

Auctions : guidelines

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Buying at auction

What can you buy at auction?

All movable property (movable as opposed to immovable), whether second-hand or new (since act no. 2011-850 of 20 July 2011 concerning the liberalisation of the voluntary sale of chattels by public auction), can be sold at auction by an auctioneer, including furniture and objets d'art (paintings, jewellery, bibelots, etc.), professional equipment (tools, public building works equipment, catering, computer and office equipment, stocks, etc.), vehicles (private, utility and collectors') and animals (racehorses, livestock, etc.).



How do you find the items and sales that interest you?

The free Interencheres.com services help you to find the items that interest you. For example, Interencheres.com enables you to choose and consult the numerous specialties under which announcements of upcoming auctions are grouped.

If you are looking for a particular artist, style or type of object, you can use our **search engine** with key words. This engine enables searches for various criteria (by key word, region, speciality or sale date), which you can combine to target your searches more effectively.

And to ensure that you don't miss out on any sales, Interencheres.com provides a **free email alert service** triggered by key words, which informs you automatically the morning after the publication of a lot matching your requirements.

Interencheres.com also provides a **newsletter service**: every thursday, in the early morning, you receive the latest news and market trends according to your centres of interest: furniture and objets d'art, vehicles or professional equipment.

As you browse on Interencheres, you can add to "**My Selection**" the lots you like the look of, or the sales that interest you. From "My Selection", you can register an absentee bid for a lot, send a request for information to the auctioneer staging the sale, or activate a pre-sale reminder to avoid missing the auction on the actual day.



How can you see and examine the lots?

Interencheres.com enables you to consult numerous catalogues and photos of the lots proposed by auction houses being auctioned in upcoming sales. On the site, you can view several photographs of the same lot, and you can also zoom within these pictures. To examine the lots physically, you need to go to the sale locations indicated, during the opening times of the exhibitions organised before the sale. These are announced on Interencheres.com.

This public presentation, which usually takes place the day before and/or the morning of the sale, enables you to examine the lots and see their condition for yourself. During the exhibitions, the auctioneers, specialists, clerks and other employees of the auction house are on hand to provide information and advice, and give you estimates for the objects that interest you.

What happens at an auction?

Auctions, staged by legal auctioneers or voluntary sales operators, are public, and anyone can attend as an observer. Any person of age who is responsible and solvent can buy or sell.

The buyer must have taken note of the conditions of sale. These are always displayed at the sale venue, and come in addition to the general conditions applicable to all public sales. They indicate specific details of a particular sale, the bidding procedures, the limitation of liability clauses concerning the condition of lots, the sale costs and the payment procedures, conditions for collecting lots, etc. They may vary from one sale to the next, which is why you must always read them before bidding, because the fact of bidding is deemed to be acknowledgement of the sale conditions.

At the time indicated, the sale begins with the reading of the conditions of sale. Then the first lot is put up for sale. Each lot is presented with a description. After the auctioneer or sale specialist has announced the starting price, bidding can begin.



How do you bid at an auction?

You have several options for bidding at a sale:

- **Bidding in the room:** you must be present in the room at the time of the sale. To participate, a clear sign (a simple hand gesture) is enough to tell the auctioneer that you want to make a higher bid. In this case, he decides on the amount of the bid. If you want to

make a precise bid, it is recommended to announce this aloud, but the auctioneer can refuse it.

- **Telephone bidding:** you can ask auction houses to let you bid by telephone, live, for lots of a certain value (find out what these are from the auction houses). As with absentee bids, you will be asked for a written, signed document accompanied by your bank details. This service is also free, and subject to approval by the auctioneer.
- **Absentee bids:** if you are unable or do not want to attend a sale, you can leave an absentee bid with the auctioneer or one of his staff or a sale specialist, specifying a maximum bid. The auctioneer will act on your behalf according to the instructions contained in the absentee bid, and will endeavour to buy the lot(s) at the lowest possible price. Under no circumstances will he exceed the amount indicated by the bidder.

The absentee bid must indicate:

- Information about the sale (auctioneer's name; sale venue, date and time);
- Your contact details (full name, address and telephone number);
- A description of the lot (lot number, nature of the item, etc.);
- Maximum bid (excluding legal costs);
- Bank details (and possibly the name and tel. no. of the account manager);
- Lastly, the date and your signature.

Write all this information on a document, and send it by fax or email to the auctioneer (it is advisable to ask him to confirm that he has received the bid). Contact the auctioneer after the sale to find out if you have won the bid.

