HMRC - VATSC63800 - Artist Resale Rights (Or Droit De Suite) Payments

As the result of a European Directive (2001/84/EC), ‘authors’ of certain original works of art (paintings, sculptures, etc.) become entitled to a payment on the second and subsequent sales of their work if the sale is by, to or involves an art market professional or an art dealer. The seller will generally be responsible for payment of the levy to the artist and the payment from the buyer to the seller may include the amount due in respect of the resale right. Any amount that relates to the resale right is outside the scope of VAT and will not therefore form part of the consideration for the supply of the work of art. Equally, when the payment is made to the artist, it is not consideration for any supply by him.

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