: *Illustrating the World: Woodcuts in the Age of Dürer* and *Painted Love: Renaissance Marriage Portraits*. Like many museums, the Holburne does not at the moment have an acquisitions fund, making opportunities offered by Conditional Exemption more important than ever.



Marriage Portrait of Jakob Fugger and Sybilla Artzt. Thoman or Hans Burgkmeier, 1498.
Courtesy the Holburne Museum

"The loan of this important collection of paintings has had a hugely beneficial impact on the Holburne and extended the museum's offer into entirely new areas."

Chris Stephens, Director, The Holburne Museum

Other ways to support

Art Fund has helped museums and galleries in the UK to collect great works of art since 1903. We know that remarkable, diverse collections have the power to inspire us, challenge us, and make us feel seen.

Our support goes beyond just acquisitions. We provide funding for museums to engage new audiences, loan important works of art, undertake research and develop new partnerships. We've developed marketing tools that help museums and galleries reach more people, and through our policy work we advocate for museums and galleries on a local and national level. The service we offer to individuals to gift or bequeath through Art Fund is entirely free.

We can only deliver this work through the generous support of our donors and members. There are a number of ways you can support Art Fund's mission to share great art and culture with everyone:

Make a donation

[Donate to Art Fund](#)

Leave a legacy in your Will

Visit artfund.org/legacy

Contact legacy@artfund.org



Guan Xiufang; Lu Xingtang; Wang Chengxiu, *The Rainbow of Loushan*, 1973, National Museums Scotland, gifted through Art Fund by David Hyatt and Edmund M. B. King in 2011 in memory of Eve King. Courtesy National Museums Scotland



Edward Calvert, *Landscape after Claude*, 19th century, The Whitworth, University of Manchester. Bequeathed by Ursula Overbury in 2019 with Art Fund support. Courtesy Whitworth, The University of Manchester.

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Join our special group of patrons to champion the UK's museums and galleries – and you'll get to see this support in action through an exclusive programme of events, private views, studio visits and more.

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A National Art Pass lets you enjoy free entry to hundreds of museums, galleries and historic places across the UK as well as 50% off major exhibitions.

[National Art Pass](#)

However you choose to support our work, you are helping to enrich the UK with great art and experiences.

© My Linh Le / Art Fund 2021



Advice for museums

These schemes enable museums, galleries, libraries and archives to acquire important objects for free, or for much less than their market value. We encourage you to proactively take advantage of them by building the following steps into your collections development practice:

- Every time you make an acquisition, consider whether it could be eligible for any of the schemes.
- Train your staff (particularly those working in collections and fundraising) to know about the schemes so that they can spot opportunities to make use of them.
- Have early conversations with donors, collectors and lenders, making them aware of the benefits that the schemes offer.
- Regularly check the ACE website. Items offered through Acceptance in Lieu and the Cultural Gifts Scheme without a condition as to where they are allocated are advertised on the website and organisations are invited to apply for them. The website also publishes items granted Conditional Exemption which are now intended for sale.



The Boyle family, *Liverpool Dock*, National Museum Wales, Presented by the Peter Moores Foundation in 2015 through Art Fund. © Boyle Family. Courtesy National Museum Wales

Private Treaty Sales

It is important that expectations are clearly articulated and agreed at the outset between both the buying and selling parties. You may find it useful to engage the support of an adviser – for example an agent, auction house, lawyer or tax adviser – to help with negotiations.

If your organisation is not a Schedule 3 body, remember that Art Fund can front Private Treaty Sales on behalf of organisations that are eligible for Art Fund support.

Items subject to an export stop can be acquired through the Private Treaty Sale mechanism if the sale is subject to any of the following: Inheritance Tax, Capital Transfer Tax, Estate Duty, Capital Gains Tax, Corporation Tax.

Securing loans through Conditional Exemption

In order to qualify for Conditional Exemption, owners must find a way to allow public access to their object or collection. A great way of doing this is to loan it to a museum or gallery.

Museums may wish to proactively suggest Conditional Exemption as a solution for owners who have been (or will be) subject to a tax event, such as inheritance tax, but wish to retain ownership of the object(s).

