



# Chinese Arts & Antiques Auction Standardization Qualified/Exemplary Auction Houses Evaluation Criteria (2014)

## Notes

1. Evaluation criteria is set in strict accordance with *Antiques and Arts Auction Regulations* (SB/T 10538-2009) and with *Regulations of Evaluation on Chinese Arts & Antiques Auction Standardization Qualified/Exemplary Auction Houses* (2014 Edition).
2. Evaluation criteria consists of three sections: Criteria on Management System and Infrastructure, Criteria on Business Procedures, and Criteria on Industry Recognition.
3. Evaluation criteria includes a total of 116 assessment items, of which 86 are standard items and 30 are exemplary items.
4. In order to be certified as “Chinese Arts & Antiques Auction Standardization—Qualified Auction House,” each auction house should meet the requirement of all standard assessment items.
5. In order to be certified as “Chinese Arts & Antiques Auction Standardization—Exemplary Auction House,” each auction house should meet the requirement of all standard assessment items and at least 25 exemplary assessment items. Exemplary items marked with an “\*” are required.
6. Auction houses that are not licensed to sell cultural relics do not have to comply with the criteria related to cultural relics in item numbers 1, 4, 28, 57, and 66.

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### Criteria on Management System and Infrastructure

Human Resource Management	Standard Items	1	Have at least one licensed auctioneer and five or more senior art and antiques specialists accredited by the Antique Administrative Department, or antique auction professionals with equivalent capacities.
		2	Have an established human resource management system, including regulations on staff recruitment, performance review, training, compensation, welfare, and insurance.
	Exemplary Items	3	*Have a clear and complete organization chart.
		4	*Have at least one full-time senior art and antiques specialist or antique auction professional.
		5	*Have at least one legal adviser and one management adviser.
Contract Management	Standard Items	6	The main content of the “Consignment Agreement,” “Bidding Agreement,” “Letter of Authorization for Absentee Bids,” and “Confirmation of Sale” complies with Antique and Arts Auction Regulations.
		7	The “Consignment Agreement” is reproduced at minimum in triplicate for recordkeeping by the auctioneer’s finance department, specialist department, and client, respectively.
		8	The “Bidding Agreement” is reproduced at minimum in duplicate for recordkeeping by the auction house and the bidder, respectively.
		9	The “Confirmation of Sale” is reproduced at minimum in duplicate for recordkeeping by the auction house and the bidder, respectively.

## Criteria on Management System and Infrastructure (continued)

Human Resource Management (continued)	Standard Items (continued)	10	Have an established contract management policy with security measures for proper preservation and confidentiality.
	Exemplary Items	11	*Have a consignment management policy that can be applied to the "Consignment Agreement."
Warehouse Facilities	Standard Items	12	Warehouse meets national building safety codes, and is only used for storage of auction lots. No temporary construction is used.
		13	Equipped with a video surveillance system which covers all main areas of the warehouse.
		14	Equipped with an alarm system.
		15	Equipped with a fire alarm and sprinkler system.
		16	Equipped with emergency lights and "No Flame" signs installed in prominent locations.
		17	Building electrical power systems and power usage meets national safety codes.
		18	Does not contain flammable or explosive material and all closets, boxes, and shelves used for storing auction lots are fireproof.
		19	Equipped with temperature sensors, humidity sensors, and adjusting facilities (e.g. dehumidifier, humidifier, air-conditioner, etc.).
		20	Have waterproof, dust-proof, fireproof, humidity control, pest control, and anti-theft equipment on site for auction lots with special storage requirements.
		Exemplary Items	21
Warehouse Management	Standard Items	22	Have a warehouse management policy with regulations on personnel entering and exiting the warehouse; auction lots entering and exiting the warehouse; storage, inventory, and transaction of auction lots; shipping and packaging of auction lots; regular inspection and repair on warehouse facilities; and more. Ensure effective execution of the policy.
		23	Have regulations on personnel entering and exiting the warehouse, with an emphasis on ensuring that warehouse management personnel are present when non-staff members enter the warehouse and that personal suitcases, handbags, coats, umbrellas, and flammable or explosive items not allowed inside the warehouse.
		24	Have regulations on auction lots entering and exiting the warehouse, with an emphasis on ensuring that auction lots checking in and out of the warehouse are properly documented with recordings on their condition and basic information.

