

Tom Christopherson ▪ Chairman

**Response to the Questionnaire issued by the Department of Business & Trade
“Request for Input” concerning potential UK tariffs.**

April 2025

The British Art Market Federation (BAMF) represents the interests of the UK's large and diverse art and antiques market, through its members The Antiquarian Booksellers' Association, The Antiquities Dealers' Association, Bonhams Auctioneers, The British Antique Dealers' Association (BADA), Christie's, The Association of Art and Antique Dealers (LAPADA), Phillips Auctioneers, The Society of Fine Art Auctioneers and Valuers (SOFAA), The Society of London Art Dealers (SLAD) and Sotheby's.

BAMF itself does not import products, but its members do; this submission is on behalf of the UK art market as a whole.

This submission concerns product line 97019100, but the UK art market also covers many other codes, listed at the foot of this response, for which US origin goods equally should not in the submission of BAMF be covered by UK tariffs, for the reasons provided below.

London is a significant global art market hub with the second largest share of the global art market by value, at 18% with sales of \$10.4 billion in 2024 (Source: Art Basle & UBS Art Market Report 2025 ("UBS Art Basle Report")). In 2022 the British art and antiques market comprised over 7,800 businesses, directly supporting over 45,520 jobs. The majority are SMEs or micro businesses, often with a single proprietor. The UK art market is a key part of the cultural infrastructure of the British economy and generates expenditure on a range of specialist services in ancillary industries such as art fairs, packing and shipping, conservation and restoration, advertising and marketing, IT and professional services. In 2022 auction houses and dealers spent over £2.6 billion on ancillary services, supporting approximately a further 37,900 specialised jobs.

The UK art market is an entrepôt market and is therefore highly dependent on cross-border trade. As the US is the world's largest art market (with 43% of the global market in 2025, source - UBS Art Basle Report), trade in artworks with the US is key to the UK art market and its participants. In 2024, 31% of UK art dealers' sales by value were to the US (UBS Art Basle Report); US-UK trade is a key element underpinning the UK art market.

The suggested UK tariffs would affect goods of US origin, whether or not the importer or seller of the goods was in or from the US. The significant majority of the goods in question are second hand, and so often unconnected with the country of their manufacture. The tariffs therefore would not necessarily have any adverse effect on US exporters or the US economy, but would without doubt have a detrimental effect on the UK art market.

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The imposition of US tariffs on US purchases from the UK is already damaging in certain areas of the art market (noting however the exclusions applicable to artworks under Article 50 USC 1702(b)(3) the "informational materials" exemption). However, the imposition of UK tariffs on artwork imports from the US would be extremely damaging in the following ways:

Loss of Market Share

- A substantial amount of high value art sales in the UK are imports entering the UK for sale. Artworks are easily transportable and sales are very easily diverted to other jurisdictions. However, strong imports of art and antiques are shown to correlate closely with a strong art market; analysis by Arts Economics in 2023 with import data from UN Comtrade showed a correlation of 0.60 between UK art sales and imports of art in the decade from 2013 to 2022.

- The UK is one of the two largest markets for high value art works outside the US and this category underpins the UK's role as a global hub, which in turn underpins the UK's market share, jobs and growth. (Source The UBS Art Basle Report, p187, "The bulk of sales at the high end took place in the largest auction hubs of the US, UK and China, which gave these major markets their dominant position in the global auction market".)

- UK tariffs would divert sales of important US artists such as Warhol, Basquiat and Koons to the UK art market's competitors - this would significantly damage the UK market and would benefit the UK's global competitors, potentially including the US. In 2024, 20% of the top 10 artworks by value sold by UK auction houses (Sotheby's, Christie's, Phillips) were of US origin, and 17% of such works out of the top 100 works sold in the UK by those houses were of US origin. Once a share of the global art market has been lost, it is very hard to recover, as investment in dealer and auction businesses, and the businesses they support in conservation, logistics, marketing etc, will have gone elsewhere.

