

Long term loans Recommendations for best practices

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Promotion of long-term loans, with emphasis on the benefits of reciprocity

The data collected for the Long term loans best practices report (2009) suggests that the idea of the mobility of collections is still not very widely spread within individual EU member states. Therefore, the Long-term Loans and Collection Research Working Group recommends that

- a body of advocacy which would work for a change in attitudes favourable to lending and borrowing would be appointed in every member state,
- information on the mobility of collections would be distributed to all organization levels, from national ministries to all types of museums managing collections,
- national dialogues on the mobility of collections would be created by establishing different forums where the subject is debated and by giving the subject and the dialogue all possible publicity, and
- alternative methods for the recognition of museums for their lending activities to be considered by member states.

Recommendation regarding risk distribution and use of frame agreements

On the grounds of the experiences gathered from the member states, the potentially high cost for insurance against risk of loss or damage can be substantially reduced or even eliminated. Therefore, the Long-term Loans and Collections Research Working Group recommends that

- member states would eliminate all obstacles for accepting state indemnities as an alternative to commercial insurance against risk of loss or damage to an object,
- when commercial insurance coverage is to be used, museums would remove requirements for such coverage while objects are on the premises of the borrower, and
- museums would not ask each other to compensate object's decrease in market value should a loaned object be damaged while on the premises of the borrower, since objects of public museums are by definition excluded from the market.

In addition, the working group recommends that to increase long term lending and borrowing of cultural objects and works of art and to make lending and borrowing more straightforward, museums would structure lending and borrowing between collaborating institutions with framework agreements.

Promotion of contract templates

The responses gathered from the member states prove that entering into complex loan agreements with requirements that varied from museum to museum was experienced as a burden to long-term lending and borrowing. To lighten this burden and to create common ground, the Long-term Loans and Collection Research Working Group selected the following documents and recommends their use by museums across the European Union:

- Long-term loans – Definition
- Long-term Loans – Conditions
- Flemish Frame Agreement conditions limiting borrower's liability

The *Long-term Loan Conditions* has a basic set of conditions that should be contained in any arrangement and optional supplementary terms under different subjects – for example, insurance. The instrument can thus be used as the basis of any loan arrangement for lenders and borrowers to add to and amend, as their particular situation requires.