



**CANADIAN CULTURAL PROPERTY EXPORT REVIEW BOARD
COMMISSION CANADIENNE D'EXAMEN DES EXPORTATIONS DE BIENS CULTURELS**

February 24, 2005

At its meeting of January 11 - 14, 2005, the Review Board adopted three resolutions with respect to the certification of cultural property for income tax purposes and asked that all designated institutions be made aware of them as soon as possible. The resolutions are as follows:

Resolution #1: Two Appraisals Required Where Total Value Exceeds \$20,000

The Board has revised its policy, effective immediately, on the number of appraisals required for applications for certification, to read as follows:

One appraisal is required when the total estimated fair market value of a donation is \$20,000.00 CAN or less. Where the total estimated fair market value of a donation is above \$20,000.00 CAN, two appraisals are required unless the appraisal is provided by an appraisal committee. In cases of donations of audiovisual material where the total estimated fair market value is greater than \$500,000, three appraisals are required.

Resolution #2: Criteria for “Outstanding Significance and National Importance”

The Board has noted that designated institutions and public authorities do not always refer directly to the guidelines for “outstanding significance and national importance” when making applications for certification. It therefore advises that, when preparing applications for certification to the Board, designated institutions and public authorities be sure to address as many of the criteria outlined in the guidelines as possible as they relate to the specific object or objects for which certification is being requested. These guidelines are attached for your convenience and are also available on the Review Board's website at: <http://www.pch.gc.ca/progs/cebc-cperb>.

The Board wishes to remind designated institutions and public authorities of its legislated mandate to determine that an object meets the criteria of "outstanding significance and national importance" and to determine the fair market value as set out in the *Cultural Property Export and Import Act* before a Cultural Property Income Tax Certificate can be issued (Form T871).

Resolution #3: Complete Applications for Certification

The July 2002 Update of the Board's Information and Procedures document stipulates that incomplete or non-compliant applications will be returned for completion or correction. The Board has recognized this and, given that:

- i) a large proportion of applications for certification are missing information that is integral to the Board's review;
- ii) the ability of the Program Officers to assess, analyze and research information relating to applications for certification is significantly compromised by having to identify and request missing information by a certain date in order that an application can go before the Board;
- iii) the work of the Board is significantly burdened when it is faced with incomplete applications or applications that it receives too close to the meeting date because they were initially submitted incomplete,

has authorized the Secretariat to return applications that are missing any of the following integral information:

Donor or Vendor Information

- Deed of Gift (where the gift has been made)
- Statement of clear title by donor/vendor
- Date of acquisition by the donor/vendor
- Purchase price paid by the donor (for purchases made within 3 years of the date of application)

Description of Cultural Property

- | | | |
|--|--|---|
| <input type="checkbox"/> Creator's Name | <input type="checkbox"/> Medium | <input type="checkbox"/> Edition size/# |
| <input type="checkbox"/> Title | <input type="checkbox"/> Dimensions (inches & cm) | <input type="checkbox"/> Extent (for archival material) |
| <input type="checkbox"/> Execution Date | <input type="checkbox"/> Exhibition History | |
| <input type="checkbox"/> Signature / Inscription | <input type="checkbox"/> Provenance: as complete a history of the ownership of the property as possible, with explanation where there are gaps | |
| <input type="checkbox"/> Condition Report | | |

Documentation

- Labelled Photographs: 8" x 10" colour photograph (unless object is black and white), 8" x 10" colour xerox (these can normally be made from colour slides)
- Representative sample of photos (for large collections)
- Finding Aid and/or Sample(s) (for archival material)
- Archival Appraisal Report (for archival material)

NOTE: The Board has stipulated that each image submitted with an application for certification, regardless of format, must be clearly labelled with the name of creator, where applicable, title of object, medium, and dimensions.

Explanation of "Outstanding Significance and National Importance"

- Specific information about the significance of the property described in the application, with reference to as many of the 14 criteria as possible, for example, regional, provincial, national, and ethnocultural factors; aesthetic qualities; pertinence; archival, documentary or research value.

Declaration of Authenticity

- Signed and dated
- Name and title of signatory, typed
- Brief explanation of signatory's relevant expertise

Monetary Appraisal Information

- Summary chart of appraisals and appraisal averages
- Discrepancy between appraisals needs to be addressed by applicant institution
- 2nd appraisal required--total value exceeds \$20,000 CAN
- Appraisal must indicate *fair market value*
- Definition of *fair market value* needs to be provided
- Effective date of appraisal needs to be provided
- Each object must be fully described
- Appraisal(s) must address the condition of the property
- Appraisal(s) must address provenance
- Appraisal(s) must be *itemized*, ie. a value must be assigned to each object
- Appraisal(s) must explain the current market context of the object(s) being appraised, ie. identify the most relevant market for the specific property being appraised
- Appraisal(s) must be substantiated with references to specific recent sales of similar objects, each fully described, whenever possible
- Reasoned justification* must be provided to complete the appraisal(s)
- Appraisal(s) must indicate the total proposed FMV when many objects are appraised
- Appraiser's attestation must be provided, including:
 - nature of inspection
 - whether the appraiser has previously sold the property being appraised
- Appraiser's signature must appear on appraisal, not "per" another party
- Appraisal(s) must be *typed*

The Board has furthermore authorized the Secretariat to establish which of any of the other application guidelines it requires in order to present an application to the Board, and in order to bring an application file to completion once the Board has rendered its determination. If a considerable amount of this information is missing, the Board has furthermore authorized the Secretariat to exercise its judgement as to when to return the application.