
The Charity Law & Practice Review

PART II

GIVING YOUR ART COLLECTION AWAY BUT STILL ENJOYING IT – NON CHARITABLE OPTIONS

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1. Introduction – The Tax Consequences of Keeping An Art Collection Within the Family

If an individual owns valuable artworks on his death these will attract Inheritance Tax at the rate of 40% unless the value of his whole estate at death (including part value of gifts made within 7 years of his death) is below the nil rate band threshold (as from 6 April 2001 this is £242,000). A lifetime gift or gift in the art owner's Will to his or her spouse would be exempt from Inheritance and Capital Gains Tax but then the same problem would raise its head on the death of the surviving spouse. A gift to a family member other than a spouse, say to a child, would be free of Inheritance Tax so long as the donor survives the gift by seven years. The downside to this arrangement would obviously be that the donor would lose control over the artwork and may no longer be able to enjoy it.

A further downside would be that Capital Gains Tax is payable on the gift if its value is above £6,000. Special rules apply for artworks which can be seen as part of a set, say a set of eight dining chairs. In this case the £6,000 exemption would be applied to the group value of the chairs rather than £6,000 for each individual chair. Further relief from Capital Gains Tax is afforded by the non business assets taper provisions where the charge to tax is progressively reduced depending on how long the artwork has been owned. For non business assets the full effect of taper is available after ten years' ownership. The way in which Capital Gains Tax is charged (on the amount

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of gain falling to an owner when he disposes of a chargeable asset) means that owners are in a better position if an asset is held either for a long time (when taper relief will assist) or for a short time (when the gain in value is likely to be small or possibly even negative). It is when an asset is held for, say, more than a year and less than ten years that Capital Gains Tax will be more of a problem; therefore, if an artwork has recently been purchased and is gifted to a family member shortly afterwards Capital Gains Tax may not be an issue because the value in the intervening period may not have risen by much if at all. If the individual decides to hold on to his artworks until death then his heirs will benefit from the rebasing of the "acquisition" value for Capital Gains Tax on death and therefore a gain in value is unlikely to be an issue.

Whatever the Capital Gains Tax position, Inheritance Tax will still be a potential problem. One method of giving away but still enjoying art is to gift it to a family member but retain physical possession. For example, you might give five paintings to a child but continue to hang them on your walls. This falls within the 'gifts with reservation of benefit' rules for Inheritance Tax (see Finance Act 1986 s. 102, Schedule 20). A gift with reservation of benefit is essentially a gift over which the donor retains some sort of benefit or enjoyment. If the donor does retain a benefit then for Inheritance Tax purposes he will be treated as if he still owned the artworks and so any tax benefit is lost. One solution might be for the donor to give away artworks and then rent them back from the donee. Whatever is agreed this does not represent an ideal arrangement from anyone's point of view. Not only may the rent paid be a burden on the donor but it is also subject to Income Tax in the hands of the donee. Another possibility may be to enter into a lease for life of the artworks with the donor paying a one off premium to the donee. The premium would not be subject to Income Tax and would have the advantage of being a one off payment which may be more convenient from the donor's point of view. It is important to show that there is an arm's length basis for any arrangements. This may involve the donee seeking advice as to what constitutes a full market rent for allowing the donor to continue to enjoy the objects. There may also be a percentage reduction in the rental payment in consideration for the donor covering housing costs and insurance.

Gifts to charities are specifically outside the gifts with reservation of benefit rules although a charitable gift is subject to rules which partially bar reservation of benefit.²

2 Specific Planning Points for the Non UK Domiciled Individual³

One of the bases for liability to Inheritance Tax is domicile. A UK domiciled individual is liable to Inheritance Tax on his world wide estate. A non UK domiciled individual is only liable to Inheritance Tax on UK situs assets. Artworks owned by non UK domiciliaries resident in the UK are more often than not going to be situated in the UK and therefore within the Inheritance Tax charge. One method of mitigating the non UK domiciliary's tax bill is to convert UK situs assets into non UK situs assets. In the case of chattels this would involve transferring them into an offshore company in exchange for shares. Those shares could then be transferred to an offshore discretionary trust of which the individual is a beneficiary. In this way what the UK domiciliary owns is a trust interest in non UK shares rather than UK situs art objects. Such an arrangement will not be entirely free from attack by the Revenue which may seek to tax the benefit received in the UK. It will therefore be important to ensure that the individual is not seen as controlling the trustees or the company.