- The imposition of tariffs on artworks less than 100 years old would be particularly damaging, as this category (described as "Post War and Contemporary" in the UBS Art Basle Report) has been the dominant sector of the art market by value in recent times, making up over half of the global market by value in all years since 2015 (source: UBS Art Basle Report, p 190). A market has to sell effectively in this category in order to compete on the global stage.

Loss of Employment and Fiscal Revenue

- It has long been recognised that import taxes and tariffs have a diversionary effect on art imports, which have adverse effects on art markets and fiscal revenues derived therefrom (Ref: 1986 study by Peter Oppenheimer "VAT and the UK Art trade", the 2003 report to the French Assemble Nationale entitled "La Lente Agonie Fiscale du Marche European de l'Art" or the "Rapport sur les Risques Induits par une Nouvelle Augmentation du Taux de TVA a L'Importation sue les Oeuvres d'Art" produced by the French art trade organisations with analysis by Arts Economics). The high correlation between UK art imports and UK art sales has been noted above. The imposition of UK tariffs on art and antiques, with the consequent risk of declining sales and employment in the sector, would have a similar adverse effect on its related fiscal revenues.

Significant Risk of Retaliation

- UK tariffs run the real risk of retaliation by the US. For the UK art market, such retaliation could take the form of higher tariffs on items currently subject to the 10% tariff, and/or withdrawal of the current US tariff exclusion for artworks under Article 50 USC 1702(b)(3). Each would have disastrous consequences for the UK art market.

Threat to Critical Mass

- The UK art market requires momentum and critical mass to remain a global hub - the loss of sales of high level 20th Century US art in London would itself, as illustrated above, be a significant loss to the UK art market, and would also discourage the import and sales of other high value works, further damaging the UK art market.

- London's entrepôt status and second ranking in terms of global market share both depend on the UK being regarded as an open, stable and welcoming venue for a wide range of art sales - the imposition of UK tariffs would undermine these sentiments, to London's material disadvantage.

Impact on Tourism

- A decline in the UK art market would have detrimental effects on other sectors such as tourism, as significant UK art market events such as international auctions, art fairs and gallery-led projects such as Asian Art in London, are important attractions for high value foreign visitors.

BAMF also notes that tariffs affecting cultural goods would also affect other institutions in the creative industries sector of which the art market forms a part, which would have a wider detrimental effect on how the UK is viewed from abroad and on tourism to the UK.

Potential UK-US Trade Agreement

In terms of negotiations for a trade agreement with the US, BAMF suggests that zero rating VAT on imported US art coming to the UK for sale: (i) would be of interest to the US, (ii) would underpin a UK requirement for removal of US tariffs, and (iii) would underline the UK's openness to international business, while supporting growth in the UK art market. While removing import VAT for US art would have limited fiscal effect in the UK (much of such art being imported under TA and re-exported after sale) the removal of the related complexities would remove an perceived obstacle for US sellers and buyers in the UK, and would accord with reported comments by the US President concerning VAT for US citizens trading in the UK.

Conclusions

The UBS Art Basle Report recorded a 12% decline in the global art market in 2024, to an estimated \$57.5 billion. It is more important than ever to support London's share of this market rather than adding to the obstacles to attracting art sales to the UK.

UK tariffs on US artworks would be extremely damaging to the UK art market, with a significant effect on its global market share with an impact on prospects, jobs and growth. Conversely, UK tariffs on artworks would be beneficial to the UK's global competitors, potentially including the US, by diverting sales from London to Hong Kong, Switzerland, Paris or New York.

In addition, US retaliatory tariffs would be particularly damaging to the UK art market.

It is very difficult to see how UK tariffs on US artworks and related second hand items as sold in the UK art market would damage the US. Such tariffs would without doubt be highly damaging to the UK market.

[Overleaf – List of potentially affected Classes]

PLEASE NOTE, the issues raised above apply to items in class 97019100 (Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by hand (excl. over 100 years old, and technical drawings and the like of heading 4906, and hand-painted or hand-decorated manufactured articles) AND EQUALLY APPLY to the following categories, all of which are sold in the UK art market:

Books and artworks

48205000 - Albums for samples or collections, of paper or paperboard

49060000 - Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; handwritten texts; photographic reproductions on sensitised paper and carbon copies of the foregoing

49090000 - Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings

49119100 - Pictures, prints and photographs, n.e.s.