Live bidding, if the sale permits. Available since November 2011 on Interencheres, live sales are now transmitted on <https://www.interencheres-live.com/>. These provide two new services:

- **Live bidding:** Interencheres-live.com enables you to participate remotely in an auction in real time. Here you can sit at your computer in your own home, wherever you are on holiday or at the office, and follow the bidding and the auctioneer's comments as the sale goes along (with sound and video). You can bid for the lots you want at any time with a simple click, as though you were there in person.
- **Secret absentee bidding:** for those unable to come on the day of the sale, Interencheres-live.com offers a revolutionary service for registering secret absentee bids. These are carried out automatically and are computerised. Their maximum amounts are not revealed to auctioneers. Bidders then benefit from the guarantee of a purchase at the most accurate possible price if they win the bid.

Gone!

If you are the last bidder, meaning the person who has submitted the highest bid, the object will be knocked down to you. But if the level of bidding is too low or if the reserve price set by sellers (below which they do not wish to sell the item) is not achieved, the lot is withdrawn from auction. Lastly, if two bids of the same amount are submitted simultaneously, the auctioneer may put the object back on sale. When the bidding recommences, it will be knocked down to the person making a higher offer.

The word "gone" pronounced by the auctioneer, generally accompanied by a hammer blow closing the bids, formalises the conclusion of the sale contract and transfers ownership. The buyer

becomes the owner of the object at the moment the hammer falls and the auctioneer pronounces the ritual "gone", even if the buyer has not yet paid for the purchase or taken possession of the lot.

Immediately after the sale has been announced, the buyer must make himself known to the auction house. If he no longer wishes to participate in the sale, he goes to the payment desk. Here a bill of sale (in other words an "invoice") will be given to him. This shows the number of the lot bought with its characteristics, catalogue references and price. Once the bill of sale has been paid, the buyer can take possession of the lot and collect it.



Sale costs and payment procedures

If he is awarded an object, the buyer must pay the amount of his last bid, increased by a proportional buyer's premium. With voluntary sales, this premium is freely fixed by the auction houses. With legal sales, legal costs on top of the bids are set by law: 14.352 % including tax. These costs must be indicated in the conditions of sale and announced publicly before the sale. With vehicle sales, the buyer must also pay for the cost of a technical inspection.

Payment methods are indicated in the conditions of sale. As a general rule, all means of payment are accepted (cheque, cash, bank transfer or credit card), but it is advisable to check with the auction house.

According to article L. 112-6 of the French Monetary and Finance Code and article D. 112-3 of order no. 2010-662 of 16 June 2010, payment in cash is only permitted under 3,000 euros, costs and taxes included, for French citizens, and professionals in the context of their business. With private individuals whose fiscal domicile is not in France, it is generally possible to pay up to 15,000 euros in cash or traveller's cheques, after the auction house has checked their identity and domicile from an official document.

How do you collect an acquisition after the sale?

Although objects are usually stored at no cost by the auction company after the sale (storage periods fixed by the auction houses), you should probably check this before the sale. Shipments and carriage should be arranged directly with auction houses, which can put you in touch with professionals. The buyer pays for these shipment and carriage services.

Selling at auction

To sell an item at auction, you just need to **contact an auction house**. You are free to choose one as you wish according to its location, its specialisation, programmed sales, etc. On Interencheres.com, you will find a [directory of partners auctioneers' offices](#) for each region and département, and also according to the calendar and any specialised sales they stage (indicated in the auction house presentation pages on Interencheres.com).

After arranging a meeting at his office or at your home, the auctioneer will give you **an initial estimate**, most often at no charge, and advise you on the opportunities for putting your item up for sale, according to your requirements and the state of the market. You can also **set a reserve price**, i.e. a minimum below which the object cannot be sold. This reserve price cannot be lower than the low estimate.

Once the estimate is set, the object authenticated and the type of sale decided on, you must draw up a **mandate of sale**. This is a contract whereby you authorise the auction house to sell one or more items belonging to you on your behalf. This mandate can be revoked at any time, but a cancellation detrimental to the auctioneer could lead to the payment of damages. The mandate of sale indicates your identity, a description of the items you are consigning for sale, the date and venue of the sale if known, the estimate, and the reserve price if there is one. It also indicates **the sale costs**. These are freely set, and are sometimes negotiable. They include payment for the service provided by the auction house and various costs incurred for the sale: catalogue, advertising, specialist's fees, carriage and storage costs, etc.

The auctioneer has the right to withdraw an item from the sale if there is serious doubt as to its authenticity or provenance.

After the sale, if the object did find a buyer, the auction house will send you **your payment** - the hammer price minus sale fees - by post, generally within one month. For reasons of convenience, the auction house is in charge of organising the delivery of the goods to the buyer. If the object did not find a buyer, the auction house may put it up in another sale, or return it to you.

