

Within the Vault

Art investors have embraced free trade zones ("foreign trade zones" in the U.S.) enthusiastically over the last 20 years, their use growing with a thriving art market and the rising number of wealthy individuals getting in on the game. Collectors buy, sell and trade massive wealth in the form of works of art in these tax-free zones, with the unintended consequence that priceless works can become stuck in limbo for decades at a time, stashed away from the public eye in high-security warehouses. This is happening under ever-increasing scrutiny as officials can no longer ignore the untaxed treasure troves just out of their reach.

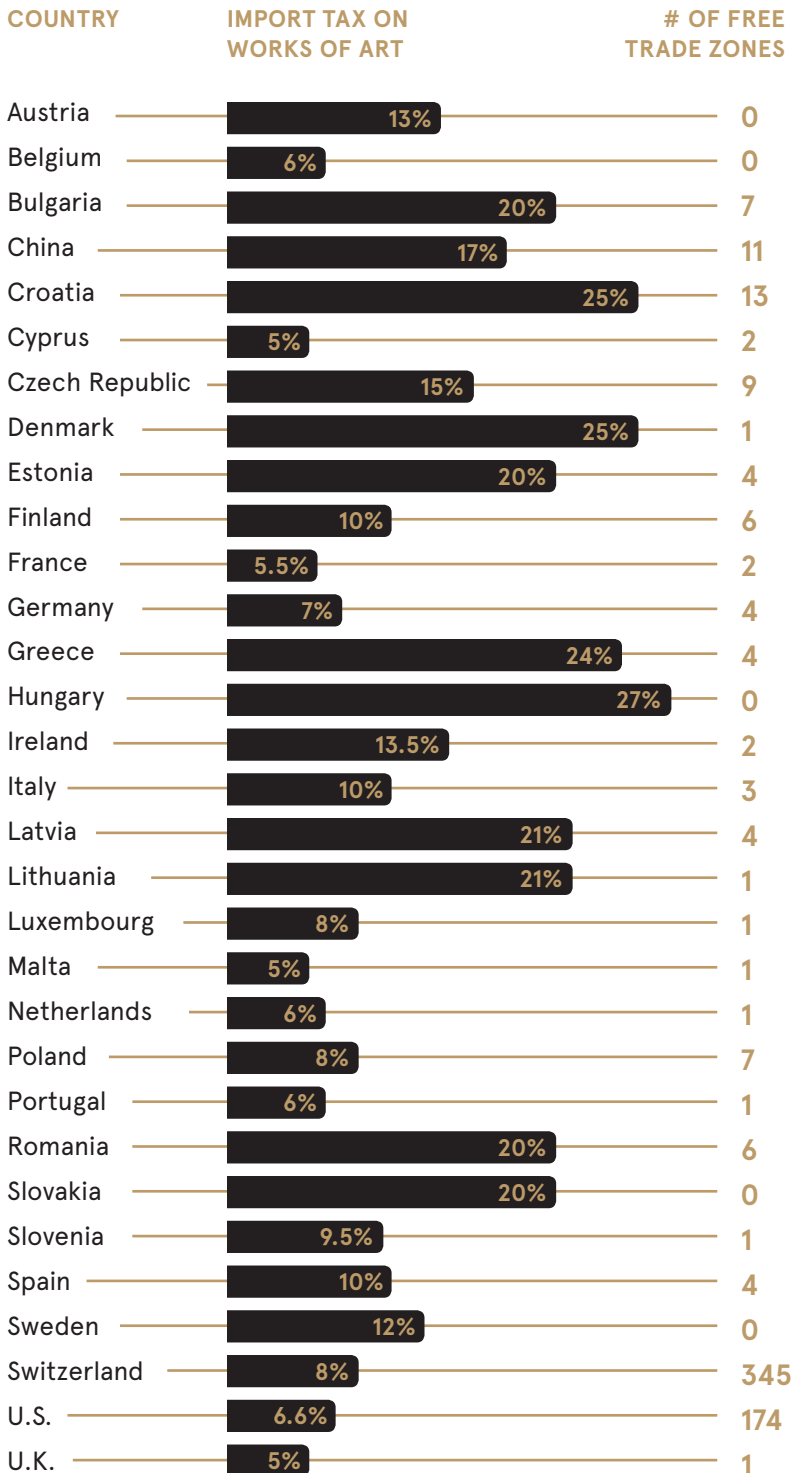
The 2016 leak of the Panama Papers revealed just some ways these zones are used to conceal ownership of high-value objects, and while it shed light on this elusive practice, in the end we were left with more questions than answers. Namely, why are these zones so elusive in the first place?

Curiosity has been piqued and, for better or worse, collectors can count on increased attention to activity within these zones as governments aim for better oversight.

1.2 MILLION

works of art estimated to be held by Geneva Free Ports

SWITZERLAND 2012



What is a Free Trade Zone?

A special economic zone where goods may be stored, bought, sold and transported, exempt from import taxes and duties until they arrive in their country of destination.