



# SOCIETY FOR ART COLLECTION

## Art & Art Collection News

A BI-MONTHLY NEWSLETTER



## A welcome address from the President

**I want to start by welcoming everyone to 2021. We are optimistic we will have a more positive outlook than the year 2020.**

We all witnessed how the dreaded COVID-19 virus ravaged communities globally. Apart from the tragic loss of human life, we witnessed economies of the world take a severe beating. Unfortunately, as you would expect, the lockdowns imposed by various governments around the world really affected human gatherings and that took its toll on art exhibitions, galleries, museums, art fairs, studios and any other space where art is viewed, engaged and created.

Art curators, galleries, curators, collectors and artists quickly switched to online channels to showcase/exhibit, market and sell artworks. Online auctions began to boom and suddenly the global art market took on a whole new digital dimension. We saw popular art fairs move online. 2020 was indeed a year certainly no one will forget in a hurry.

With the misery and losses also came lessons in innovation and how one can pivot when things seem to take a different turn unexpectedly. Perhaps it's time we

changed how we appreciate and engage art through technology. Interestingly, 2021 is officially the "UN International Year of the Creative Economy for Sustainable Development". The timing couldn't be better!

It is time we pushed the agenda for a thriving creative economy through sustainable activities across the board. At the Society for Art Collection, we are inspired to empower artists, connect collectors and inspire a new generation of art practitioners through very exciting projects and offerings we have planned for 2021. We truly believe that through re-education in the Arts especially around Art appreciation and the practice of Art collection, we would have contributed our quota in developing the Art industry in Nigeria and indeed Africa.

We invite you on this journey. Come along with us and see the amazing things we have planned. Become a member today. Visit [www.sartcol.org](http://www.sartcol.org). Follow us on social media.

Twitter - @sartcol

Instagram - Society for Art Collection

Facebook - Society for Art Collection

## Contents

Art lending: making your art work for you	2- 3
Interview: Kayode Adegbola	4-5
Spotlight: Rele Gallery, Los Angeles	5
Artist of the week	6
Quote of the month	7
Tips	7
Announcements	8

LinkedIn - Society for Art Collection.

Yours Sincerely

Dr Okey Anueyiagu,

President,

Society for Art Collection.



# ART LENDING: MAKING YOUR ART WORK FOR YOU

By Nwachukwu Obi<sup>1</sup>

The Nigerian art market was on a hot streak that did not seem like it would end any time soon before the Pandemic hit. Sales at the big auction houses broke their exiting records, and the public appreciation and desire for art have never been higher<sup>2</sup>. Works were being sold out at auctions, exhibitions were becoming a regular pastime, and even the Nigerian Government and Financial institutions were starting to look up and notice the art industry and ecosystem. While 2020 offered some setback, many believe the industry will bounce back once the Pandemic is no longer a cause for concern. Against the backdrop of Nigeria's art ecosystems

historic run, we are slowly starting to see a rise in the business of lending against art collateral.

Art lending is defined as the process of taking a loan with one's art as the collateral. Art loans may be made for various reasons, some of which may consist of advances against art not yet created (usually made to artists of some repute); advances against items to be auctioned or otherwise sold (known as a bridge loan to sale). They can also be used to finance new art purchases (known as acquisition financing and similar to a mortgage), and loans to assist dealers in amassing inventory (known as a working capital line of credit).<sup>3</sup>

<sup>1</sup> Nwachukwu Obi is a Netherlands based corporate and commercial lawyer and volunteer for the Society for Art Collection. He can be reached at [nwachobi@gmail.com](mailto:nwachobi@gmail.com)

<sup>2</sup> Quartz Africa, Sotheby's has had its biggest jump in bidders for African art, thanks to a stay home lockdown, Ciku Kimeria April 3, 2020 <https://qz.com/africa/1831786/sothebys-african-art-bid-ding-sees-a-big-jump-in-bids-sales/> and accessed January 15, 2021

<sup>3</sup> Art Radar Asia, Art loans can offer liquidity to your collection published November 4, 2009 January 15, 2021 <https://artadarasia.wordpress.com/2009/11/04/art-loans-can-offer-liquidity-to-your-collection/> accessed January 15, 2021

Building an art collection is no mean feat. Few art collectors are as liquid as Patrick Drahi, the French telecoms magnate, who purchased Sotheby's, an auction house, for \$3.7 billion in cash or as patient as Prince Yemisi Shyllon who has been collecting art for over 50 years. Selling one's collection can take months, even years and accessing finance to build on one's collection might be a needlessly expensive venture. Thus, the quickest way to unlock its value quickly is to borrow against it. Many collectors have now realised that art lending is their best bet for fast capital the number of collectors taking art backed loans so is rising. Deloitte, a top accounting firm, estimates that the outstanding value of loans against art in America reached \$24 Billion in 2019<sup>4</sup>. Industry insiders say such lending has continued to grow at double-digit rates since then with Deloitte reporting that more collectors are requesting for art backed financing options than ever.

