

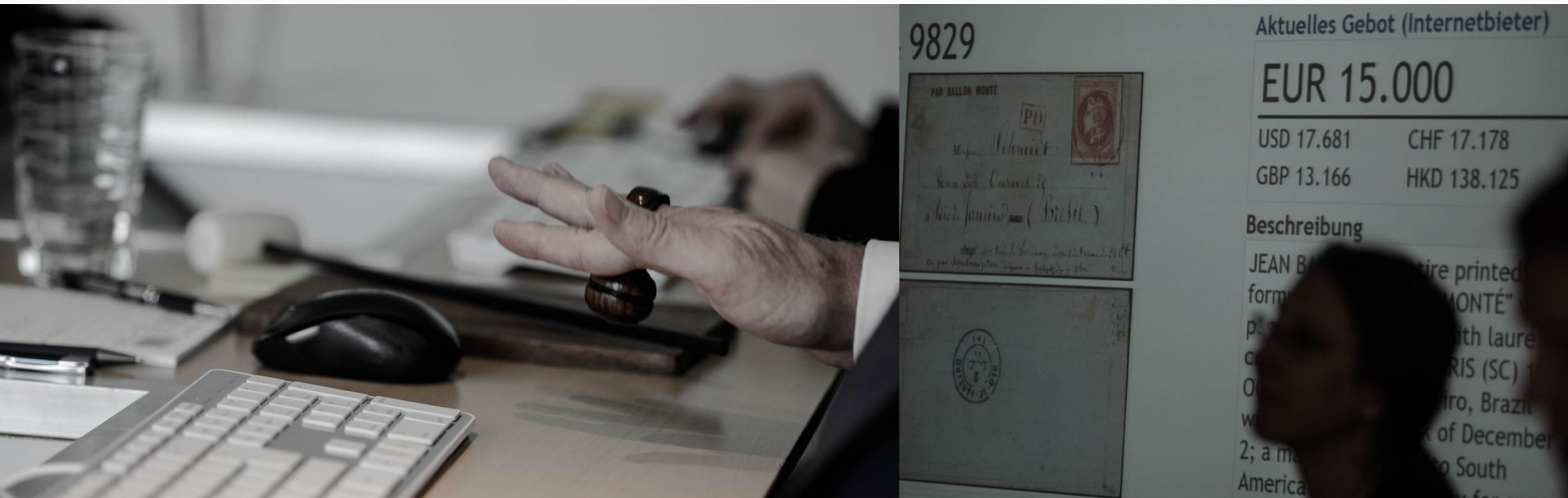
Challenges of Participating in Philatelic Auctions

Tips from an Insider

Dieter Michelson



Bidding & Buying at Auctions



Exact Study of the Auction Terms (1/2)

- In which status does the auction house act?
 - today mostly "in foreign name on foreign account", i.e. as broker, not as owner
 - this has an impact, among other things, on the taxation on the invoice
- e.g. lots which are sold by a dealer acting in the traditional taxation method, will be fully taxed on the lot price and not only on the premium!
- or lots imported from a third country will be charged with import charges (e.g. 7% for stamps in Germany or 5% in the UK)
- Some auction houses also charge full VAT on all lots.
- Be aware of the percentage of the premium and the lot fee.
- insurance fee
- Basically: you should always be aware that the knock down amount of a lot is by no means "the end of the story". The ultimate truth of your expenses is reflected on the invoice you receive from the auction house.

Exact Study of the Auction Terms (2/2)

- especially with pieces that are bought "under extension (of examination)", there are differences in the processing
 - Customer sends item(s) for certification
 - Auction house sends for certification (advantage: often faster, since auction houses are larger customers than collectors)
- "Existing certification must be accepted (by the buyer)"
- Some auction houses do not accept bids or purchases "under extension". Bad sign...

Detailed study of the description (1/2)

- Conservation details such as "luxury" or "cabinet" or “fine” are **not guaranteed states of conservation**, but the interpretation of the auction house, often not uniform within an auction catalogue. And definitely not even uniform with other auction houses
- Words such as "without commitment" or "without guarantee" or “tel quel” are usually nothing more than a ***paraphrase doubtful, false or manipulated items.***
- Study illustrations in print and online catalogues
 - Online often displays the backside of a lot and certificates and the quality of the reproduction is better to determine
- visit the auction house for viewing the lots you are interested in in person, alternatively request a shipment with lots to view at home

Detailed study of the description (2/2)

- Has the lot been examined by a recognised expert or - even better - is there a short cert or photo-certificate with the item?
 - If there is no such certificate, bid "under extension" - try even if the sales conditions do not permit.
 - The same applies if there is a very old certificate by an expert who may no longer be active, or is known to have made mistakes in the past, or who is simply outdated.