The non UK domiciled individual if he or she is relatively young may wonder why such planning is necessary if it is intended that the artworks will pass on death. If a non UK domiciled individual intends to be UK resident in the long term there is a danger that he or she will become deemed UK domiciled for Inheritance Tax purposes⁴. UK domicile is deemed when an individual has been resident in the UK in not less than seventeen of the last twenty tax years. As a protective measure it is sensible for an individual to convert UK situs artworks into non UK situs assets before this happens. Even if deemed domicile is subsequently shown the assets will remain outside the Inheritance Tax net.

3. Conditional Exemption

Another way in which artworks can be retained and enjoyed by family members while being exempt from Inheritance Tax and Capital Gains Tax is through conditional exemption⁵. This exemption has a long history predating the present Inheritance Tax legislation. If an artwork is granted conditional exemption from tax it can be passed during lifetime or on death by the owner without a charge to

³ The current paper is not the place for a full discussion of this topic. Giles Clarke's *Offshore Tax Planning*, 8th Edition (2001) published by Tolley is an essential textbook on this area.

⁴ See s.267 Inheritance Tax Act 1984.

⁵ See ss. 30-35A Inheritance Tax Act 1984.

Inheritance or Capital Gains Tax. The *quid pro quo* for this is that undertakings are given that the artwork will be preserved and that reasonable public access will be given to view it. When an earmarked item is sold or if the undertaking is breached in some other way the conditional exemption is withdrawn and tax is clawed back. If an artwork subject to an undertaking is gifted during lifetime or on death so long as the new owner gives a fresh undertaking then conditional exemption can be preserved down the generations of a family.

Recent Changes to Conditional Exemption

Like the Charity Commission's examination of heritage property charities 'Preservation and Conservation'(RR9) which was part of its overall review of the Register of Charities, the Capital Taxes Office of the Inland Revenue carried out a review of conditional exemption which resulted in changes to the regime announced in the Finance Act 1998. This appears to have been in response to public (and governmental) concern about the public access element of undertakings and whether this was being adhered to⁶. The changes focus on three areas – public access, the qualification test for exempt status and undertakings.

What Qualifies for Conditional Exemption?

The Revenue will designate an object if it appears to be pre-eminent for its national, scientific, historic or artistic interest. Pre 1998 the qualification test was that pictures, prints, works of art and other objects ('chattels') had to be of 'national, scientific, historic or artistic interest'. Buildings had to be of 'outstanding historic or architectural interest'. Chattels historically associated with such buildings qualified automatically. For designations after 31 July 1998 objects qualify only if their national scientific historic or artistic interest is pre-eminent or they are chattels associated with buildings worthy of designation. Pre-eminence generally means of museum quality. This could include an object which, although it would not enhance the collection of a national museum, would be a welcome addition to a local museum or a collection relating to a specific area of endeavour such as scientific development. How does this compare with the quality test for gaining charitable status? In many ways a comparison is very difficult. For charitable status to be conferred the object or collection of objects must be shown as advancing education or promoting art for the benefit of the public. It is necessary to demonstrate that the object or objects are beneficial to the community and that the benefits are available to a sufficient section of the public. It must be shown that, in the case of the advancement of education, the works of art have sufficient educational value and,

⁶ In 1994 the Labour Party issued a policy document 'Tackling Tax Abuses – Tackling Unemployment' which promised to reform the law relating to conditionally exempt artworks.

in the case of promotion of art, that the art has sufficient merit. This twofold approach has parallels with the pre-eminence test and the public access requirements set out in undertakings. Ultimately, in both cases, expert evidence will play a large part in deciding whether objects are of sufficient quality.

It is interesting that the Charity Commission in their consultation document on museums and art galleries⁷ is questioning what 'museum quality' actually is and recognises that today's museums may want to collect items which, although individually do not have intrinsic artistic merit, can be used in an 'interactive' or 'experiential' way to educate the public. If this consultation leads to a change in the definition of 'museum' this may lead to a change in what is regarded as being of museum quality. The interplay between artistic merit and educational value is recognised in the discussion paper as a complex one. The Commissioners accept that evaluating items objectively may be very difficult: "...opinions will greatly differ on the question of their educational value or artistic worth, we are taking an open-minded and inclusive view of the quality of exhibits, acknowledging the dynamism of the sector."⁸ Granted these sentiments are voiced in the context of a discussion of the whole area but such relativity seems to be at odds with the criteria generally used for granting charitable status and completely alien to the Revenue's thinking behind designation for conditional exemption.

