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THE ART MARKET WEEKLY

MEPs raise concerns over ‘freeports’ for storing art

Members of the European Parliament on a special committee for financial crime and tax evasion have warned of the art market potentially being used as “a suitable vehicle for illegal activity”, according to a report.



A corridor inside the Luxembourg Freeport which has been used to store art and other high-value objects.
Image: Bdx via Commons Wikimedia.

- Alex Capon
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The report raised particular concern that art storage facilities known as ‘freeports’ may be flouting international rules on transparency and enabling money laundering.

Freeports were originally designed as bonded warehouses to allow free transit of goods but have become used as storage facilities for keeping high-value items like art and precious metals over indefinite time periods.

MEPs heard evidence that the way freeports were operating allowed for a “system that can be used for illicit economic activity” and particular examples were cited by MEPs as being like a “black hole” or “bunker” for storing works of art.

The [BBC reported](#) that criticism has also been aimed at European Commission President Jean-Claude Juncker for previously dismissing concerns over this issue and for authorising one of the freeports in Luxembourg when he was prime minister of the country in 2013.

A spokesman for the President of the EU commission admitted that freeports could “potentially pose risks of money laundering and tax evasion” but said that Juncker had “personally and tirelessly” pursued an agenda against such practices by boosting tax transparency and closing loopholes.

Yves Bouvier, the major shareholder of the Luxembourg freeport, told the BBC: “The Luxembourg freeport is the most controlled and transparent bonded warehouse in Europe, with 100% of the goods entering and exiting being checked and controlled by the customs and mandatory identification of all beneficiary owners.”