Exact study of images

- There are very experienced editors of images in the industry (scan editing)

Differentiate between purchases of single lots vs. collection lots

- Collections are generally excluded from claims unless the description contains a warranted quality.

Be prepared for bidding on your favourites

 O. P.

[illegible]

Personally in the auction room



Over the phone



Commission agent



Online Live Bidding

- An indispensable feature in today's auction world!
- You have all flexibility to act and react during the auction:
 - not bid if there is no other bidder
 - juggle with your overall budget
- Follow the auction by video to be assured that everything is above board.

Corinphila Veilingen


Losnummer: 600

Buitenland losse nummers

Ausruf: EUR 400

Auktion Aktuelles Los Vorgemerkte Lose Ihr Konto

Aktuelles Los



Ottoman Empire. Collection of 19 items including 3 covers all cancelled in Gueruridje (Korce)

Gebotsverlauf

Ausruf: EUR 400

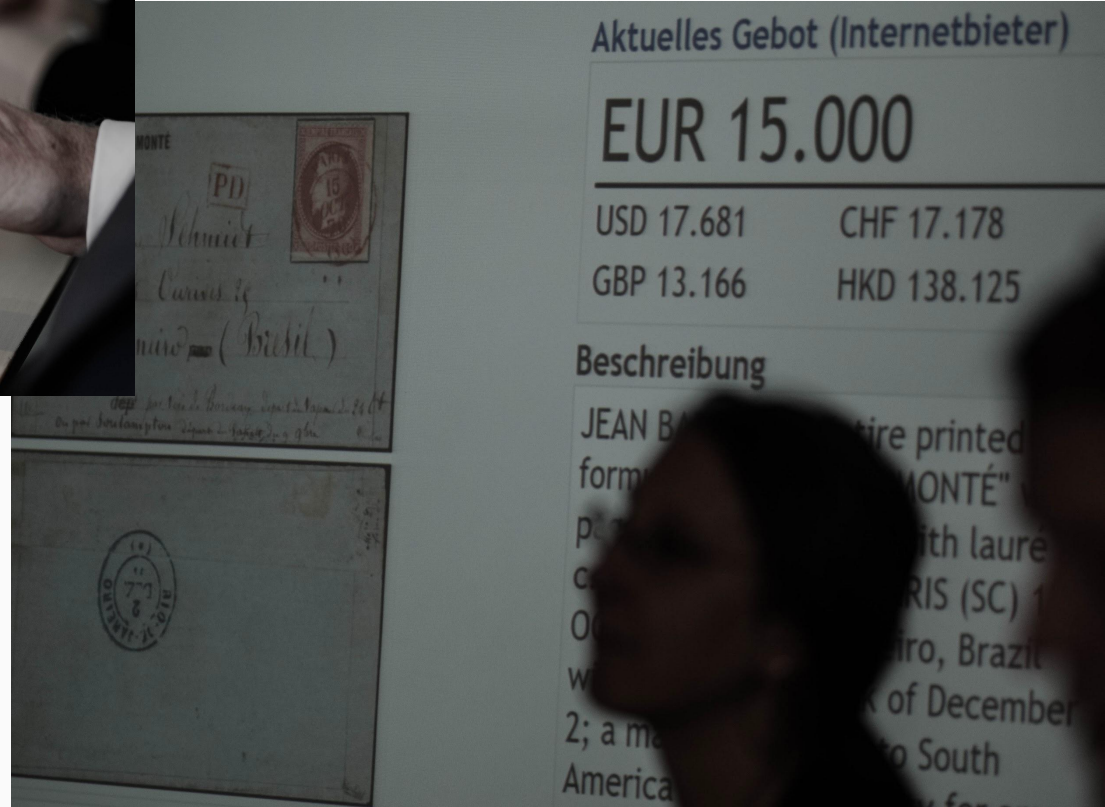
Ausruf: EUR 400

EUR 400 bieten

Consign at auctions



Consign at auctions

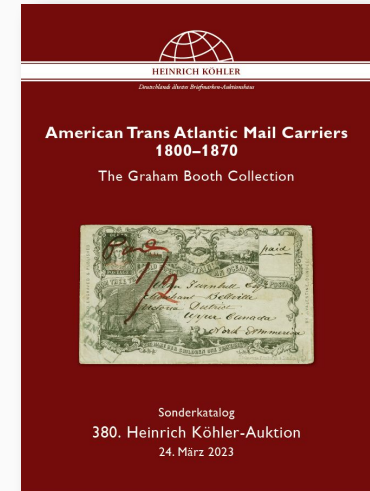
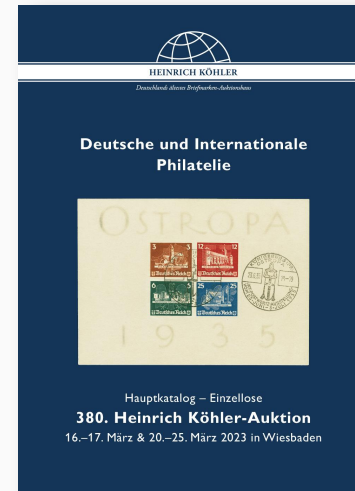


Selection of the house to co-operate with