In Nigeria, Art Financing has moved from a backroom dealing process to a mainstream means of funding one's collection or even obtaining capital. Most of this process is backed by a now mainstream appreciation of art collecting from the business point of view and the passage of the **Secured Transactions in Movable Assets Act 2017 (The Act)**<sup>5</sup> from the legal point of view. The Act provides an excellent structure to create an environment to access funding using art as collateral by permitting the use of movable assets (which art, firmly fits in) as collateral for secured transactions. This is an essential step because secured transactions are usually the only way once will be able to access finance from credible financial institutions. Additionally, The Act establishes a collateral registry to keep track of all the moveable assets used as collateral. The Act stipulates that the registry is tasked with essentially: (a) receiving, registering and storing information about security interests in movable assets and (b) providing much-needed access to persons who may seek information on security interests from the collateral registry. This is quite similar to the various land registries established under Property law at which security interests in land are to be registered. The Act provides additional guidance in dispute resolution assignment of interests in the debt and priority of registered interest amongst lenders if a piece of art is used as collateral for more than one loan to various lenders. As a result of the Act, many predict that many financial institutions will be chomping at the bit to get involved in art backed financing. However, the reaction has been muted. It is noteworthy that none of the many top Nigerian Finance institutions has art loans pointedly listed out as a service they offer. On the other hand, its valuable information on the art loan services of many top American, British, and European financial institutions is simply a click away on any search platform.

The steps in taking an art backed loan facilities have not changed the world over, as explained in greater detail below. Most art backed loans are targeted at mega collectors and High Net worth individuals as a result of the fact that such individuals have names and reputations that garner trust. Most art loans are meant to be short term as they are either used to finance one's collection appetite quickly or offer some capital before one sells one's collection at auction. While most of the loans to top collectors are non-recourse loans; the loans to garden variety everyday collectors are not. The lenders will have the option to take ownership of the art used as collateral if the loan becomes non-performing. One of the significant developments in art secured-lending market is the use of art insurance products, to enable collectors to keep the art they borrow against hanging on their wall while the loan facility exists. This gives the industry a bounce as collectors confidence in art backed lending jumped since its introduction<sup>6</sup>. The insurance option is simply that the insurance company underwrites the loan facility and will become obligated to indemnify the lender if the collector defaults on the loan. It is also essential to keep interest rates low (typically in the high single digits, or in Nigeria, double digits under 20%) and loan-to-value ratios will be around 40% to keep the lender comfortable.

It must be noted that organising art loans is a tricky business because art is a complicated asset class<sup>7</sup>, prone to wild valuation changes. Structuring one's art loan facility could take between four to six weeks. This often gives enough time to review the documentation, title and provenance of the art and its authenticity and market value, which is generally very speculative and contentious as the price of art pieces is incredibly volatile<sup>8</sup>.

In conclusion, Art backed financing, offers a massive opportunity for collectors to build their collections; obtain quick liquidity and have a financial use for their collection without selling it. It also provides a chance to make the art ecosystem by involving financial institutions, insurance companies, and lawyers in the process. There will also be a more significant opportunity for curators and valuers to obtain prospects for commissions, and finally, artists will have more opportunity to have their art purchased. While many collectors and financial institutions rightly believe that art-backed lending is still considered a niche market; the increasingly large mountain of money currently tied up in art around the world, presents an enormous opportunity for new lenders to serve this market.

