
ART NET WORTH

ART&INVESTMENT COMPANY

Possible Solutions for Conundrums in the Art world:
Certification and New Technologies

The Art Market is characterized by **many conundrums** nowadays.

- Low Transparency Level
- Informative Asymmetries
- Absence of Regulamentation
- Insider Trading
- Low Liquidity Level

How can a player in the art market try to solve those problems?

THE CERTIFICATION

Certifying an artwork means:

- **knowing the real value of the owned artwork;**
- **improving its liquidity ratio** thanks to the intervention of an independent external actor.

Moreover, certifying is fundamental for **insurance purposes.**

On the macro-economic level, attesting an artistic good's authenticity and fair value contributes to improve the **transparency, efficiency and information level** of the art market.



An **art gallery certificate** (or the artwork's presence in an art catalogue) **does not officially attest the authenticity** of the work.

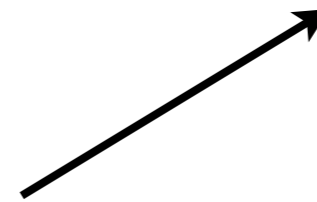
VS

An **independent external actor certification** is essential in order to **guarantee objectiveness, the absence of conflicts of interests and the unquestionability** of the document.

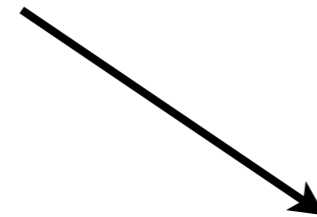


- Inheritance distributions
- Property distributions due to divorces and separations
- Management of bankruptcy seized estates
- Patrimonial reorganization
- Access to structured insurance products
- Access to credit and other financial services
- Investment initiatives and asset portfolio creations
- Access to advantaged sale channels
- Performance calculation for art investment funds

A Certification document is composed of:



**Authenticity
Declaration**



Evaluation



According to the **current legal discipline**, the seller has to provide the buyer with the documentation certifying the authenticity or at least the probable attribution and provenance of the artwork.

Sometimes that rule **is not observed** or however **it is not enough**, because only certifications issued by some specialized subjects are considered as unquestionable.

An **independent external actor** should analyze the provided documentation and, if necessary, select the referential expert or authority (archive, foundation, etc.), furnishing the **official document that satisfies the formal requirements of authenticity**.

Authenticity Declaration - Collaborations

Certifying societies often collaborate with **foundations, archives and experienced art historians** in order to declare the authenticity of an artwork. Some examples of collaborations:

- Fondazione Rotella
- Fondazione Lucio Fontana
- The Andy Warhol Foundation for the Visual Arts
- Fondazione Burri
- Archivio Bonalumi
- Casa d'Aste Pandolfini
- Fondazione Emilio e Annabianca Vedova
- Fondazione Arnaldo Pomodoro

Partners have to be considered as **officially responsible** for the authenticity attestation of each artwork.

Moreover, contacting the referential authority may facilitate the possibility to **include the work within the catalogue** of the relative artists.



Fair Value calculations consist in estimating the artwork's real value, which has to be **defined in an independent, analytical and objective way**, subtracting the imperfections caused by the sector actors (through the mechanisms of price creation) and the market volatility and taking into consideration the distinctive features of the specific case under examination.

An artwork fair value can be defined as the **actual value of the work.**

The process for the achievement of the artwork's actual value according to ArtNetWorth model operates through the **weighted average of three appraisals gathered from different evaluation sources** (X, Y, Z), to which a specific weight is assigned (α , β , ω).

The result is adjusted through the **use of sensibility coefficients** (j, f, q). In such a way, the certification offers to both the buyer and the seller a greater guarantee of objectiveness and as a consequence more serenity in handling the transactions.

The ANW model is:

$$V = [(1,2\alpha X + \beta Y + \omega Z)] * (1-f) * (1+q) * (1-j)$$

X = Comparables on the market (Weighted average of valuations concerning artworks by the same author or similar artworks observed in auctions during the last 5 years)

Y = Valuation of an independent expert

Z = Value issued from primary market (galleries, collectors, dealers)

f = Conservation status coefficient

q = Integrative positive factors coefficient (ratio taking into consideration the artwork's specific features able to increment its value through time)

j = Sensibility coefficient for psychological factors

On the basis of this value, ANW calculates the liquidity value of artworks (expiration date: 12 months), as:

$$P = V * (1-d)$$

d = Liquidity Index

The ArtNetWorth Certification is the **only internationally recognized document** that is able to establish the authenticity and the fair value of an artwork.

- ArtNetWorth Certification has been awarded by the **Italian Ministry of Cultural Heritage (MiBAC)**.
- **PricewaterhouseCoopers** guarantees the control on the procedure execution through the **Standard ISAE 3000** certification issue.
- The model meets the **IAS regulation**.
- Each certification is recognized by the main international insurance companies.