Public Access Requirements

The requirement to provide public access was considerably tightened up following the 1998 changes. Before 31 July 1998 public access to exempt assets could be satisfied in three ways – long term loan to a museum, gallery or public record office, by display in a room open to the public or confined to access only by prior appointment with the owner or his agent. Prior to 1981 the last option was only available to owners who showed that the other two options were not feasible. After 1981 owners had a free choice between the three options but owners who insisted on the making of prior appointments had to place details on the Register of Conditionally Exempt Works of Art (the 'V&A List'). Owners did not have to publicise their undertakings.

Following the changes access cannot be restricted in this way in undertakings given after 31st July 1998 unless the exempt objects are particularly delicate or fragile. If an owner cannot contemplate open access to his house he will be required to lend

⁷ Review of the Register – Museums and Art Galleries Discussion Document. The consultation period ended on 30th June 2001.

⁸ See Paragraph 25, page 9 of the Museums and Art Galleries Discussion Document.

the items either on temporary or permanent loan to a museum or art gallery which will be able to give public access to the objects. Alternatively full public access to the owner's home on as few as five days per annum may suffice. This is subject to negotiation with the Revenue and depends on the type and quality of the object⁹. Some owners of conditionally exempt objects may find it practically impossible to provide open access. It may also be difficult for them to find a museum or art gallery willing to accept the objects on a long term or short term basis so that the public access criteria can be fulfilled. For them the short open access period in situ may be the only option. This could involve logistical problems such as supervision during open days, increased insurance cover and perhaps unwelcome publicity about opening arrangements which have to be put on the V&A List. Post 1998 arguments against open access based on the owner's personal circumstances (e.g. old age or ill health) are considered irrelevant by the Revenue because these factors do not relate directly to the exempt object. Only if the exempt object contains personal or sensitive information can the public access requirement be completely waived. Initially, post 1998, the Revenue proposed to review and possibly change public access requirements in pre existing undertakings. This included restricted access stipulations which had been negotiated by owners for reasons of old age, infirmity or fears about security. Following concerted lobbying by interested parties and their advisers the Revenue appear to have backed down and pleas that pre existing arrangements should be left intact are largely, if not universally, being listened to.

One group of owners of conditionally exempt objects has developed a compromise solution. In conjunction with organisations such as the Historic Houses Association and Sotheby's these owners have made an arrangement with a renowned museum to lend their artworks anonymously so that a temporary exhibition can be mounted. Examples are the 'In the Public Eye' exhibitions held at the Fitzwilliam Museum, Cambridge in 1999 and at the Burrell Collection, Glasgow in 2001. Although this arrangement fulfils the public access requirements these shows have been criticised by some journalists and pundits as inadequate sops to the public in exchange for preservation of tax privileges. The counter argument is that the post 1998 regime prejudices owners' security and privacy and will discourage owners from considering conditional exemption as an alternative to selling national treasures abroad. In 1999 when the Fitzwilliam exhibition was held 56,800 works of art were conditionally exempt from tax. 32,000 of those were on long term loan to museums, nearly 4,000 were on display in houses open to the public and the remaining items were viewable by appointment.

⁹ There seem to be no absolute rules to what constitutes reasonable access. This will depend on the object. What is reasonable access to a large building may seem unreasonably obtrusive and impracticable for a small building or fragile object.

The public access requirements for charities appear to be less rigid. Where objects are fragile, for example, the public access test can be satisfied by providing video images or computer simulations. For charities viewing of objects deemed to be of only limited public interest can be restricted to academics. It is unlikely that owners of conditionally exempt objects will be able to filter viewing requests from the public in this way. Further, there is much greater scope for charity trustees to limit public access by appointment only. In its paper on "Preservation and Conservation" the Charity Commission says: "It may well be that the evidence required to fulfil public benefit criteria as a charity are stricter than the access requirements of other bodies, and promoters should be prepared for this when they submit their registration application."¹⁰ This may well be the case if comparisons are made with pre 1998 undertakings in relation to conditional exemption but post 1998 the public access criteria are arguably tougher under the Inheritance Tax exemption regime.