4 Deloitte, Art and Finance Report 2019, <https://www2.deloitte.com/content/dam/Deloitte/lu/Documents/financial-services/artandfinance/lu-art-and-finance-report-2019.pdf> accessed January 16, 2021

5 Secured Transactions in Movable Assets Act 2017 <https://www.cbn.gov.ng/Out/2017/CCD/STMA%20ACT%202017.pdf>

6 Private Art Investor Magazine, Art-backed financing grows in sophistication, March 5, 2018 <https://privateartinvestor.com/art-finance/art-backed-financing-grows-in-sophistication/> accessed January 16, 2021

7 Forbes Magazine, Is Art an Asset Or An Investment? Kathryn Tully, Oct 5, 2012, <https://www.forbes.com/sites/kathryntully/2012/10/05/is-art-an-asset-or-an-investment/?sh=53ab49eb2b97> accessed January 16, 2021

8 Forbes Magazine, Book Review: 'Art As An Investment?' Think Again, Kathryn Tully, Feb 20, 2014, <https://www.forbes.com/sites/kathryntully/2014/02/20/book-review-art-as-an-investment-think-again/?sh=47ce1579593d> accessed January 16, 2021

**“Art lending is defined as the process of taking a loan with one’s art as the collateral. Art loans may be made for various reasons, some of which may consist of advances against art not yet created (usually made to artists of some repute); advances against items to be auctioned or otherwise sold (known as a bridge loan to sale). ”**

I N T E R V I E W

# Kayode Adegbola

## Profile

Kayode Adegbola is a lawyer by training, with professional experience spanning private legal practice, public sector impact lending, and private sector Government Relations and Regulatory Advisory.

He is Lead Advisor at Golborne Road Advisory, a firm that helps clients navigate the regulatory landscape in Nigeria.

He is a keen art collector, and a Trustee of the Rele Arts Foundation. Kayode sits on the Board of Governors of the Vale College, a private co-educational Secondary School in Ibadan, Nigeria. He is also a Trustee of the Student Development Centre for Africans (SDC Africa).

### How did you start collecting art? How did you acquire the very first piece in your collection?

K: I grew up collecting things: music posters, cassettes and CDs, photographs, among other things. In my early teens, I would cut up photographs and stick them in jotters to make what we called scrapbooks at the time. So in a sense, I have always been a collector. My father also had a modest art collection while I was growing up. So from a young age, I was familiar with names like Jimoh Buraimoh and Rufus Ogundele. When I grew older, I began to develop my own tastes, especially as I became acquainted with one of my now best friends who has gone on to become a successful gallerist and curator. I think my first piece might have been a miniature Onobrakpeya acquired from a show at Didi Museum. I believe it was an Arthouse show. Also, I lost some money on the stock exchange while I was a young lawyer, so I liquidated most of my remaining shares and bought a stained glass Isaac Emokpae work in 2014. I have gone on to acquire almost 100 artworks since then.

### Did you continue buying art for the same reasons or did the reasons change?

K: I collect mainly for the aesthetic value; however, as my tastes mature, I am now acquiring works for “completeness”. So I am looking more at Modernists and works that are tied to different times in our history as a people.

### What aspect of collecting art do you love the most?

K: For me, I enjoy the fact that art is an asset class that you also derive visual pleasure from. In addition, there is an infinite depth of knowledge to gain on one’s journey in collecting.

### Is there a particular type of art you collect?

K: I primarily collect Contemporary Nigerian Art today. In the near future, I will be collecting more Contemporary African Art, and Modern Nigerian Art.

### Have you ever purchased art from social media?

K: Yes, I have purchased art from social media and I will continue to do so, especially with the COVID-19 pandemic. Last year, I bought an entire series of ten works from a young artist I discovered on social media, Saheed Wahab.

### Do you have a ‘the one that almost got away’ story you can

**share with us?**

K: I am not sure that I can say that I have had a “the one that almost got away” story yet. The only art I like that I don’t acquire is art that I cannot afford, but like one of my mentors once told me: “fine thing no dey finish!”.

**What is the most expensive art piece in your collection?**

K: That will be the first two works in my newborn daughter’s collection: a painting made specially for her by Victor Ehikhamenor and a Chidinma Nnoli that was a gift to her from another of her uncles. They are both priceless to me and my family. In terms of financial value, I suspect that it will be between a Victor Ehikhamenor oil on canvas that I acquired in 2019 from Rele Gallery and a rare 1993 Ablade Glover that I also acquired in 2019 from Hourglass Gallery. The Glover is from “the Flood Series”, and you don’t see many of those around.

**What type of venues do you buy art from?**

K: I have bought art from galleries, directly from artists, at

auctions, via social media, and in private secondary market sales.

