



**Artists' Association
of Finland**

ART COMMISSION CONTRACT

Please note

Please note that this is a contract template that can be used as a basis for a contract commissioning a work of art. It aims to be universally applicable to most situations and therefore it is not applicable in all situations as such. This template was devised specifically to be used in connection with the production of artwork as part of a construction project or with a commission for a public work of art.

The template can be amended and added to as required. If the template contains elements that do not apply to your particular case, they can be left blank or crossed out. The sections in the template marked with an asterisk are explained in the Definitions sections at the end of this document. The definitions form part of the contract unless the Commissioner and the Artist agree otherwise.

Art commission contract

Parties

_____ (“the Artist”), the person’s name, business ID _____

_____ (“the Commissioner”), business ID _____

Contact person: _____

Contact details: _____

Address: _____

Email address: _____

Bank account IBAN: _____

The Artist and the Commissioner agree on the commissioning of a work of art. The contract is applied in two phases. The first phase (the agreement on the draft) becomes effective when this contract is signed. The second phase (the agreement on the final work of art) becomes effective when the Commissioner has approved the implementation of one of the drafts in writing.

1 The agreement on the draft

1.1 Drafts of the work of art

Subject: _____

Estimated size: _____

Materials: _____

Location and potential restrictive factors: _____

Number of drafts: _____

Scale of drafts 1: _____

Technique:

two-dimensional

three-dimensional

Final delivery date for the drafts: ____/____/_____

If the completion of the draft is delayed for reasons out of the Artist's control, the deadline for the completion shall be extended by the number of days it was delayed due to that reason. The Commissioner is entitled to receive information on how the process is progressing.

Appendices:

a work plan

a list of the Artist's assistants and subcontractors during the process

descriptions and prices of the materials at the time of the agreement on the draft

1.2 Price of the drafts and payment schedule

The price per commissioned draft is EUR _____.

No VAT VAT at 10% VAT at 24% will be added to the price, so that the VAT is EUR _____ and the total price inclusive of VAT is EUR _____.*

Half of this total shall be paid immediately upon signing this contract and the other half against a separate invoice within 14 days following delivery of the drafts.

The fee paid for the drafts is included as part of the total purchase price of the work of art.

Fees for attending ____ planning meeting(s) organised by the Commissioner

shall be paid to the Artist against an invoice, EUR ____/planning meeting

shall be included in the draft's price

1.3 The artist's fee*

The artist's fee is included in the price of the draft

The Commissioner shall pay the Artist an artist's fee for their work. During the draft phase, the Artist shall be paid EUR _____ in ____ instalments on ____/____/20__ and ____/____/20__.

The artist's fee for the drafts shall be paid:

against an invoice

as wages or salary; the Artist will provide the Commissioner with their tax card as an attachment to the contract

1.4 The approval of the draft to be implemented

The Commissioner must inform the Artist of their decision to proceed with or to cancel the commission in writing within ____ months following submission of the drafts.

If the Commissioner does not accept any of the drafts for implementation, the Artist keeps the fee paid for the drafts.

The Artist has the copyright to the drafts, including those that are accepted for implementation. The copyrighted use of the drafts is separately agreed in writing with the Artist.

Drafts that the Commissioner does not accept for implementation remain the property of the Artist and the Artist's right to their future use is not restricted unless the Artist and the Commissioner have agreed otherwise in writing. The Commissioner does not have the right to use the drafts without the consent of the Artist.

A penal interest as described in the Finnish Interest Act (633/1982) shall be charged if any of the payments described in this contract are made late.

2 The agreement on the final work of art

2.1 The final work of art

The final work of art shall be produced in accordance with the approved draft and accompanying work plan and material descriptions.

In order to retain or increase the artistic value of the work, the Artist is permitted to deviate from the draft when producing the final work of art to the extent determined by the change in scale and the use of the final material.

The Artist has the right to supervise any ancillary work related to the production of the work (including foundations, mounting and hanging) until the work is ready to be handed over to the Commissioner. The Artist is responsible for their own and their assistants' work only with regard to the location of the work.