NEW TECHNOLOGIES

Thanks to **Digital Revolution**, most of the traditional accesses to information have been digitalized and new ones have been created, changing the communication procedures.

We are now living in an **Information Age**, which is characterized by:

- Information Transfer Freedom;
- Information Globalization;
- Information Transfer Efficiency;
- Information Sources Interconnectedness;
- Instant Access to Knowledge;
- Improved Access to Experts Knowledge;
- Improved Information Independence.

The Art Market could really benefit from Digital Revolution.

Characteristics
of
Information Age



Benefits for Art Market

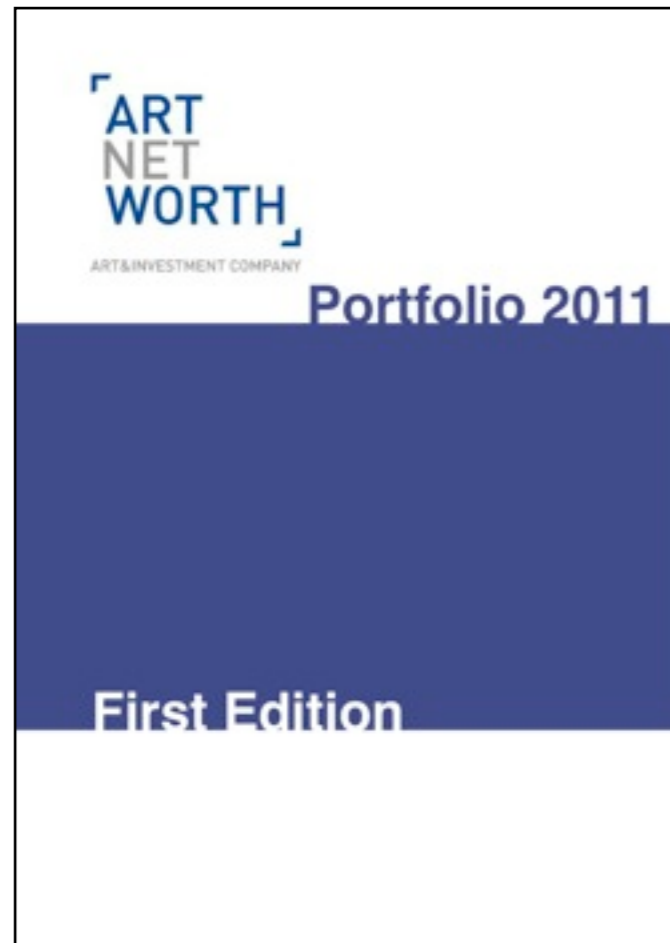
- Higher Transparency level
- Lower Informative Asymmetries level
- Lower Insider Trading level
- Greater Consumer Trust level (and thus Higher Liquidity Level)

But **new technologies** are far away to be a common practice in the artistic field.

Nevertheless, there are some examples of Web 2.0 utilization in the art, for example:

- Google Art Project
- The Art Genome Project
- Museums and Galleries Apps (i.e. Museo degli uffizi, Gagosian Gallery...)
- Sotheby's Auction online
- Artnet Website

ArtNetWorth has recently updated its website in order to include its **new digital project**: the Portfolio.



Portfolio is a **selection of quality artworks that could represent also an attractive option of investment**, which is guaranteed by a system of rules capable of regulating the purchase choice.

Every artwork of Portfolio is certified by the **ANW Certification**.

New Technologies - ANW Portfolio

In order to give its clientele the best possible alternatives, the ANW technical area constantly picks up from the international scene some of **the most relevant emerging and well-known artists**, grounding its choices on the analysis of the artwork price/artist curriculum ratio and focusing on the future expected valuations on the art market.

Fame ★★☆☆☆
Economic Value ★★☆☆☆
Volatility ★☆☆☆☆
Growth Trend ★★☆☆☆

For each artist, the Portfolio reports the biography and artistic CV, as well as a **prospectus** including some important economical parameters in order to help and giving security to the judgment and choice process.

The Portfolio is available to the public on a **specificly created platform** on ArtNetWorth website.

The screenshot displays the ArtNetWorth website interface. At the top, the logo 'ART NET WORTH' is visible, along with navigation links: 'WHO WE ARE', 'INDIVIDUALS', 'COMPANIES', 'GALLERIES', 'PORTFOLIO', 'NEWS', and 'CONTACTS'. A 'Seguidi su' button with a Facebook icon and language options 'ITA | EN' are also present. A diagonal banner in the top right corner reads 'PORTFOLIO SPECIAL EDITION'. The main content area is titled 'ARTISTS' and features a list of names on the left, a central image of a grid artwork by Bernard Aubertin, and a detailed profile on the right. The profile includes a biographical paragraph, a 'Portfolio Special Edition' tag, and performance metrics for Fame, Economic Value, Volatility, and Growth Trend, each represented by a star rating. A blue button labeled 'Available Works' is located at the bottom of the profile.