- Is the company well known and respected?
- What do I think of their public relation work / publicity?
- Can I receive input from collecting friends?
- personal taste (*good feeling!*)
- First contact-> friendly and competent employees
- In this day and age, the credit standing of the auction house is very important (*certificate?/bank guarantee?*)
- Does the house know my area, or is the auction house able to get professionally acquainted with the area (*library, auction catalogue library, freelancers*)?
- How did my discussion about the collection go with the expert of the auction house?
- Can they explain what they will do in terms of PR for my collection?
- Can they estimate the total value and are they willing to pay an advance in relation to that estimate?

Consign at auctions ▶ Printed Catalogues

- Distribution worldwide?
- Design of catalogues
- Consistent, identical quality descriptions
- Consistent, comprehensible price approaches
- Structure of catalogues



Online catalogues / online presence

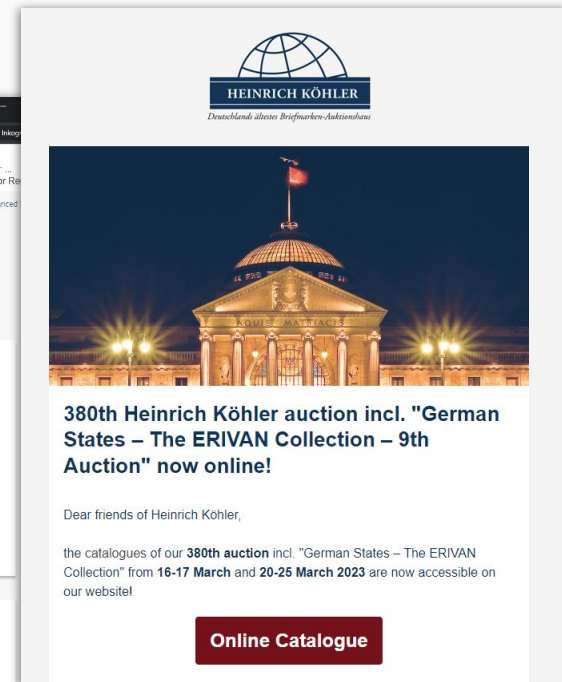
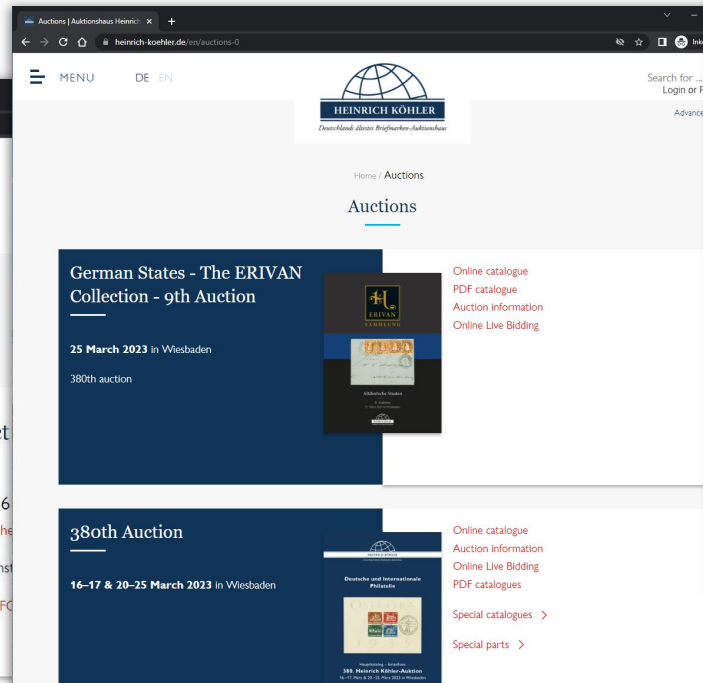
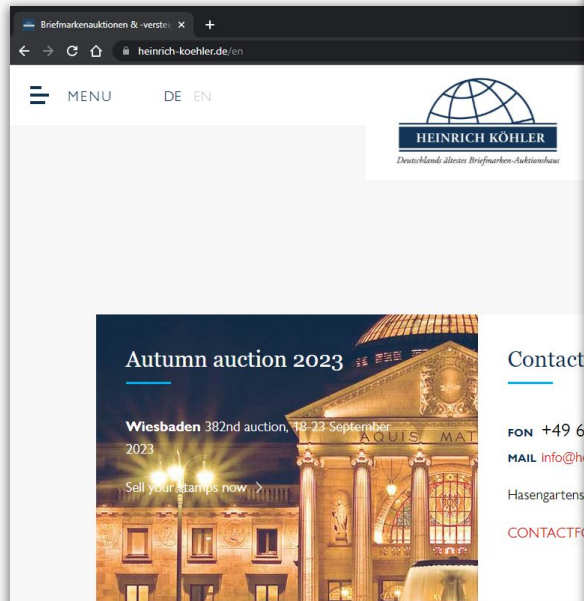
- where are the catalogues presented online ? (Philasearch, StampCircuit etc.)