The work of art must be ready for delivery to the Commissioner within ____ months after the Commissioner commissioned the final work of art.

2.2 Price and payment schedule

The total price of the work of art is EUR _____.

No VAT VAT at 10% VAT at 24% will be added to the price.

VAT is EUR _____ and the total price inclusive of VAT is EUR _____.*

The cost of materials:

is included in the price is not included in the price and is added to the purchase price.*

The Commissioner is obliged to compensate the Artist for travel expenses and pay them the per diem allowance according to the State Travel Regulation*: yes no

The Commissioner shall pay the purchase price in instalments against separate invoices according to the payment schedule: for the drafts, as agreed in the draft phase, this is a total of EUR _____, which is included in the purchase price. Upon accepting the work of art for implementation, the Commissioner shall pay the Artist the amount of EUR _____ as soon as this contract is signed; the production phase instalments in ____ instalments on ____/____/20__ and ____/____/20__ as well as EUR _____ when the work of art is completed and ready to be handed over, and once the maintenance manual has been delivered to the Commissioner.

2.3 The artist's fee*

The artist's fee is included in the total price of the work of art

The Commissioner shall pay the Artist an artist's fee for their work. During the production phase, the Artist shall be paid EUR _____ in ____ instalments on __/__/20__ and __/__/20__.

The artist's fee shall be paid

against an invoice

as wages or salary; the Artist will provide the Commissioner with their tax card as an attachment to the contract

Fees for attending ____ planning meeting(s) organised by the Commissioner

shall be paid to the Artist against an invoice

shall be included in the artist's fee

2.4 Copyright

The Artist holds the copyright of the finished work of art as well as of the drafts.

Any copyrighted use of the drafts and the work of art* is separately agreed in writing. Any copyrighted use of the work of art for the purpose of indirect gain (e.g. marketing and publications) as well as any modification of the work of art or transfer of the copyright or the related right of use obtained by the Commissioner must always be agreed on separately in writing with the Artist or the copyright society Kuvasto, which is authorised by the Artist.

When the rights are agreed on, royalties payable to the Artist cannot be included in the artist's fee; they must be specified in detail in writing.

Copyrighted use of the work of art has been agreed on in accordance with the separate agreement attached, and the Artist receives EUR _____ in royalties

The Commissioner will only use its right under the Copyright Act to photograph the work of art and freely use photographs in which the public work is part of another object (building, entity, environment, etc.) but not the main subject of the image. The Commissioner is also allowed to use images in which the work is the main subject in the context of non-commercial communications, and teaching and research activities.

When images of the work are used, the name of the Artist and the title of the work must be mentioned in accordance with good practice, and this cannot be otherwise agreed.

Notwithstanding this agreement, the Artist has the right to produce copies of their work in another art form and context. However, the Artist is not allowed to assign the right concerning the exact form of the work to a third party without the Commissioner's permission. This restriction to the Artist's copyright is taken into account in the amount of royalties payable to the Artist.

2.5 Other terms and conditions

The Commissioner is responsible for transporting the work of art to the intended location, its installation and related costs. The Commissioner is responsible for verifying the strength of

the structures. The Artist has the right, as described in section 2.1, to supervise the installation of the work of art in its location.

The Commissioner will not will cover the Artist's accommodation and any travel expenses incurred during the installation and its supervision according to the State Travel Regulation.

The Commissioner

is not permitted to move the work of art from its specific location.

is permitted to move the work of art from its specific location.

The Artist

has the right to borrow the work for an exhibition.

does not have the right to borrow the work of art for an exhibition.

The insurance coverage for the production, transport to the location and installation of the work of art is the responsibility of *

the Commissioner for all parts; a copy of the policy is attached

the Artist for all parts; a copy of the policy is attached

the Artist during the production phase, the Commissioner to every other extent; copies of the policies are attached

both parties: shared responsibility for arranging the insurance cover; a description of the insurance and copies of the policies are attached

If the completion of the work of art is delayed for reasons out of the Artist's control, the deadline for the completion shall be extended by the number of days it was delayed due to that reason. The Commissioner is entitled to receive information on how the process is progressing.