If the buyer is unable to pay for his purchase, the procedure known as the "**crazy bid**" applies. This is laid down in article L. 321-14 of the French Commercial Code. The object is put back up for sale at the request of the seller within three months, and any difference between the initial hammer price and the new one is paid by the first defaulting buyer. If the seller does not request this, or after three months has elapsed, the sale is cancelled as of right, and the purchaser can remain liable for damages.

Getting an estimate for an item



In the context of a voluntary sale, i.e. when there is no court order, the voluntary auctioneer is available to estimate your goods. He can draw up an inventory in the event of a change in marital status (marriage, divorce, etc.), in view of an insurance policy, for an apportionment, or simply if you want to get rid of any movable assets cluttering up your house. Depending on the number of objects and their mobility, you can either take your items directly to the auctioneer, or ask him to come to your home after making an appointment with the auction house of your choice beforehand. Estimates are generally free when they are followed by a sale.

Otherwise the auction house will invoice a fee based on the value of the goods estimated, the time it took to make the inventory, travel costs and possibly any additional costs like photographs or the assistance of a specialist.

The legal auctioneer is appointed by the Commercial Court to estimate carry out the appraisal of movable assets of companies in receivership or judicial liquidation, and by the District Courts for the appraisal and sale of movable assets under guardianship or curatorship. He can also order the removal of goods seized by a bailiff. Lastly, he can be appointed by the director of the Caisse de Crédit Municipal (municipal credit bank) to carry out appraisals and sales of encumbered assets

The auctioneer

The auctioneer's profession

Everyone knows the auctioneer's ritual formula "**Going, going, gone!**" generally accompanied by a smart tap of the hammer! But before he can say this long-awaited phrase, thus finalising the purchase of a lot by the bidder offering the highest price, the auctioneer must first carry out **an assessment and appraisal of an object**, i.e. detail all its characteristics, and give it an estimate. He then **promotes the lots** (catalogues, advertisements, press releases and announcements on the Internet), before finally **offering them at public auction** on the day of the sale.

What's the difference between a voluntary and a judicial sale?

Sales are "voluntary" when lots are freely consigned to the auctioneer for sale. They are staged by operators or auction houses supervised by the Conseil des Ventes Volontaires de meubles aux enchères publiques (CVV: the French Auction Market Authority).

Judicial sales (ordered by a court decision, e.g. liquidations, seizures, etc.) are solely run by legal auctioneers, who are appointed by the Minister of Justice and thus judicial officers.

This distinction between **legal auctioneers and operators of voluntary sales** dates from the reform of 10 July 2000 (act no.2000-642 of 10 July 2000 and order no. 2001-650 of 19 July 2001), then act no. 2011-850 of 20 July 2011, concerning the liberalisation of the voluntary sale of chattels by public auction.

On Interencheres.com, most of the professionals who stage voluntary sales **exercise both activities**: they are of necessity judicial officers as legal auctioneers, and they can also act as voluntary sales operators through a declaration to the Conseil des Ventes Volontaires validating their status.



The legal auctioneer

The legal auctioneer is qualified to stage and carry out sales of furniture at public auction **ordered by the law or a court decision**, and the corresponding valuations. He is a judicial officer by order of the French Minister of Justice. He acts within a wide scope, ranging from French insolvency procedures (receivership and judicial liquidation) to sales after seizure, inheritances, guardianship, municipal credit, etc.

So what generally goes under his hammer is a procession of capital goods and other professional equipment (such as ordinary and specific machines, fork-lift trucks, precision equipment and tools, public building works equipment, catering, computer and office automation equipment, stocks) belonging to companies undergoing insolvency procedures like receivership and judicial liquidation.

The main task of the **Chambre Nationale des Commissaires-priseurs Judiciaires** (national chamber of legal auctioneers), to which France's 423 legal auctioneers are affiliated, is to represent the profession with the public authorities.

More information can be found on the CNCPJ site: <http://www.commissaires-priseurs.com/>. There is also a national union of judicial auctioneers (Syndicat national des commissaires-priseurs judiciaires).

The voluntary sales operator

Do you want to sell one or more of your objects? If you want, you can call on an voluntary auctioneer to estimate their value and enter them for public auction at a voluntary sale. **These voluntary sales operators** are subject to the rules of act no. 2011-850 of 20 July 2011 concerning the liberalisation of the voluntary sale of chattels by public auction.

