Heng Swee Keat's comment leaves possibility of private wealth tax up in the air

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THE possibility of a tax on privately held wealth surfaced on Thursday at the official opening of the new premises of Nanyang Technological University’s Wealth Management Institute at one-north.

In off-the-cuff remarks made before his speech at the event, Finance Minister Heng Swee Keat recalled a question posed during The Straits Times Global Forum on Tuesday, where he was asked why government revenue has to be raised instead of touching government reserves.

He told the audience on Thursday that he had made the case on how Singapore's reserves were used in times of need such as the Global Financial Crisis, which led to the continued stability of the Singapore dollar and economic growth.

Mr Heng joked: "I don't know if the person who asked the question was someone from the wealth management industry who thought that I was thinking of taxing wealth and trying to divert me from doing that. Unfortunately he had the opposite effect.

"I had a few people come up to me after that and said: 'Minister Heng, I'm convinced you don't touch sovereign wealth, but what about private wealth?""

He did not elaborate any further on taxes.

Prime Minister Lee Hsien Loong recently said that it is "not a matter of whether, but a matter of when" taxes would have to be raised. This sparked off speculation by tax specialists and economists on the issue, with the Goods and Services Tax (GST) and e-commerce tax seen as top contenders for a hike.