Undertakings

The changes to the undertakings for conditional exemption brought in by Finance Act 1998 probably caused more controversy than anything else. Most controversial of all was the announcement that pre-existing undertakings could be reviewed and amended. Before 1998 undertakings already agreed could not later be varied. Post 1998 owners contemplating conditional exemption can weigh the benefits bestowed against the possibility that undertakings about public access and publicity may be varied in the future. Owners with existing undertakings could legitimately be said to expect that the goal posts would not subsequently be moved in this way. As a result of concerted lobbying from interested groups the Revenue now appears to be adopting a more flexible approach on retrospectivity.

Post 1998 owners are required to disclose the terms of the undertaking and other related information. The undertaking should be made available to any member of the public who requests it. Details of the undertaking may also be put on the Inland Revenue website (www.cto.eds.co.uk) although the identity of the current or previous owner will not be shown. Any personal information can be excluded and the owner's address can be left out unless it is relevant to public access arrangements. The value of the objects does not have to be revealed.

The general view of those advising individuals who are considering applying for conditional exemption is that the public access and publicity criteria are very unclear and this makes it difficult in some cases to decide whether it is a viable option. One well known commentator has recently described the Revenue's stance as "tentative

¹⁰ See Paragraph A28 "Preservation and Conservation".

and unsettled".¹¹

The Charity Commission is able to review art charities on the charities register. If its policy on what constitutes an art charity changes, an existing art charity could, as a last resort, be the subject of a cy-près scheme amending its objects to accord with the Charity Commissioners new view of what is charitable. It seems that whether charitable status or conditional exemption is involved it cannot be assumed that the status quo will always be maintained.

Publicising Public Access

Owners will provide this via the V&A List and Revenue website. Details of public access arrangements have to be shown as well as a contact name and telephone number. Owners of buildings open to the public may be required to publicise public access arrangements by advertising in a local paper, in national guides or by putting up a sign at the main entrance. The equivalent for art charities is registration on the Central Register of Charities. The public can search the Register to ascertain the objects of a particular charity and they can also find out the contact address if they want to correspond with the charity trustees.¹² The Charity Commission recommends that art charities give details of public access to collections in their annual report as well as statistics showing the number of people who have viewed the collection in question and provide justifications for continuing any access restrictions. The information submitted by charities seems to be more for the benefit of the monitoring arm of the Charity Commission itself than to open the workings of such charities to public scrutiny. In contrast the V&A List and other reporting requirements attached to conditional exemption are very much an answer to public demand that the tax benefits must come at the cost of increased accessibility. Debate about the benefits and burdens of conditional exemption has in general been more open and more highly charged. Leading up to the 1997 election attacking the tax breaks which go with conditional exemption seemed to be part of the Labour Party's policy for appeasing its left wing¹³. This was put into action with the controversial 1998 changes but since then the spotlight seems to have roamed elsewhere. The Policy and Innovation Unit, a think tank attached to the Cabinet Office has recently

¹¹ See page 3 of Edward Manisty's Editorial in the Winter 2001 edition of *Christie's Bulletin*, Vol 6, No 2.

¹² Owners who are considering setting up a charity to hold artworks should note that the Charity Commission has recently announced that it intends to make the names of charity trustees available on the internet and is generally debating what sort of information about trustees should be publicised on its website.

¹³ See "Tackling Tax Abuses – Tackling Unemployment" the Labour Party policy document issued in 1994.

completed a review of the grounds for charitable status. It may be that this together with the Charity Commission's note on Preservation and Conservation and its consultation on museums and art galleries focuses the debate on art charities as well.

4. Maintenance Funds for Historic Houses¹⁴

Separate from conditional exemption is the scheme for Inheritance Tax relief for maintenance funds established for the upkeep of historic buildings and certain other property historically associated with them. The legislative framework was first introduced in Finance Act 1976 but in such a restricted form that hardly anyone took advantage of it. One condition was that trust property had to devolve upon a heritage body when the settlement came to an end and it could not benefit the settlor and his family. These restrictions were lifted in 1980 but the exemption still seems rarely to be used. Apparently even the Capital Taxes Office is vague as to how many maintenance funds have been established.

