

Embryo Auction Sales

During 2020, with the global pandemic limiting travel, the number and quality of online auction facilities increased exponentially in the equestrian world. Many respected European institutions including the KWPN, Schockemohle Stables and the Zangersheide Studbook pivoted to offer online auctions, allowing a global reach for the sale of young horses and breeding stock, with great success.

This trend has further developed to include the sale of embryos: allowing breeders to monetise their investment in successful mare lines, crossed with top stallions, and (for the most part) then transferred into a surrogate mare for the duration of the pregnancy. A buyer may then purchase the embryo, and loan the surrogate mare until the foal has weaned. For long term producers, investment in quality embryos from proven bloodlines can be a more cost-effective way of ensuring that they have a consistent supply of quality young horses.



Auction Process

The auction process is straightforward: most websites require pre-registration by a prospective purchaser, at which point confirmation is required that the purchaser will comply with the terms and conditions of the auction as published on the relevant website. These terms and conditions set out the rules of the sale process.

The website will also state the auction fees to be paid in connection with any purchase, which may be up to 10 per cent of the purchase price. Such fees are payable in

addition to the purchase price, together with applicable taxes (such as VAT and import duties, where applicable).

The embryo will be described on the website, with detailed breeding information. The sex of the embryo may be disclosed, depending on its stage of development, but no assurance can be given as to this.

The embryo will be sold while being carried by a surrogate mare provided by the seller. Any specific restrictions – such as the





surrogate mare and embryo remaining with the seller until the 60th day of gestation, or any restrictions on naming the foal – will be set out in the auction terms and conditions. The point of sale is at the auction, and the purchaser should ensure that appropriate insurance is in place to cover both the surrogate mare and the embryo from that point forwards. Once sold, collection of the surrogate mare must take place promptly, or alternatively it may be possible to leave her at stud during the pregnancy.

Loan of the Surrogate Mare

The surrogate mare will usually be loaned to the purchaser of the embryo until the

foal is weaned, subject to certain terms and conditions regarding the care of the surrogate mare as required by the seller. It is a sensible precaution to put in place a formal loan contract with respect to the surrogate mare, clarifying the sellers' requirements regarding her care, and confirming the appropriate course of action if the mare is unwell, injured, loses the embryo before term, or is harmed during foaling. Certain auctions allow for a deposit to be taken by the seller with respect to the loan of the surrogate mare, refundable when she is returned in good health following weaning.

Once the embryo and surrogate mare pass into the ownership of the purchaser, their welfare and health become the responsibility of the purchaser.

Stud Services

Some purchasers of embryos do not have the facilities or knowledge to care for

the surrogate mare through the foaling process, and may arrange for a stud to care for the surrogate mare throughout foaling to weaning. In this scenario, it is crucial to put in place an effective livery agreement, to ensure that the purchasers' obligations with respect to the loan of the surrogate mare are satisfied in full by the stud. Key terms would relate to the authority for the



stud to seek veterinary support as required during the foaling process, together with certain confirmations around the management and care of the surrogate mare. The seller may wish to be notified in the event that the surrogate mare suffers a significant illness or requires surgery, and to be consulted in the event of a life-threatening situation.

These matters should initially be dealt with by using a loan contract between the seller and the purchaser relating to the surrogate mare, and then mirrored in the livery agreement as appropriate.

Insurance

The purchaser should insure both the surrogate mare and the embryo from the date of purchase. The seller may have specific requirements regarding insurance of the surrogate mare, and their input should be sought promptly. Bespoke insurance is available for unborn foals through specialist providers, such as De Buyl Insurance which is based in Belgium but underwritten by Lloyds.

Overseas Auctions

The majority of existing embryo auction websites are based outside the UK, meaning that the governing law of their terms and conditions will be the applicable local law. This will always be confirmed in the terms and conditions themselves.

Following Brexit, it is unclear at present how a surrogate mare carrying an embryo will be treated for customs purposes. You should seek advice from a reputable equine shipping consultant prior to purchase to ascertain what additional customs and import charges may apply.

To Conclude

Buying an embryo may be an effective way to build a string for the future at a relatively reasonable cost, however it is risky – there is no assurance that the embryo will be carried to term and born healthy, and could be costly if there is any harm to the surrogate mare or foal in its early years.

These risks can be effectively managed by a combination of appropriate insurance and effective bespoke contractual solutions.

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