49119900 - Printed matter, n.e.s.

69139098 - Statuettes and other ornamental ceramic articles, n.e.s. (excl. of porcelain or china, common pottery, earthenware or fine pottery)

69141000 - Ceramic articles of porcelain or china, n.e.s.

69149000 - Ceramic articles, n.e.s. (excl. of porcelain or china)

97039000 - Original sculptures and statuary, in any material (excl. over 100 years old)

Jewellery and other articles of precious metal:

71011000 - Pearls, natural, whether or not worked or graded, but not strung, mounted or set, natural pearls, temporarily strung for

convenience of transport (excl. mother-of-pearl)

71012100 - Cultured pearls, unworked, whether or not graded

71012200 - Cultured pearls, worked, whether or not graded, but not strung, mounted or set, worked cultured pearls, temporarily strung for convenience of transport

71023900 - Diamonds, worked, but not mounted or set (excl. industrial diamonds)

71039100 - Rubies, sapphires and emeralds, worked, whether or not graded, but not strung, mounted or set, rubies, sapphires and emeralds, worked, ungraded, temporarily strung for convenience of transport (excl. rubies, sapphires and emeralds, simply sawn or roughly shaped, imitation precious stones and semi-precious stones)

71039900 - Precious and semi-precious stones, worked, whether or not graded, but not strung, mounted or set, precious and semi-precious stones, worked, ungraded, temporarily strung for convenience of transport (excl. precious and semi-precious stones, simply sawn or roughly shaped, diamonds, rubies, sapphires and emeralds, imitation precious stones and semi-precious stones)

71131100 - Articles of jewellery and parts thereof, of silver, whether or not plated or clad with other precious metal (excl. articles > 100 years old)

71131900 - Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal (excl. articles > 100 years old)

71141100 - Articles of goldsmiths' or silversmiths' wares or parts thereof, of silver, whether or not plated or clad with other precious metal (excl. jewellery, watch-and clockmakers' wares, musical instruments, weapons, perfume atomizers and heads for these, original sculptures or statuary, collectors' pieces and antiques)

71141900 - Articles of goldsmiths' or silversmiths' wares or parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal (excl. jewellery, watch- and clockmakers' wares, musical instruments, weapons, perfume atomizers and

heads for these, original sculptures or statuary, collectors' pieces and antiques)

71162080 - Articles of precious or semi-precious stones (natural, synthetic or reconstructed), n.e.s.

91011100 - Wrist-watches of precious metal or of metal clad with precious metal, whether or not incorporating a stop-watch facility, electrically operated, with mechanical display only (excl. with backs made of steel)

91022900 - Wrist-watches, whether or not incorporating a stop-watch facility, with hand winding only (excl. of precious metal or of metal clad with precious metal)

91059900 - Clocks (excl. electrically operated, wrist-watches, pocket- watches and other watches of heading 9101 or 9102, clocks with watch movements of heading 9103, instrument panel clocks and the like of heading 9104, alarm clocks and wall clocks)

Handbags:

42022900 - Handbags, whether or not with shoulder strap, incl. those without handle, with outer surface of vulcanised fibre or paperboard, or wholly or mainly covered with such materials or with paper

42022100 – Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of leather, composition leather or patent leather

42021110 – Executive-cases, briefcases, portfolios, school satchels and similar containers with outer surface of leather, composition leather or patent leather

42021990 – Trunks, suitcases, vanity cases, executive-cases, briefcases, school satchels and similar containers (excl. with outer surface of leather, composition leather, patent leather, plastics, textile materials or aluminium)

Carpets:

57011010 – Carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or not made up, containing > 10 % silk or waste silk other than noil by weight

57011090 – Carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or not made up (excl. those containing > 10 % silk or waste silk other than noil by weight)

58050000 – Hand-woven tapestries of the type Gobelin, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries, e.g. petit point, cross-stitch, whether or not made up (excl. Kelem, Schumacks, Karamanie and the like, and tapestries > 100 years