**Which artist work are you looking forward to collecting this year?**

K: I am hoping to acquire my first Enwonwu this year, and possibly a Nelson Makamo too. I am also making a conscious effort to find and acquire the works of more female artists. My wife and I and some of our friends are also looking for avenues through which to nurture young female talent.

**What advice would you give to someone on how to start collecting art?**

K: Like most other collectors, my advice would be that they start by buying what they like. I would also go further to advise that new collectors read and continue to study all sorts of materials: exhibition catalogues, artist statements, interviews, auction records, and many more.

**Spotlight**

**Rele Art Gallery Launched a New Gallery in Los Angeles With an Exhibition Focusing on Women Artists, “Orita Meta(Crossroad)”.**

It’s no wonder that Rele Art Gallery, a renowned Nigerian art gallery with two locations in Lagos already, opened a new space in Los Angeles to meet the growing international interest for diverse and multicultural art, as well as the appeal for African art. On the 1st of February, Rele Gallery opened the doors to its new space on the swanky Melrose Avenue in Beverly Grove, as the first contemporary gallery from Africa to place roots in the city.

The debut exhibition titled, “*Orita Meta (Crossroads)*”, features works by three impressive contemporary Nigerian artists: Marcellina Akpojotor, Tonia Nneji, and Chidinma Nnoli. All three women are displaying works in line with the “*Orita Meta*” theme inspired by a book and painting of the same name by fellow Nigerian artist Peju Alatise.

Speaking with Hyperallergic, the founder of Rele Art Gallery, Adenrele Sonariwo explained why she really loves LA and chose to open a new space there.

**“It’s such a strong, vibrant community of individuals that care deeply about the arts, especially African Art, which I’ve experienced first-hand”**

Rele Gallery has also shown invested interest in emerging artists, establishing a Young Contemporaries initiative to mentor a handful of artists every year since 2016. “*Orita Meta*” artists, Marcellina Akpojotor and Tonia Nneji were also participants of the program and going forward, you can expect the gallery to feature contemporary African art, with a special focus on Nigerian women, though Sonariwo says they aren’t against collaborating with artists from other locations as well.



# Artist of the Week

Kenechukwu Victor is an artist born in Kaduna, the northern part of Nigeria, but hails from Anambra state, who lives and practice in Lagos, Nigeria. He holds a B.Eng in Chemical Engineering from the prestigious Madonna University, Akpugo, Nigeria.

He has always been enthusiastic about art since he was a little boy, with interests in singing, playing the piano and drawing with pretty much anything he lays his hands on. He has now grown to love expressing himself through portraiture and impressionistic realism. His works so far, are stretch across drawings and paintings.

His work expostulates the social and political episodes in his community, race and the world at large, Inspired by the perfect imperfections of humanity. From this inspiration births the energy embodied with undiluted truth and glory, visible in his work.



INCONSOLABLE, 2020

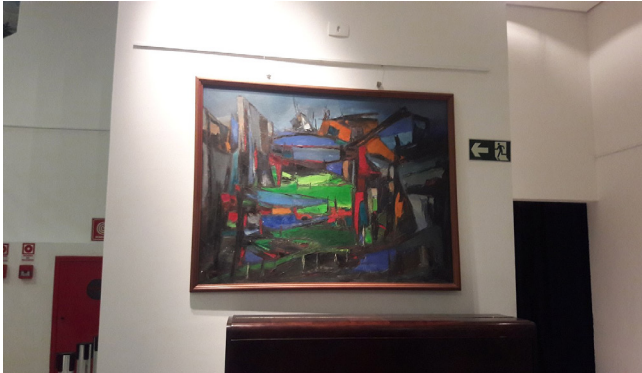


UNTITLED



AUNTY FRANCA, 2020

# Quote of the Month



**‘Serious collectors that I know are focused on the art. They are not looking for a decorative item, or a good investment. There is some aspect of the work itself that has hooked them.**

**- (Eleanor Blair)**

## TIPS

### FIVE REASONS WHY YOU SHOULD DOCUMENT YOUR ART COLLECTION

You have spent a lot of time and energy building your personal art collection. It represents you, your style, your values, and so much more. You're proud of your collection and have taken important steps to ensure its longevity. Below are some reasons why you should document your art collection.