On completion of the work of art, the Artist will provide the Commissioner with a maintenance manual for the work of art including instructions on how to ensure that the work retains its artistic character throughout its life cycle. *

A final inspection of the completed work of art shall be held within ____ days after its installation, but no later than on __/__/20___. The inspection shall be attended by _____ on behalf of the Commissioner and _____ on behalf of the Artist. *

A penal interest as described in the Finnish Interest Act (633/1982) shall be charged if any of the payments described in this contract are made late.

Appendices

the maintenance manual (on completion of the work of art)

copies of the insurance policies

an agreement on copyrighted use of the work of art

a list of the Artist's assistants and subcontractors during the production phase if different from the draft phase

descriptions and prices of materials at the time of signing the contract if different from the draft phase

3 Date and signatures

Two identical copies of this contract have been produced, one for each party.

_____, ____/____/____. Place and date

_____ THE ARTIST

_____, ____/____/____. Place and date

_____ THE COMMISSIONER

This contract template was drawn up as part of the Percent for Art project (2014–2015).

DEFINITIONS

These definitions form part of the contract template. When printing the contract template on paper or as a .pdf file, this text must be included in the file.

*** VAT obligation**

When the Artist surrenders ownership of their own work of art or draft by selling the piece themselves, a reduced VAT rate of 10% is applied. Works of art are defined in Article 79(c) of the Finnish Value-added Tax Act. This definition does not include all newer forms of art, such as media and video art, which have a VAT rate of 24%. If the Artist as the seller is not liable to pay VAT because their turnover during a calendar year does not amount to more than EUR 15,000 euros (in 2021), the sale is exempt from VAT (Article 3, the Value-added Tax Act).

The standard VAT rate of 24% applies to the sale of the finished work when the seller is not the Artist but a broker or another owner of the work of art, for example. Those who are liable for VAT can deduct the VAT included in the prices of their own purchases.

*** The artist's fee**

It is an established practice in the visual arts field to pay separate fees for drafts and the completed work of art. The artist's fee can be paid separately or agreed to be included in the total price. If the artist's fee is included in the total price, the Artist determines its share of the total price.

*** The cost of materials**

If it is likely, at the time of drawing up the contract, that the price of the materials will change prior to the work of art being completed, it is advisable to agree on how the increased costs are to be taken into account in the price of the work of art.

*** The State Travel Regulations**

The provisions of the State Travel Regulations concerning travel expenses and per diem allowances can be found on the Ministry of Finance website. The regulations are updated every year.

*** Copyrighted use of the work and photographs of it**

Under the Finnish Copyright Act, copyrighted use means making copies of and reproducing a work of art by any means as well as making it available to the public. The work is reproduced when it is used, for example, in various printed publications or when it is photographed. The Commissioner can use images of the work of art under the agreement in non-commercial communications and teaching and research activities unless this is for the purpose of gain indirectly or directly.

*** Insurance coverage**

It is advisable to have a detailed description of who is responsible for insuring the various elements of the process, taking into account the parties' existing insurance policies and relationships with insurance companies. The need for liability insurance, product liability insurance, asset and liability insurance, and legal expenses insurance must be determined on a case-by-case basis. Personal insurance against sickness and disability should also be considered.

*** The maintenance manual for the artwork**

A maintenance manual is a document in which the Artist describes the materials, the techniques and the work's life cycle in detail as well as how the work needs to be maintained. The instructions ensure that the work is taken care of in a manner appropriate for the particular form of art. Instructions for drawing up a maintenance manual can be found on page 28 of *The Handbook of the Percent for Art Principle for Artists*.

*** The final inspection**

Any issues requiring repairs are noted in the final inspection. It is recommended that a record be drawn up of the final inspection to make note of any observations and need for repairs as well as the timetable for their implementation.