ARTISTS ◆ Portfolio Special Edition

Bernard Aubertin
Paolo Ceribelli
Toni Costa
Roberto Demarchi
Salvatore Elefante
Ron English
Andrea Francolino
Chris Gilmour
Fabio Giampietro
Francesco Granducato
Ben Grasso
Riccardo Gusmaroli
Fabio Invernì
Mark Kostabi
Matteo Negri
Erwin Olaf
Lyle Roblin
Simmons & Burke
Marco Tirelli
Leonid Tishkov
Paolo Troilo
Paolo Ventura

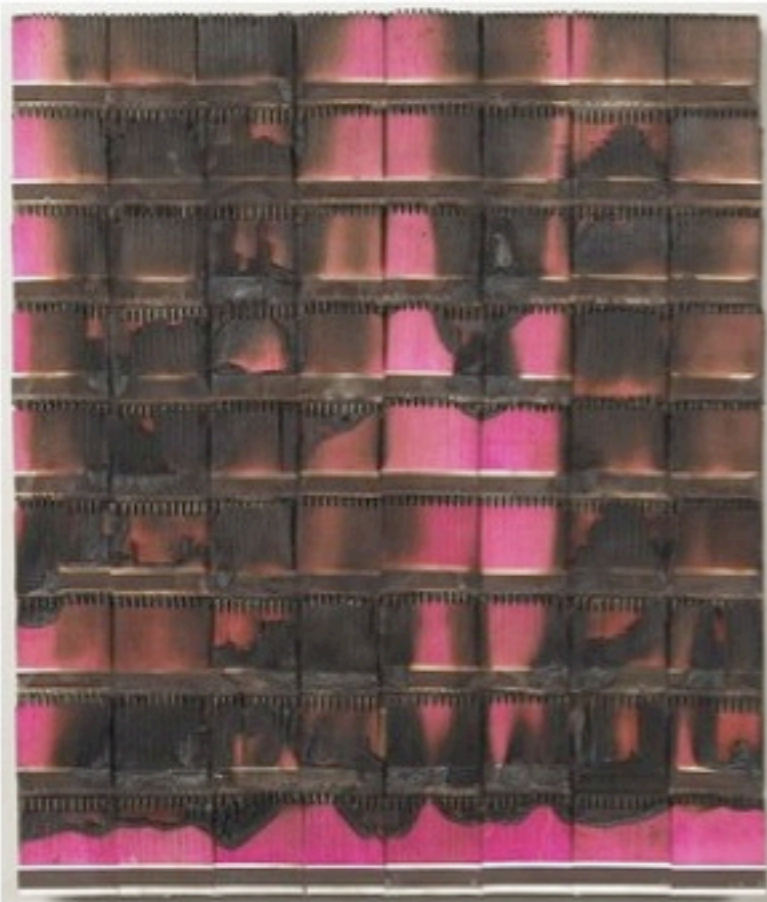
Bernard Aubertin was born in Fontenay-aux-Roses in France in 1934. He lives and works in Reutlingen in Germany. The artist's works, characterized by the theme of fire and vital energy, are exposed at the Arab-Syrian Pavilion in the 54th Biennial of Venice.

Fame ★★☆☆☆
Economic Value ★★☆☆☆
Volatility ★☆☆☆☆
Growth Trend ★★☆☆☆

[Available Works](#)

Artworks' prices and characteristics are easy to be found and **no registration is mandatory in order to access those data.**

Consumers can **directly contact ArtNetWorth** through the website and proceed with questions or purchases.



Boîtes d'allumettes brûlées
1974
Cm 42,5x36
Matches boxes burned on cardboard
Euros 8.500

[Add to myPortfolio](#) +

Info & purchase

- +39 (02) 72004044
- Skype: [PortfolioANW](#)
- portfolio@ArtNetWorth.com
- [How to purchase](#)

Portfolio's main goals are:

- offering a **simple and innovative tool** able to incline a new target of public towards the contemporary art market.
- **increasing market transparency**
- **decreasing informative asymmetries**
- **increasing confidence** in the market
- **opening the art market to digital**

Minus of the Market	Certification	Portfolio
Low Transparency Level	+	+
Informative Asymmetries	+	+
Absence of Regulamentation	+	+
Insider Trading	+	+
Low Liquidity Level	+	+

ART NET WORTH

ART&INVESTMENT COMPANY

Commercial & Technical Offices

Via Dogana, 3
20123 Milano
Tel. +39 02 72004044
Fax. +39 02 6595077
www.artnetworth.com
info@artnetworth.com