#### **1. A sense of security**

You just feel better when you organize information about your art collection and historical objects into one central archive, lets you breathe a sigh of relief. You'll have a reproduction-quality photograph of each piece, and information about the pieces (record that information before you forget it).

#### **2. Help your heirs**

You want those who will eventually receive your collection to understand its value as well as you do. These are special things that you will live with for many years. Document the collection stories so that your heirs can understand and appreciate these things the way you do. Did you mostly collect art from local artists because you appreciate getting to know the artist before you buy their work? Are you a cutting-edge art collector, or a traditionalist? Your documentation can help your heirs see what motivated you to be a collector, and in turn, get to know you better.

#### **3. Preserve history for future generations**

Art and historical objects are cultural heritage items. The things that you have chosen to collect say a lot about the culture in which we live today. The fact that you value them enough to document them actually adds to their cultural heritage value.

#### **4. Provenance**

Provenance is a chain of evidence that documents a particular art piece. It proves who the maker was, when it was made, sale prices, and other information. A thorough documentation of a collection provides critical provenance information in an archive form. This supports the value of the work and, more importantly, provides historical context and an interesting story of the life of each piece.

#### **5. Sharing**

You can't carry your collection with you everywhere you go. But you can share the collection photographs in the form of a coffee-table book, or even an electronic book on an iPad or other mobile device. You can easily share the excitement of new acquisitions with friends and family if you have great photographs of the objects.

# Announcements



## Social Media



Sartcol



Society for Art Collection



Society for Art Collection



societyforartcollection

[www.sartcol.org](http://www.sartcol.org)

Join us in changing the narrative of art collection. Visit our website



# About SARTCOL

## WHO WE ARE

The Society for Art Collection is a registered charity (CAC/IT/NO/110968) committed to providing a platform for the exchange of ideas amongst art collectors whilst promoting an appreciation for the arts. The society, through systematic, knowledgeable and organized means, will be a how- to guide for the novice as well as established collectors; art enthusiasts; journalists and critics; dealers and gallery owners; investors and scholars, on how to navigate the exclusive path of art. collection.

## MISSION OF THE SOCIETY

To educate collectors on the intricacies of collecting art – provenance and rights of collectors, preserving sustainable collections, respecting the rights of artists, supporting artists, and connecting artists with prospective collectors of their works.

## VISION OF THE SOCIETY

Our vision is to provide the platform for an “educated collection and promotion” of the arts.

## WHAT WE DO

- Seminars for art collectors to discuss matters of interest relating to art collection, the purchase of art and art related materials.
- Sessions for collectors to speak about their collections and how to collect art.
- Fora support for the development of art and artists.
- Support of art programs and art exhibitions.
- Generating literature and database for art works.
- Organisation and support of events centred on fostering an appreciation and understanding of art (Hallowing Art Again).
- Art Auctions.

## THE GOVERNING COUNCIL

- DR OKEY ANUIEYAGU – CHAIRMAN
- PROFESSOR FABIAN AJOGWU, SAN
- MR JESSE CASTELLOTE
- MS NGOZI EDOZIEN
- MR NERO ASIBELUA
- MR IBRAHIM DIKKO
- MR ADEDOTUN SULAIMAN MRS ANANYA KAUL

## OPERATION TEAM

- Obinna Okerekeocha
- Anita Nnaji

## VOLUNTEERS

- Nwachukwu Obi
- Patricia Udeh
- Nimma Jo-Madugu

## MEMBERSHIP

Joining the Society for Art Collection as a Patron helps us to make sure that significant works of art continue to enter public collections across the country, where they are valued as well as enjoyed. Our Patrons enjoy informed and inspirational involvement with all works of art and collecting. They receive a range of bespoke benefits including exclusive access to our artists, curators and collections in Nigeria. You can join the society as an:

- ARTIST
- COLLECTOR (Individual)
- COLLECTOR (Institution(s))
- ART ENTHUSIAST

## BENEFITS

- Connecting with like-minded art collectors at VIP events - Networking
- A platform where you can socialise, discuss business, luxuriate and find common interests.
- Art collection services; documentation, insurance, etc, at a subsidised rate.
- Invitation to private events.
- Invitation to private events.
- Receive Art market insights.

## CONTACT US

8, Ogunyemi Road, Palace Way, Oniru,  
Victoria Island, Lagos.  
+234 811 389 8855, +234 806 113 1925





**SOCIETY FOR  
ART COLLECTION**