## Criteria on Management System and Infrastructure (continued)

Warehouse Management (continued)	Standard Items (continued)	25	Have regulations on storage, inventory, and transaction of auction lots, with an emphasis on ensuring that auction lots are stored according to their media, packaging, weight, and safety requirements with a clear labeling system allowing for easy search; stored auction lots are inspected on a regular basis, and any discrepancy between inventory and record reported to the management and investigated in a timely manner; and that shift changes are performed according to regulations.
		26	Have regulations on shipping and packaging of auction lots, with an emphasis on ensuring that auction lots are packaged properly according to their media and the distance of transportation, and that specific packaging requirements are set for transportation based on the current conditions and nature of the object.
		27	Have regulations on regular inspection and repair on warehouse facilities. Fill out inspection, repair, and replacement records.
	Exemplary Items	28	*Have four or more full-time warehouse management staff members.
		29	*Use relevant operational standards in "Antiquity Transportation and Packaging Specification GB / T 23862-2009" as a guideline.
		30	Use relevant operational standards in "Antiquity Collection Archives Specification (ww / t 0020-2008)" as a guideline.
Archives Management	Standard Items	31	Have an established archive management method. (Documents can be categorized by auction sale or by document type.)
		32	Properly archive the following documents: <ol style="list-style-type: none"> <li>1. "Consignment Agreement," including proof of ownership or right of disposal of auction lot provided by client, copy of consigner's photo ID, and all related documents on the auction lot's preservation, insurance, and payment.</li> <li>2. Auction notice, including a copy of published notice on news media, or certificate of published notice by radio and television.</li> <li>3. Auction lot information, including auction catalogue, relevant images, text description, appraisal and authentication records, and approval documents by relevant department.</li> <li>4. Image, video, and text materials of the preview and live auction.</li> <li>5. Bidding registration documents, including the "Bidding Agreement," copy of bidder's ID, "Letter of Authorization for Absentee Bids," and copy of agent's ID.</li> <li>6. Auction policies, notes, important announcements, etc.</li> <li>7. "Confirmation of Sale," auction minutes, and "Letter of Authorization for Absentee Bids."</li> <li>8. The complete accounting records of auction business operating activities and other relevant materials.</li> </ol>
		33	Auction documents archived shall be authentic, accurate, complete, and searchable. Each file shall be archived with a directory and serial number.

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**Criteria on Management System and Infrastructure (continued)**

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Archives Management (continued)	Standard Items (continued)	34	Documents should be properly archived for at least five years, starting from the completion date of the auction contract.
	Exemplary Items	35	Use archival management software.
		36	Archives are managed by professional (or properly trained) personnel.

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**Criteria on Business Procedures**

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Invitation to Consignment	Standard Items	37	Promote consignment event information (date, location, categories, and contacts) through proper channels in advance.
		38	Conduct consignment process independently.
		39	Consignment process complies with national regulations on the scope of lots allowed at auction, and the auction house's scope of business allowed detailed in its license.
		40	Professional appraisers (including auction house's senior art and antiques specialists and antique auction professionals) are present at consignment events.
		41	Display stamped copies of business license and relevant certificates during consignment events.
		42	Abide by the national regulations on importing and exporting auction lots when collecting consignment from abroad.
	Exemplary Items	43	*Have a standard consignment process, as well as corresponding management policies.
Auction Consignment	Standard Items	44	Conduct preliminary appraisal before signing the "Consignment Agreement" in order to determine if the consignment will be accepted.
		45	Be vigilant when an auction lot potentially invades the privacy or other legal rights of a third party, and conduct sufficient investigation before making appraisal conclusions.
		46	"Consignment Agreement" is signed by the auction house and the consigner for each object of consignment.
		46	Proof of identity of the consignor is required when signing the "Consignment Agreement." If the consigner is a natural person, they must provide a valid ID, passport, or other proof of identity recognized by the government of People's Republic of China; if the consigner is a legal person or other organization, they must provide valid registration documents, ID of the legal person, or proof of authorization; an agent of the consignor is required to provide power of attorney and valid ID of the consignor and the agent. The power of attorney must include the agent's name or title, duty, scope of power, and term of agency.

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**Criteria on Business Procedures (continued)**