Requirements for a Maintenance Fund

- The trust property must be of a character and amount appropriate for the purposes of the trust. For example, a cash fund of £20 million would probably be regarded as too large to maintain a small property housing a few heritage chattels.
- The trustees of the trust must include a professional trustee. A majority of the trustees must be UK resident and the trust must be administered in the UK.
- The terms of the trust must prevent capital from being spent on anything other THAN the 'maintenance purposes' of the building or related artworks for the first six years or until the death of the settlor if this occurs earlier. Maintenance purposes include providing public access, making reasonable improvements to the property and paying the trustees' expenses.
- The terms of the trust must stipulate that trust income is accumulated before being applied for the maintenance purposes or for the benefit of a heritage body which could be a qualifying charity¹⁵.

¹⁴ See s.27 and Schedule 4 Inheritance Tax Act 1984.

¹⁵ In this context a qualifying charity is one which exists 'wholly or mainly for maintaining, repairing or preserving for the public benefit buildings of historic or architectural interest, land of scenic, historic or scientific interest or objects of national, scientific, historic or artistic interest' (see Schedule 4, para.3(4) Inheritance Tax Act 1984).

- When the maintenance fund comes to an end funds must be applied for the benefit of a heritage body or towards maintenance of the heritage assets for which the trust was set up. However, if property reverts to the settlor or his or her spouse (or surviving spouse after death) then there will be no charge to Inheritance Tax. Thus it is possible to set up a maintenance fund of cash or other assets to maintain and improve a historic house and its contents with the assets coming back to the original donor or passing to a charity set up by the same donor when the trust terminates. If this is not the case then an exit charge for Inheritance Tax of varying severity is exacted.

What Qualifies as Heritage Property?

The same quality tests as apply for conditional exemption apply to the property and objects for which the maintenance fund is established. Undertakings relating to conditional exemption also have to be given by the owner of the property.

Reservation of Benefit

The reservation of benefit problem falls away if maintenance fund status is granted. However, if an accumulation and maintenance trust or temporary charitable trust is used as a vehicle Inheritance Tax may become payable. It is therefore best to use a 'non interest in possession' (i.e. discretionary) trust form.

Giving Cash to a Charity to Purchase Art and Giving Cash to a Maintenance Fund to Purchase Art

The same anti avoidance provisions as apply to gifts to charity (s.23 Inheritance Tax Act 1984) apply to gifts to maintenance funds (s.27 Inheritance Tax Act 1984). In both cases a donor cannot transfer assets if the transfer does not have immediate effect, if it depends on a condition which will definitely not be fulfilled within 12 months or if the transfer can be revoked.

As for charitable art collections the cost of restoring or making reasonable improvements to an artwork or heritage property are fully contemplated by the maintenance fund legislation. This is not the case where a conditionally exempt object is not supported by a separate maintenance fund. Maintenance of the conditionally exempt object is part of the undertaking yet the costs must be borne by the owner. A maintenance fund can be a tax efficient way of covering the housing and administration costs of looking after heritage property and providing public access. Similarly, it is legitimate for charity trustees to make admission charges to the public and for the settlor to charge the charity for housing an art collection if this is relevant. Recouping costs by charging for public access to conditionally exempt

objects is arguably much more limited and can probably only cover administration costs.

5. Property given in Lieu of Inheritance Tax

In addition heritage property can be accepted in lieu of Inheritance Tax according to s.230 Inheritance Tax Act 1984. If the taxpayer (which frequently means the executors of the deceased owner's estate) agrees to transfer an artwork which satisfies the pre-eminence test for conditional exemption to a museum or art gallery then all or part of the Inheritance Tax due from that owner is foregone. This scheme has been very popular with owners of heritage assets over the years. It can be particularly advantageous for heritage chattels historically associated with a particular place or building because even after the gift the objects may be allowed to remain in situ. An example of the relief is a gift from the estate of Viscount Camrose in 1999 of a portrait of Cesare Allesandro Scaglia by Van Dyck. This was valued at £13.5 million and was accepted in lieu of Inheritance Tax of almost £9.5 million on the estate. Such arrangements often follow conditional exemption. For example in the case of Viscount Camrose's Van Dyck prior to the transfer in lieu of Inheritance Tax the painting had been on loan to the National Gallery for three years following the owner's death. Another more recent example is the sale in lieu of Inheritance Tax of the late medieval Scandinavian carved ivory Digby Crozier to the V&A. This was on long term loan to the museum since 1930. A double portrait "The Archers" by the renowned Scottish painter, Sir Henry Raeburn, has recently been offered in lieu of tax to the National Gallery. In this case, the National Gallery contributed to the cost because its value exceeded the amount due. In the Capital Taxes Office 1986 guidance paper 'Capital Taxation and the National Heritage' (IR67) the quality benchmark for gifts in lieu was said to be very much higher than for conditional exemption. Following the 1998 changes to the conditional exemption regime the quality test has been equalised upwards.

