

TRANSACTION RED FLAGS

Clients who knowingly wish to sell at an artificially low or inflated price

Clients who ask detailed questions about the Art Business' procedures for reporting suspicious activity and/or financial matters to tax authorities

Seller / Consignor is unable or unwilling to provide adequate proof of ownership for items that they are wishing to consign

Clients who suggest unusually complicated structures for achieving a purchase or sale

Buyers wishing to pay by a cheque drawn on a bank located outside the FATF jurisdictions <http://www.fatf-gafi.org/>

Buyers who arrange payments from a third party

Sellers who request sale proceeds to be paid to a third party

- Exercise enhanced due diligence over the transaction

- Exercise enhanced due diligence over the transaction; or
- If insufficient information is provided on the transaction, consider declining the transaction

- If there is a legitimate reason to consider accepting payment from a third party, request sufficient information and verified documentation to establish a legitimate link between the third party and the buyer. If not satisfied with the information and documentation provided, decline payment from the third party

- If there is a legitimate reason to consider paying a third party, request sufficient information and verified documentation to establish a legitimate link between the third party and the seller. If not satisfied with the information and documentation provided, decline to pay the third party

RAM

Responsible Art Market

Red Flags Money laundering and terrorist financing risks

The Responsible Art Market Initiative (RAM)

RAM's mission is: "To raise awareness amongst Art Businesses of risks faced by the art industry and provide practical guidance on establishing and implementing responsible practices to address those risks."

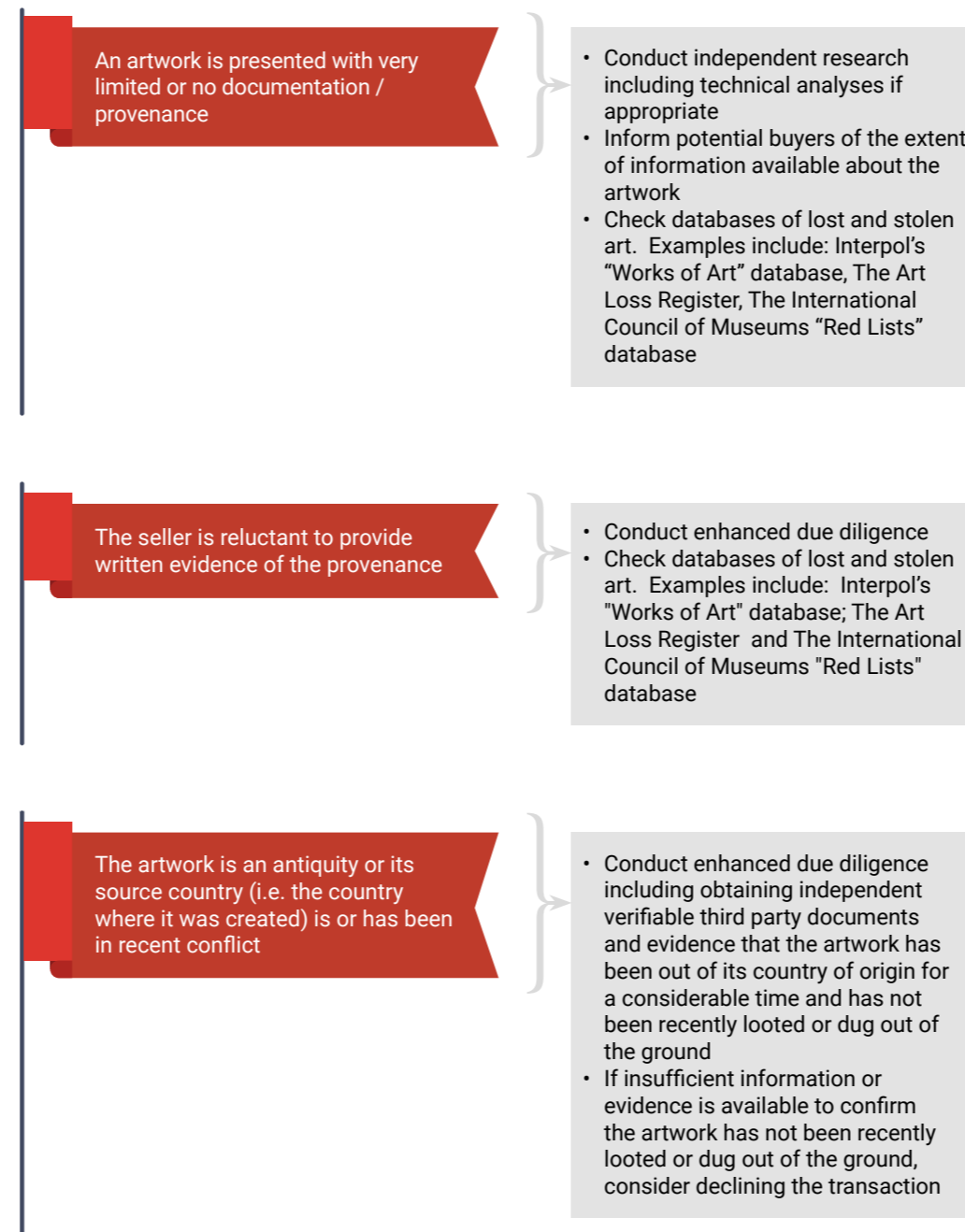
www.responsibleartmarket.org

This document highlights some red flag situations which may indicate increased money laundering and terrorist financing risks and provides recommendations for dealing with them. If suspicions of money laundering or terrorist financing are not alleviated through enhanced due diligence, and in the absence of a plausible explanation or further documentation allaying those suspicions, Art Businesses should consider declining the transaction and reporting the suspicions to the appropriate authorities in the relevant jurisdiction where an obligation to report exists. Please refer to the full guidelines published on the RAM website www.responsibleartmarket.org for further details and practical guidance.

CLIENT RED FLAGS



ARTWORK RED FLAGS



TRANSACTION RED FLAGS

