

Response to Hon Christopher CHUNG's letter dated 5 June 2013

M+ is the museum for visual culture in the West Kowloon Cultural District (WKCD) focusing on 20th and 21st century visual art, design, architecture and moving image, and striving to build a collection encompassing the visual culture of Hong Kong, China, Asia and other parts of the world. The Sigg Collection comprises important works of Chinese contemporary art which can represent the historical development of contemporary art in China, and has gained recognition as demonstrated by the special reports made by international media, such as the New York Times, on it. The acquisition is an important step in promoting the development of WKCD as a world-class cultural hub. In this connection, the West Kowloon Cultural District Authority (WKCDA) contacted Dr Sigg, and Mr Graham Sheffield, the then Chief Executive Officer of the WKCDA, and Dr Lars Nittve, the incoming Executive Director of M+, had the first meeting with Dr Sigg in Switzerland in August 2010.

Subsequently, Dr Lars Nittve represented the WKCDA as the direct contact to negotiate the transaction with Dr Sigg. Throughout the process, Dr Nittve adopted the international practices and standards, and made detailed reports to the Chairman of the WKCDA Board, relevant Board members (including the Chairman of the Museum Committee) as well as the Chief Executive Officer of the WKCDA.

The whole negotiation process lasted for over one and a half year. In light of the intense courting that Dr Sigg was subject to from other major international museums like the Metropolitan Museum of Art in New York during the time, the WKCDA needed to start negotiating with Dr Sigg sooner rather than later. Nevertheless, the WKCDA attached importance to the procedures in making the acquisition. Prior to signing the Deed of Gift and Deed of Sale and Purchase with Dr Sigg, M+ Management had received photos of the artworks, and travelled to Switzerland to view the collection and ascertain their contents. Furthermore, the WKCDA engaged Sotheby's through established procurement procedures to value the Sigg Collection, with a view to obtaining professional opinion from a third party. Sotheby's has a long history and is an internationally respected auction company. It was one of those first international auction companies that landed in Hong Kong, and has, in its professional team, experts that have tremendous knowledge in Chinese contemporary art and its market. The company is also supported by enormous market data established throughout many years. The WKCDA believed that the valuation provided by Sotheby's was professional,

objective and fair. Given that the proposed transaction in respect of the Sigg Collection was highly confidential, the WKCDA could not have consulted other members from the arts community and academia or art valuation specialists. As a matter of fact, engaging a single reputed auction house for valuation is an international standard practice.

Given that the Sigg Collection was a major acquisition of M+, subsequent to the above procedures, M+ Management submitted to the Board (i.e. the highest tier of approving authority of the WKCDA) the proposed “part gift / part purchase” transaction for approval at the Board meeting on 12 June 2012. The Board, upon discussion, approved the proposal. The WKCDA subsequently signed the Deed of Gift and Deed of Sale and Purchase which were reviewed by its General Counsel, and sent its Senior Registrar to Switzerland to inspect and receive the collection.

As for the acquisition policy of the WKCDA, the M+ Acquisition Policy was developed based on the policies of major museums in the United States of America, Canada as well as Australia, and in consultation with the Independent Commission Against Corruption. The approving procedures and limits as laid down in the policy are more elaborate and rigorous than those of many major international museums. For instance, all acquisitions in many major international museums are made at the sole discretion of their respective Directors, whereas M+ needs to submit the proposals to the Board for approval before making major acquisitions. Besides, different acquisition approving authorities within the WKCDA have members with strong arts / cultural background, and could seek the advice of independent experts when necessary.

The WKCDA will review the M+ Acquisition Policy at least once every two years so as to further improve the relevant policies and procedures. Approval from the Board would be required for any amendments to the Policy. The full M+ Acquisition Policy and its acquisition direction have been uploaded onto the official website for public inspection.

West Kowloon Cultural District Authority
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