What Museums and Collectors Should Understand About Art Market Exposure

A provenance and governance perspective.

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The art market runs on discretion. That is the appeal, and it is also the exposure.

Sales are private. Valuations are subjective. Buyer and seller identities are often known only to a small circle of intermediaries. For a collector, that discretion is part of what makes the market pleasurable. For governments and financial crime specialists, it is increasingly read as a structural vulnerability.

$59.6B

Global art sales in 2025, up four percent. The United States alone accounts for forty four percent of it.

WHAT MAKES ART ATTRACTIVE TO ILLICIT FINANCE

PORTABILITY

A single work can be worth more than the building it hangs in and still travel as a parcel.

PRICING

Valuation is inherently subjective, which makes the amounts in a transaction easy to move without raising suspicion.

STORAGE

Freeports are not treated as financial institutions, so high value works can change hands with minimal identity checks and without crossing a border.

REGULATION

Coverage is uneven rather than absent. Some of the largest markets in the world still sit outside anti money laundering obligations entirely.

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WHERE THE RULES STAND IN 2026

EUROPEAN UNION	Art transactions of €10,000 or more have been covered since 2018, including trading and storing art in freeports. From 10 July 2027 a single directly applicable rulebook replaces the directives across all twenty seven member states, with traders in high value goods in scope.
UNITED KINGDOM	Art market participants must register with the revenue authority, appoint a compliance officer, train staff, report suspicions, and keep records.
UNITED STATES	The largest market, and still outside the Bank Secrecy Act. Antiquities dealers were brought in by the Anti-Money Laundering Act of 2020 and the implementing rules have still not issued. The Art Market Integrity Act, introduced July 2025, would close the gap.
SWITZERLAND	A revised Anti-Money Laundering Act was adopted in September 2025 and is expected to take effect during the second half of 2026.

WHERE THIS MATTERS FOR INSTITUTIONS

The pending United States bill names museums.

Not as bystanders. As covered entities, listed alongside dealers, galleries, auction houses, advisors, custodians, and collectors.

Museums and foundations are rarely the source of these vulnerabilities. They are exposed to them, through acquisitions, loans, donor relationships, and exhibition partnerships involving works with unclear ownership histories.

And reputational risk in this space rarely announces itself. It surfaces later, in a provenance dispute, an undisclosed donor history, or a transaction that draws regulatory attention years after the fact.

A STEWARDSHIP RESPONSE,
NOT A COMPLIANCE RETROFIT

Provenance and governance already belong to cultural stewardship.

They sit inside the same function that governs acquisitions, donor relations, and institutional reputation. The work is asking the right questions at the point of engagement rather than defending a decision afterward.

The goal is not to turn institutions into investigators. It is to help them ask sharper questions earlier, about counterparties, storage arrangements, and the paper trail behind a work's history.

Regulation is arriving either way. An institution that has already built the habit will meet it as procedure rather than as a scramble.

On asking earlier.

A series on the questions worth asking before a decision, not after it.

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