

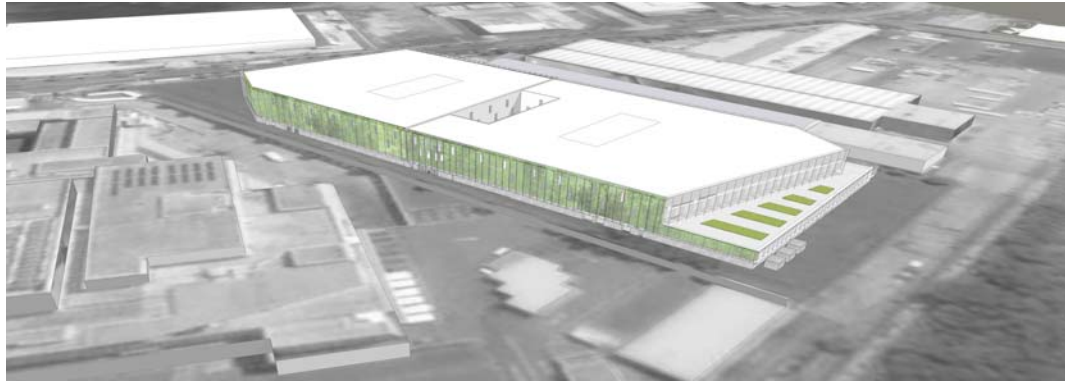
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Fort Knox for valuables

\$60m ultra-secret building near Changi Airport will be high-security vault to store valued possessions

By Sarah Ng

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WHY SINGAPORE

'It is the Switzerland of Asia, with political stability and neutrality, good finance and legal services and a clean government that supports the arts.' Said Mr. Alain Vandendorre, President and Founder of the Singapore Freeport featured above in an artist's impression

IT WILL cost \$60 to \$120 million to build in two phases, be surrounded by a high concrete wall including laser detection technology, patrolled by armed guards around the clock and protected by state-of-the-art security systems so sensitive they can detect bird droppings hitting the building.

Most people will never get to see it - or even know where it is.

Welcome to the Singapore FreePort security vault, where people from all over the world will be able to store their most valued possessions, from art collections to vintage cars to diamonds.

The Singapore FreePort, which will operate the facility when it opens next year, prefers to keep the high-value business low-profile.

Its President and founder, Mr. Alain Vandendorre, would not even reveal the specific location, other than saying it would be near Changi Airport. Nor was he prepared to go into

detail about the security features.

Half of the 15,000 sq m storage space - slightly bigger than a football field - has already been booked. An additional 20,000 sq m will be added by 2011.

Mr Vandenborre, naturally, declined to name the company's clients, but said they are reputable institutions, including international art and jewellery dealers, auction houses, private banks and logistics companies dealing in fine art.

Individuals wishing to safeguard their collectibles at the facility will only be able to do so through these institutions.

'Having them represented by the institutional clients will reduce the risk of money laundering and stolen art and collectibles finding their way to the freeport,' he said.

Mr Vandenborre was keen to stress the facility will not be a no-man's land.

The collections will undergo security checks for prohibited objects such as firearms and drugs, he said. But other information, such as the identity of the owner and the value of the collections, will be withheld.

He explained: 'It is like putting your valuables in a safe deposit box. The bank does not ask what you have in the box and the worth of its content.'

'It is totally confidential, unless we receive court instructions to reveal the details, on the grounds of suspicion of fraud or forgery.'

As the facility enjoys the Free Trade Zone status, its clients do not pay duties or taxes on their collections, until they leave the zone and enter customs territory for local consumption.

Rental rates have not been decided yet, but judging by Swiss freeport charges - between 250 and 1,000 Swiss francs (S\$314 to S\$1,255) per

sq m per year - rentals here could range from \$25,100 for a highly specialised strong room of 10 sq m to \$628,000 for a normal 1,000 sq m space on a minimum two-year lease.

Besides strong rooms and vaults, the building will also have support features such as private viewing rooms, restoration workshops and offices for shipping agents. It will have fire and water detection systems, and temperature and humidity control.

When the vault opens, it will give art collectors an alternative to the small-scale vault run by local security firm Cisco in Paya Lebar, which opened in 1996.

The Singapore FreePort company, set up in June last year, is jointly owned by Swiss company Natural Le Coultre (NLC) - which specialises in the storage and movement of art and the organisation of international art fairs - Singapore's National Arts Council and

National Heritage Board, and Mr Vandendorre, a Belgian-turned-Singapore citizen.

As Second Finance Minister Tharman Shanmugaratnam said in his Budget speech last month, it is a step towards Singapore's goal of becoming a centre for high-trust services, including niche areas like art. The minister described the facility as a 'Fort Knox-like vault'.

It hopes to take a small slice of the pie away from Switzerland, where most of the world's art treasures have traditionally been kept in secret vaults.

The company's Swiss partner, NLC, will relocate some of its clients' collections from its freeport operations in Geneva to Singapore, to ease the squeeze on storage space over there, said Mr Vandendorre.

Its clients are also looking for alternatives because of increased pressure by the European Union on Swiss authorities to disclose confidential information related to collections stored there.

On choosing Singapore, Mr Vandendorre said: 'It is the Switzerland of Asia, with political stability and neutrality, good finance and legal services and a clean government that supports the arts. It is also strategically located between the growing art markets of China and East Asia, and India and the Middle East.'

The benefits for Singapore are multi-fold. Said a National Arts Council spokesman: 'The facility will reinforce Singapore's reputation as a wealth management centre and will be an important infrastructure in Singapore's development as a visual arts centre and global city for the arts.'

It also has the potential to generate spin-offs in spending in other industries such as the arts, logistics and tourism, the council added.

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