The concept of ‘those who have more, should pay more’ is easy to understand but hard to execute,” said Goh Sow Hui, partner, Tax Services, Ernst & Young Solutions LLP.

For example, estate duty was abolished in 2008 as it did not achieve the objective of taxing the wealthy more, she added. According to then Finance Minister Tharman Shanmugaratnam, the estate duty affected the “middle and upper-middle-income estates disproportionately compared to wealthier ones”.

Mizuho Bank economist Vishnu Varathan explained that this was partly because the truly wealthy would be able to set up trust structures that would avoid the estate duty. But he added that estate tax could be worth revisiting.

“Demographically, we are an ageing population. You see a lot more inheritance taking place as it’s a function of our age profile. In addition, the value of the estate being bequeathed will also go up dramatically given that property prices have shot up in the last 20 years,” he said.

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