Objects which have been granted Conditional Exemption status are listed publicly on the [HMRC Heritage Assets Database](#). Whilst objects listed on this database already satisfy public access requirements in some way, this database can be a useful tool for finding objects that may be available for loan.



Delftware Tea canister, lid missing. 1740 - 1745. Joseph Flower (c. 1743), Bequeathed by Margaret Macfarlane in 2020 with Art Fund support. © Ashmolean Museum

Acceptance in Lieu – Hybrid offers

Where an Acceptance in Lieu offer is hybrid (i.e., the tax credit generated by the offer is greater than the tax payable), museums are required to pay the difference. Below is a list of funding bodies that can support acquisitions:

- [Art Fund](#)
- [ACE/V&A Purchase Grant Fund](#)
- [The Headley Trust](#)
- [National Heritage Memorial Fund](#)
- [Beecroft Bequest](#)
- [Henry Moore Foundation](#)

Art Fund Gifts and Bequests

Art Fund undertakes detailed research to find the best home for works offered through the Gifts and Bequests programme. If you are looking to grow your collection in a particular area and would like Art Fund to look out for works that fit with your collections development policy, please do let us know.

Some museums and galleries choose to refer donors to Art Fund. For example, a donor may require advice on what to do with their broader collection, or they may feel reassured by the additional security that gifting through Art Fund provides.

Art Fund will sometimes, with the permission of the donor, advertise available gifts and bequests through its museum professionals [email bulletin](#).



Christopher Wood, *Two Figures Walking*, 1926, Williamson Art Gallery, Bequeathed by Ian Mylles with Art Fund support 2021. © Philip Eastwood. Courtesy of Birkenhead; Wirral Museums Service / Williamson Art Gallery & Museum

Glossary of terms

- **Acquisition** – an artwork, archive or object that is gifted to, or bought or obtained by, an organisation such as a museum, gallery, or historic house.
- **Cataloguing details** – The information that allows the identification of an individual object or artwork. What information is needed depends on the nature of the object, but should include information such as artist/maker, title, date, medium, edition number and dimensions. Exhibition and provenance information is also extremely helpful.
- **Acceptance in Lieu Panel** – The Acceptance in Lieu Panel advises DCMS and devolved governments on the value and pre-eminence of items offered through the Acceptance in Lieu, Cultural Gifts and Conditional Exemption schemes. The panel is made up of art historians, market professionals and industry experts.
- **Pre-eminent** – In order for an object or collection to be eligible for Acceptance in Lieu, the Cultural Gifts Scheme, Conditional Exemption or Private Treaty Sale, it must be deemed by the Acceptance in Lieu Panel to be 'pre-eminent'. 'Pre-eminent' means that an object or collection is of significance on a local or national scale or for scientific, historic, or artistic reasons. For objects or collections which have a close association with a particular historic setting, please see the individual guidance for each scheme.
- **De-accession** – The official removal of an item from a library, museum, or art gallery collection.
- **Provenance** – A record of ownership of a work of art or object, used as a guide to authenticity, quality and history.



Richard Bawden, *Old Harry Rocks*, C20th, Falmouth Art Gallery, Bequeathed by Bernard Heine in 2021 with Art Fund support. © Richard Bawden. Courtesy Falmouth Art Gallery

- **Schedule 3 Body** – A Schedule 3 body is a national institution, listed in the statute, which exists for the purpose of preserving for public benefit items of cultural interest.
- **Open market value** – The price that a work of art or artefact would likely fetch on the open market (e.g. at auction) at the time of offer. This is informed by a range of information including previous sale prices for similar items, condition, quality, rarity, size and market appetite.

Thank you

Art Fund and ACE would like to thank DCMS and HMRC as well as the museums, agents and donors who supported the development of the guide.



Jack Smith, *Dialogue Fandango*, Southampton City Art Gallery, gifted by Prof. L & Mrs P Allen with Art Fund support 2015. © Estate of Jack Smith. Courtesy Southampton City Art Gallery