The auctioneer can **visit the homes of sellers to assess and estimate their goods**, and possibly carry out an **inventory**, i.e. draw up a list detailing all the objects and their estimates. Private individuals can make an appointment at the auction house to show their goods to auctioneers, and can also take advantage of **the free estimate days** organised regularly everywhere in France (on interencheres.com, dates are given on the auctioneer office presentation page).

Voluntary sales operators often work in collaboration with **specialists** who are experts in a particular collectors' field, and help them to fine-tune the appraisal and estimate of an object.

Institutions and the association of voluntary sales operators

The **Conseil des Ventes Volontaires** (French Auction Market Authority) is a regulatory authority in charge of:

- › Registering the declarations of voluntary sales operators and nationals of Member States of the European Union, or of another State party to the Agreement on the European Economic Area,
- › Drafting a code of ethics,
- › Organising the training of persons authorised to supervise public auction sales,
- › Taking disciplinary action against the infringement of laws, regulations and professional obligations.

More information can be found on the CVV site: <http://www.conseildesventes.fr/>

The **Syndicat National des Maisons de Ventes Volontaires** (SYMEV - national syndicate of auction houses) is a professional organisation representing public auction houses. Its main mission to promote the principle of auctions, lobby French and European public authorities, and implement institutional communication operations designed to develop the image of public sales.

More information can be found on the SYMEV site: <http://www.symev.org/>



Entering the profession

The profession of auctioneer is open to holders of **a national diploma in law** and **a national diploma in the history of art, applied arts, archeology or the plastic arts**, where one is at least a "licence" (three-year degree), and the other a qualification corresponding to at least two years of higher education, within the meaning of art. R. 321-18 of the French Commercial Code.

If these conditions are fulfilled, the candidate must take **an entrance examination** for the course, consisting of written tests to qualify, then oral examinations for admission.

This examination is followed by **a two-year course** of theory and practical classes, including at least one year in France and six months in a legal auctioneer's office. At the end, a certificate proving the successful completion of the course is issued by the Conseil des Ventes Volontaires (CVV). This authorises the holder to supervise voluntary sales of movable assets at public auctions within auction houses. Lastly, there is an examination to qualify for the profession of legal auctioneer, consisting of three oral examinations on legal matters, professional regulations and the conducting of sales.

The CNCPJ and the CVV are jointly responsible for professional training and the organisation of courses providing the qualification required for conducting sales.

To find out more about qualification conditions: <http://www.commissaires-priseurs.com/>, <http://www.conseildesventes.fr/>

The commitments of auction houses in working for you

Professionalism and guarantees

The auctioneer make a contractual commitment to **sell the goods consigned to him as efficiently as possible**. Thanks to his artistic knowledge, his network of buyers and collectors and his expertise in the auction market, he acts in the interest of sellers, and enables them to obtain the **best possible hammer prices**.

The auctioneer is in charge of all the sale procedures, from the preparation of the sale to the supervision of the removal of objects, including the verification of buyers' payments.

Sales at public auction provide you with **guarantees, transparency, rapidity and efficiency**. Hammer prices are known to everyone, and are beyond discussion.

The legal or voluntary auctioneer provides a gauge of **reliability and peace of mind** as regards the sale transaction. This is because the profession is very largely supervised and regulated.

Liability and authenticity

Auction houses and the specialists who work in collaboration with them **assume professional civil liability** as to the authenticity of the goods put up for sale. This liability is covered by mandatory insurance.

Five-year guarantee



Buyers take no risks as to the nature of the goods purchased, whose authenticity and condition are **guaranteed by the notices contained in the catalogue** (order no. 81-255 of 3 March 1981 on the suppression of fraud in terms of transactions involving art works and collectors' objects). The buyer is free to instigate proceedings to invalidate the sale because of an error of substance as soon as an error is discovered, within a period of five years. Action for damages can also be instigated jointly against the sales operator and the specialist within five years.

The seller is **guaranteed payment** by the auctioneer, who is responsible for obtaining payment from the buyer beforehand. Voluntary sales operators provide a representation of the price to the seller (article L. 321-14 of the French Commercial Code) unless resolution of the sale for non-payment. They must provide proof of insurance or security guaranteeing payment of the proceeds of the sale to the seller, as stipulated in article L. 321-6 of the French Commercial Code.

Confidentiality

The auctioneer guarantees that transactions are confidential.

Auctions conducted by the legal or voluntary auctioneer are public and open to everyone. Anyone may come and bid, buy and sell at auction, provided they are solvent and have a legal personality.

Bids are free. A buyer's anonymity is strictly respected, even after the sale. The report drawn up during the sale is strictly confidential. In the event of a dispute, the voluntary sales operator will act as a screen, as the seller's representative.