6. Private Treaty Sales to Museums

A variant on this option for the art collector facing a large Inheritance Tax or Capital Gains Tax bill is to negotiate the sale of artworks to an institution in exchange for a reduction in the tax. The artwork could be designated as conditionally exempt and the owner may need to raise funds. If he tries to sell the item on the open market the Inheritance Tax will be clawed back because he will have breached his undertaking. Also Capital Gains Tax will be leviable on the gain (subject to reduction by taper relief and exemptions). A negotiated sale to an approved body is therefore an attractive alternative. The list of approved institutions is contained in

Schedule 3 of the Inheritance Tax Act 1984 and consists of, among other bodies, national and local museums and local authorities. The owner should contact Resource (formerly the Museums and Art Galleries Commission) for advice on a suitable institution to approach. An agreed value will be negotiated between the owner and the institutions with expert advice on hand. The potential tax bill on such a sale is also calculated. Having these two figures in mind a deal is struck whereby the sale price is reduced in return for receiving the proceeds tax free. An element of this "trade off" is known as the 'douceur'. In general this involves the market value of the object net of notional tax plus 25% of the value of that tax being added back. Recent examples of this arrangement are the sale of two early Renaissance painted panels by Pesellino to the National Gallery. The two panels had been on long term loan to the Gallery since 1974. Another example is the sale to Cambridge University Library of the Macclesfield collection of Sir Isaac Newton's papers. The negotiated value was £7 million.

7. Possession and Ownership – Charity or Conditional Exemption?

Although an individual wanting to set up a charity to hold art can continue to enjoy many of the benefits of direct ownership, claiming conditional exemption does not involve loss of ownership at all. Although the undertakings which attach can be onerous, owners can still benefit from a high level of private enjoyment of artworks which have been designated. The owner who decides to sell a conditionally exempt item can opt to gift it in lieu or take advantage of the private treaty sale arrangement to reduce the tax effect of the sale. Therefore, such an individual can, to a certain extent, adapt to future circumstances.

7.2 In contrast owners who give assets to a charity cannot subsequently revoke the gift (see s.23 Inheritance Tax Act 1984). There is some comfort in the fact that charitable gifts to institutions such as museums can contain an element of continued control for the donor. As explained in Part I donors can limit what such an institution can do with the objects they donate. For example, Sir Denis Mahon stipulated that his gift of Guercinos to the Walker Art Gallery was conditional on no charges being made for admission¹⁶. It is ironic that, following a recent deal struck between the Department for Culture, Media and Sport and the Treasury, museums and art galleries can now recoup substantial amounts of VAT and, as a result, free admission has become an option for many institutions the Walker Art Gallery being among them. A gift in lieu of tax or a private treaty sale does not guarantee that a museum will not subsequently deal with an artwork in a way that does not please the transferor.

¹⁶ This sort of condition does not fall foul of the provisions in Section 23 IHTA 1984 discussed above.

8. Conclusion

Charity law and capital taxation have developed in very different ways and have been modified for very different reasons. This makes comparisons between the two regimes difficult. There are many areas of similarity, even overlap, and what structure an individual should choose to hold his artwork will depend on his or her particular circumstances. This paper does not attempt to make judgments as to which route should be followed. Rather the aim is to provide an introduction to the subject. What can be said is that the charity route does seem to provide slightly more flexibility when it comes to public access and publicity criteria and, arguably, the quality test for artistic merit and educational value is wider than the pre-eminence test for conditional exemption. On the other hand giving artworks to a charity involves just that – ownership is lost forever. Conditional exemption does not force a family to part with objects which have been passed down from generation to generation even if they end up lending them on long term loan to a museum. While the debate about conditional exemption has been heated and was, at one stage, hijacked by politicians anxious to show their anti-elitist credentials, charitable status as a means of keeping an art collection together has largely avoided the spotlight up to now. It will be interesting to see if this changes over the next few years.