Auction Consignment (continued)	Standard Items (continued)	48	When signing the “Consignment Agreement,” consignor is required to provide proof of ownership for the object of consignment, or certificates and any other materials testifying that he/she has the right of disposal of the objects of consignment according to law (or include specific terms in the “Consignment Agreement” requiring the consignor to guarantee the legality of the lots, and to take corresponding responsibilities). The consignor is also required to disclose the provenance and any defects of the object of consignment.
		49	“Consignment Agreement” is filled out in an accurate, clear, and complete manner. Attachments to the contract indicate the serial number of the main contract.
		50	Modification to the “Consignment Agreement” is made directly on the original contract or signed in an addendum. Direct modification is signed or stamped by both parties.
		51	Arrange insurance service upon receiving the objects of consignment, if requested by client. If the objects of consignment cannot be insured, both parties negotiate custodial responsibilities.
Exemplary Items		52	*Any appraisal service provided for consignor before sale is free of charge.
		53	*All fees are charged after sale.
		54	*Have an agreement with the consignor on the procedures of dispute resolution.
Auction Lot Appraisal	Standard Items	55	After signing the “Consignment Agreement,” the auction house may further appraise the objects of consignment in accordance with the law, if necessary. If the appraisal result does not match the lot description as specified in the agreement, the auction house has the right to modify or terminate the agreement.
		56	Document the appraisal process including, but not limited to, information on the date, location, appraiser/appraisal agency, and appraisal result.
		57	Report auction lots to local government for approval before sale. For unapproved lots, notify the consignor and terminate the “Consignment Agreement” accordingly.
		58	Investigate auction lots that are questioned in public or in writing before sale. Communicate with consignor in a timely manner, and make appropriate changes if the result of the investigation is different from the original appraisal result.
Exemplary Items		59	*Conduct auction lot appraisal in accordance with the Regulations of Evaluation on Chinese Arts & Antiques Auction Standardization Qualified/Exemplary Auction.

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**Criteria on Business Procedures (continued)**

Auction Lot Appraisal (continued)	Exemplary Items (continued)	60	*For lots identified as unqualified for auction, notify client in writing to withdraw the lot before auction.
Sale announcement, filing, and promotion	Standard Items	61	Report and file each auction sale to relevant administrative departments before sale in accordance to applicable laws and regulations.
		62	Provide complete auction sale agendas, including the date or deadline of the press release, sale announcement, auction preview, live auction, financial settlement, and lot delivery.
		63	Announce each sale seven days before the sale date.
		64	Include the following in sale announcement: time and location of auction, lot listing or sale information, time and location of auction preview, procedure for bidding, contact information of the auction house, and other relevant practical information.
		65	Produce auction catalogue before sale.
		66	The auction catalogue conforms to government's review opinion and displays special markings for lots that are prohibited from exportation or have no reserve price.
		67	Auction catalogue must include the following: 1. Sale title, contact information of the auction house, and the time and location of the preview and auction event. 2. Auction rules and other materials for bidders. 3. Letter of authorization for absentee bids. 4. Basic information and specific notes of lots, including the title, artist's name and date of birth, work date, category, media, dimension, and estimate prices. 5. All auction lots, including images as needed that demonstrate the actual condition of the object.
		68	Provide condition report of auction lot as supplement to auction catalog upon request from bidders.
		69	Provide true and accurate information during filing, exhibition, and promotion of auction lots.
		Exemplary Items	
71	*Produce bilingual auction catalogues in Chinese and English.		
72	Provide authoritative research and a critical catalogue essay on important auction lots.		
73	Organize auction previews, exhibitions, and other relevant events.		

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**Criteria on Business Procedures (continued)**

Auction site	Standard Items	74	Exhibit auction lots prior to the auction sale, and provide necessary information and conditions for lot inspection. The duration of auction preview is no less than two days.
		75	Preview space meets the requirement of applicable national regulations on art and antiques exhibition space. Exhibition panels, shelves, lighting, etc. must comply with national safety codes and be installed according to professional standards.
		76	Exhibition space is equipped with floor plan, computer system, communication system, video surveillance system, information and reception desk, bidder registration desk, cashier, media reception desk, absentee bid service desk, and catalogue and material distribution desk. Video surveillance system covers all areas of the exhibition space.
		77	Display emergency evacuation signs in the prominent locations of the exhibition according to national regulations.
	Exemplary Items	78	Retain professional firm for exhibition design and installation.
		79	Organize talks and educational events at the location of the auction preview.
Bidder registration and management	Standard Items	80	Proof of identity of the bidder is required during bidder registration. If the bidder is a natural person, a valid ID, passport, or other proof of identity recognized by the government of People's Republic of China is required; if the bidder is a legal person or other organization, valid registration documents and ID of the legal person or proof of authorization must be provided; agent of bidder is required to provide power of attorney and valid ID of the bidder and the agent. Copies or scans are made for the above mentioned documents for archiving.
		81	Bidders are required to sign "Bidding Agreement" upon registration.
		82	Provide paddle to bidder upon signing of the "Bidding Agreement" to be used as the only proof right to bid during live auction. Generally, each bidder is allowed one registration and one paddle (with the exception of when the bidder participates in two sales that happen simultaneously).
		83	Bidders are required to submit absentee bid request by submitting the letter of authorization for absentee bids.
		84	Set up seats for absentee bids in the salesroom when absentee bid requests are accepted. All telephone biddings are recorded.
	Exemplary Items	85	*Use client management software for bidder registration.
Salesroom	Standard Items	86	Set up the salesroom according to the condition of auction lots and the number of registered bidders.
		84	Install projection and video surveillance systems in the salesroom. Video surveillance systems must cover all areas of the salesroom.

