

# Export of Objects of Cultural Interest 2004 – 05





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Presented to Parliament by the  
Secretary of State for Culture, Media and Sport  
By Command of Her Majesty, December 2005

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# **Export of Objects of Cultural Interest 2004-05**

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**1 May 2004 – 30 April 2005**

- I Report of the Secretary of State
- II Report of the Reviewing Committee on the Export of Works of Art

# Annual Report to Parliament

## by the Secretary of State for Culture, Media and Sport

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1. I am pleased to lay before Parliament this, the first, Annual Report on the operation of the export controls on objects of cultural interest, as required by Section 10(1)(a) of the Export Control Act 2002 (the 2002 Act). The report covers the period 1 May 2004 to 30 April 2005.

### **Reasons for export controls on objects of cultural interest**

2. The UK's export controls are aimed at striking a balance between the need to protect the heritage, the rights of owners and the encouragement of a thriving art market. The system is therefore designed to act as a safety net to protect the more important objects, whilst allowing the majority of other items to be freely exported.

### **The current export licensing requirements**

3. There are two licensing regimes in place: one under UK legislation (The Export of Objects of Cultural Interest (Control) Order 2003 made under the 2002 Act – the 2003 Order) and the other under EU legislation (Council Regulation (EEC) No 3911/92 on the export of cultural goods (as amended) – the EU Regulation). A licence under EU law (an "EU licence") may be required where an object is being exported to a country which is not a member of the European Union. A licence under UK law (a "UK licence") may be required if an object is being exported to a country outside the United Kingdom (but if an EU licence has been granted it is not necessary to obtain a UK licence for that object as well). Both UK and EU licences are now issued by the Museums, Libraries and Archives Council (MLA), and a licence may cover more than one object.

### **UK legislation**

4. The 2003 Order provides that a licence is required for all objects of cultural interest, which were manufactured or produced more than 50 years before the date of exportation with certain limited exceptions (ie postage stamps, personal papers and goods being exported by the maker or his/her spouse, widow or widower).
5. In order to reduce the burden on would-be exporters, I have issued a number of Open Licences, which permit the export of certain specified objects without the need to obtain an individual UK licence from MLA.
6. However, where an object is being exported to a country which is outside the European Union, and a licence is required under the EU Regulation an applicant may not rely on an open licence. He or she must apply for an EU licence.

### **EU legislation**

7. The EU Regulation requires an individual export licence to be obtained for certain categories of cultural goods (specified by age and financial value) for export to a destination outside the European Customs Union (ECU). An EU licence is valid for presentation to Customs in any ECU state to enable export to a destination outside the ECU.

### **The Reviewing Committee on the Export of Works of Art**

8. Since 1954, successive governments have voluntarily published the reports of the Reviewing Committee on the Export of Works of Art. The Committee (a non-statutory body) advises on the principles which should govern the controls on objects of cultural interest, and considers all cases where there has been an objection to the granting of an export licence.
9. Now that the Government itself is required by the Export Control Act 2002 to report to Parliament, I have agreed with the Reviewing Committee that its report should no longer be published as a separate document. I have, therefore, included the Committee's comments on the operation of the controls, together with details of the cases on which it has advised me during the year, as a separate section of this publication.
10. I am most grateful to the Committee for the advice it has proffered during the year on the 32 cases it considered against the Waverley criteria, including its recommendations to me about the appropriate length of deferral period for each case and the recommended price at which a matching offer to purchase should be made. The dedication of the Committee's Chairman, Lord Richard Inglewood, and of its members, who give their time freely and generously, cannot be over emphasised.
11. In view of its independent role in providing advice on the export system, the Committee has also taken the opportunity in its section of this report to raise a number of issues about which it is concerned. I have taken the opportunity to comment on these issues below.

### **Export of Waverley standard objects**

12. I fully understand the Committee's concern that, of the 27 objects which met the Waverley criteria, ten (at the time of going to press) had been granted an export licence due to the lack of an interested purchaser coming forward. However, it is welcome news that nine (at the time of going to press), to a value of £ 5.6 million were kept in the UK, in particular with assistance from the National Heritage Memorial Fund, the National Art Collections Fund, the MLA/Victoria & Albert Museum Purchase Grant Fund, the Friends of some museums and galleries, and private individuals.