Internet Platforms:



Consign at auction ► Online Performance

Online presence



Marketing activities

- other marketing activities
 - special catalogues
 - liporellos
 - brochures
 - Printed Matters



Global approach

- Network with other companies and experts



Global approach

- can the auction house also describe multilingually if needed?



Research

- can provenances for important pieces be supplied?



What does the house do for its consignors?

- Images on the Internet of single and collection lots (front and back sides, certificates, essentials from the collections)

Consigning ► Online Images

LOT NO.	CONDITION	CATALOGUE NO.	OPENING	SOLD FOR
33		7,5d,3lb	8.000 €	52.000 €



[Download picture](#)



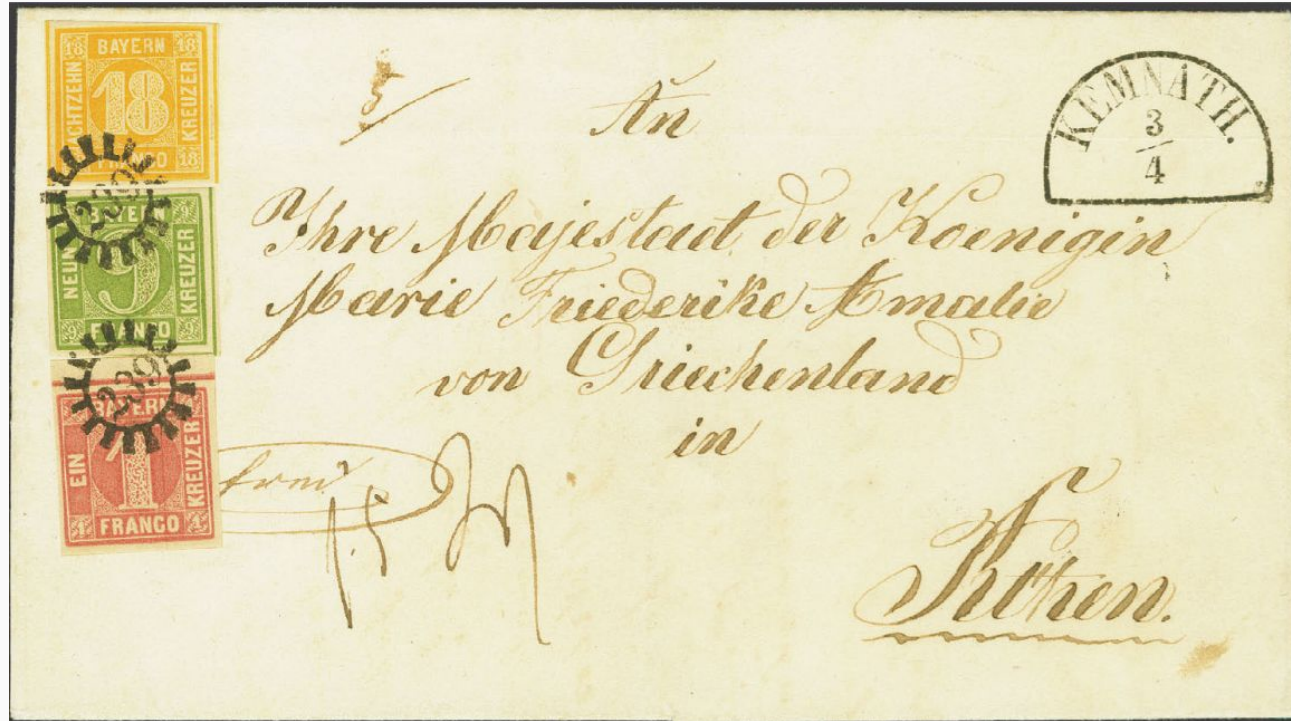
4 PHOTOS

18 Kreuzer gelborange, 9 Kreuzer gelbgrün und 1 Kreuzer lilarosa, alle farbfrisch und voll- bis breitrandig, teils mit Trennungslinien, die 1 Kreuzer mit schmalem oberen Bogenrand, sehr schön entwertet durch nur 2 mal aufgesetztem gMR "239" auf Briefhülle mit sauber nebengesetztem Halbkreisstempel "KEMNATH 3/4" an "Ihre Majestät der Königin Marie Friederike Amalie von Griechenland in Athen". Der Brief ist nach dem Tarif von 1852 für den Leitweg über Österreich portogerecht frankiert mit 9 Kreuzer Vereinsporto, 11 Kreuzern österreichischem Seepporto und 8 Kreuzern griechischem Inlandsporto. Bayern-Briefe der Kreuzerzeit nach Griechenland sind außerordentlich selten, mit der seltenen 3 Farben-Frankatur und der königlichen Adresse ein absolutes Ausnahmestück. Fotoattest Stegmüller BPP (2023)

Provenienz: Titelseite 307. Heinrich Köhler-Auktion (2000)

[Ask about this lot](#)

- images
- descriptions
- space for questions



- enlargements

Consigning ► Online Images

LOS-NR.
992

ERHALTUNG


KATALOG-NR.

AUSRUF
2.000,00 €

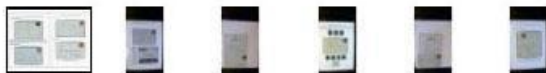
ZUSCHLAG
2.600,00 €