## Criteria on Business Procedures (continued)

Salesroom (continued)	Standard Items (continued)	88	Appoint enough staff members to cover all necessary responsibilities including on-site operations, client reception, security, news coverage, communication and coordination, logistics, etc.
		89	Salesroom has fire safety equipment.
		90	Auction sales are hosted by a national-certified auctioneer who announces his/her auctioneer certificate number, auction rules, and notification prior to the start of the sale.
		91	Auction lots are sold according to their sequence in the catalogue. Any adjustments are explained prior to the sale.
		92	Bidders are informed of auction lots without reserve price prior to the sale through announcement made by the auctioneer or through notes in the catalogue.
		93	Auction lots failing to meet the reserve price (if any) are counted as unsold.
		94	The highest bidder is confirmed by the auctioneer through the dropping of the hammer or through other public acknowledgement.
		95	The auctioneer and the successful bidder sign the "Confirmation of Sale" on site after a successful sale.
		96	Auction minutes are taken during each sale, and are signed by the auctioneer, the minutes taker, and the successful bidder if an auction lot is sold.
			Exemplary Items
98	Announce or distribute sale results in the salesroom promptly after any sale.		
Payment and transfer of lots	Standard Items	99	Guide successful bidders through the payment process after sale. Successful bidders are required to submit a "Confirmation of Sale," bidding deposit receipts, and other relevant documents.
		100	Agent authorized by the successful bidder is required to provide a power of attorney when making payment. The power of attorney must state the agent's name or title, type of ID, ID number, duties assigned, scope of power, and term of agency. The authenticity of the ID is verified by the auction house, and copied or scanned for archiving.
		101	Issue a "Lot Collection Certificate" to successful bidder after receiving payment. Auction lots can be picked up upon receipt of the certificate. Once auction lot is collected, the certificate is not returned to the successful bidder.



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**Criteria on Business Procedures (continued)**

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Payment and transfer of lots	Standard Items (continued)	102	Agent authorized by the successful bidder is required to provide the “Lot Collection Certificate” as well as the power of attorney upon lot collection. The power of attorney must clearly state the agent’s name or title, type of ID and ID number, duties assigned, scope of power, and term of agency. The authenticity of the ID is verified by the auction house, and copied or scanned for archiving.
		103	Settle the transaction according to agreement after receiving full payment from the successful bidder.
		104	Agent authorized by the successful bidder to settle the transaction is required to provide the power of attorney. The power of attorney must clearly state the agent’s name or title, type of ID and ID number, duties assigned, scope of power, and term of agency. The authenticity of the ID is verified by the auction house, and copied or scanned for archiving.
		105	Fulfill tax withholding obligations in accordance with applicable national tax policy.
		106	If an auction lot is bought-in or withdrawn, notify the consignor after sale in a timely manner to collect returned lots with valid ID and relevant certificates.
		107	Agents authorized by the consignor to process lot returns are required to provide the power of attorney. The power of attorney must clearly state the agent’s name or title, type of ID and ID number, duties assigned, scope of power, and term of agency. The authenticity of the ID is verified by the auction house, and copied or scanned for archiving.
		108	Report the completion of each sale to relevant administrative departments in the government after sale.
		Exemplary Items	109
110	*Actively assist the consignor to collect payment from the successful bidder, if the bidder fails to make full payment in a timely manner. Take legal action when necessary.		
Dispute settlement	Standard Items	111	Have an established system for settling disputes among parties participating in auction activities. The following actions may be adopted: 1. Make further efforts toward reconciliation. 2. Apply for third-party mediation. 3. If reconciliation and mediation fail, appeal to administrative departments in the government. 4. Request arbitration from a national arbitration institution after an agreement is reached. 5. File lawsuit to the People’s Court.

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## Criteria on Industry Recognition

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Industry Recognition	Standard Items	112	Abide by the <i>China Art &amp; Antique Auction House Self-discipline Covenant</i> , and have no reported violations in the past two years.
		113	Report business operating numbers to government department and the China Association of Auctioneers according to regulations and have no observable abnormal operating numbers.
	Exemplary Items	114	*Is a member organization of the China Association of Auctioneers, Art and Antique Auction Committee.
		115	*Obtained AAA certification of China's auction industry.
		116	*Participate in industry development and charitable events.