### **Withdrawal of applications for export licences**

13. I also note the Committee's concerns about the withdrawal of applications for export licences, following consideration of the cases by the Committee. I can understand the Committee's inevitable disappointment that, as a result, our public institutions were deprived of the opportunity to offer to purchase the objects in question, as part of the export deferral procedure. However, it is important to bear in mind that our export controls are aimed at retention of objects in the UK (regardless of who may be the owners). If recommendations that objects are of Waverley standard result in owners deciding not to proceed with export, then the basic principles underlying the legislation have been achieved because Waverley standard objects have remained in the UK.
14. I note that the Committee is currently considering possible changes to the procedures; and I would be happy to consider any recommendations that the Committee might wish to make.

### **Adequacy of available funding**

15. I appreciate the Committee's concerns about the adequacy of available funding. However, I am pleased to note the variety of existing sources mentioned in the Committee's report. I note the Committee's view that the National Heritage Memorial Fund is the best vehicle to provide funds to purchase objects of Waverley standard; and I am delighted to confirm that its annual grant from the government will double by 2007-08. The contributions made by others – the Heritage Lottery Fund, the National Art Collections Fund, the MLA/Victoria & Albert Museum Purchase Grant Fund (which is government funded) and other grant-making bodies – all play an important role. In addition, the tax concessions provided by the Acceptance in Lieu Scheme and Private Treaty Sales clearly make a significant contribution, by providing an alternative route to the sale of works of art to overseas buyers.
16. I have noted the Committee's suggestion that there should be a separate National Acquisitions Fund; and I am currently giving this further consideration.

### **The Goodison Review**

17. The Committee has commented that the Treasury has not responded to Sir Nicholas's recommendations. However, since the publication of the Goodison Review, the Government has made substantial progress in taking forward many of the recommendations set out. In the 2004 Spending Review, the Government announced that:
  - the grant for the National Heritage Memorial Fund will double by 2007-08, compared to 2004-05;
  - the Renaissance in the Regions programme for regional museums will be extended to all nine English regions; and
  - the free access commitment (currently covering the main national museums and galleries) and the VAT refund scheme (which helps to deliver free access) will be extended to university museums and galleries.
18. Furthermore, HM Revenue & Customs have recently released externally a page in the Business Income Manual on the costs of maintaining business archives. Other recommendations relating to tax will be kept under review.
19. Other measures which have been taken include the transfer of both the Export Licensing Unit and the Secretariat of the Reviewing Committee to the Museums, Libraries and Archives Council, as well as responsibility for negotiation and agreement of *in situ* cases under the Acceptance in Lieu scheme. I have, however, retained responsibility for taking final decisions about the deferral of export licences and the signing of *in situ* agreements and for all policy matters in these areas.

## Operation of the control

20. Finally, the following table reports on the number of applications received for individual export licences, the number of objects covered by these applications and their value for the period of this report (1 May 2004 – 30 April 2005).

	1 May 2004 – 30 April 2005	1 May 2003 – 30 April 2004
(a) Number of applications for individual export licences <sup>1</sup>	9,990	9,223
(b) Number of above applications which were for manuscripts, documents or archives	1,660	1,640
(c) Number of items licensed after reference to expert advisers on the question of national importance	30,966	14,669
(d) Total value of items in (c)	£1,328,731,985	£1,215,947,101
(e) Number of Open Individual Export Licences issued to regular exporters for the export of individual or groups of associated documents or manuscripts produced by hand or archives of manuscripts and documents in any medium created and/or accumulated by an individual, family, corporate body or institution which has survived or been preserved as evidence of their purpose and activities.	16	16
(f) Number of items licensed after the Export Licensing Unit was satisfied of import into the UK within the past 50 years	9,059	7,120
(g) Total value of items in (f)	£3,664,014,985	£4,370,562,648
(h) Number of items in (f) which were manuscripts, documents or archives	710	661
(i) Total value of items in (h)	£70,876,543	£90,050,918
(j) Number of items given an EU licence without reference to the question of national importance because they were valued at below the appropriate UK monetary limit	2,884	3,195
(k) Total value of items in (j) <sup>2</sup>	£509,609,494	£1,513,199,443

<sup>1</sup> One application may cover several items.

<sup>2</sup> In some cases, an EU export licence may be required to export items that are valued below the relevant UK monetary limit. In such cases, an EU licence will normally be given without referring the licence application to the expert adviser on the question of national importance.

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**Cover:**

An extract from an illuminated manuscript known as the Macclesfield Psalter.

The volume was produced in East Anglia, possibly at Gorleston, in about 1320-30.

The Psalter, which contains 225 vellum leaves, includes some of the most technically accomplished and best preserved paintings of its period. It was acquired by the Fitzwilliam Museum, Cambridge.

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