1854/67, 36 covers and letters including many interesting items like burnt-siena on cover from Talca to Santiago, several multiple frankings, bisects and many covers from smaller cities with adjacent straight line markings including San Bernardo, Molina Melitilla and Rancagua on 23 exhibition pages; a very nice and interesting collection

[Frage zu diesem Los stellen.](#)

[Bild herunterladen](#)



Bilderanzahl: 22

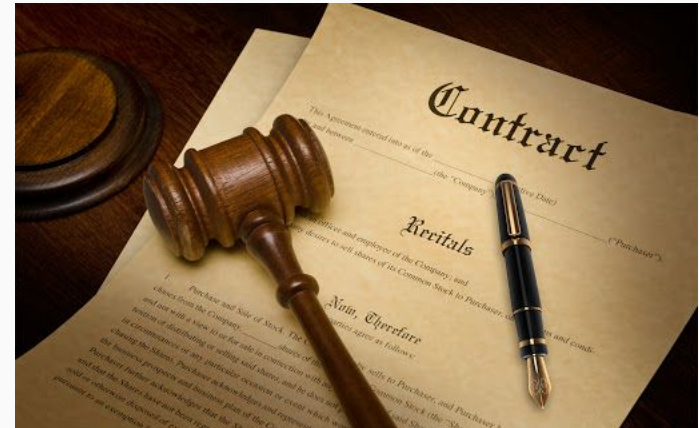


The Negotiations

- Commission negotiation
 - Commissions vary between 10% and 25% depending on what and how you want to sell
 - In their fights for consignments some auction houses go down as far as 0-5% commission with high-quality and high value consignments
 - Always keep in mind: The consignment commission is the remuneration for the work done by the auction house - what kind of service can you expect for 0%?
- If you consider to consign a large and valuable special collection -> speak to the auctioneer about how he uses the commission he receives to promote your consignment.
- Ask for a written commitment and possibly a marketing plan.

The Negotiations

- Pay attention to other fees (*photo fees, lot fees, insurance*). Aim for a flat fee including all!
- In some cases the expertisation fees are essential
- These should be an investment in your sales success



Break down of the consignment by the auction house

- Is usually executed with the goal to achieve the highest revenue
- The division will usually be a mix of single lots and collection lots
- After processing you will receive the "Consignment overview" with the descriptions and start prices
- Some time before the auction you will receive the "lot number notification".
- If agreed you will also receive the printed catalogue
- Approx. 4-6 weeks after the auction you will receive the consignor statement together with the proceeds from the auction.
- For any unsold lots, the auction house will make you a reasonable proposal to purchase the material or to include it in one of the subsequent auctions.

Thank you for your attention!

