Singapore’s rich could face a tax on their privately-held wealth if the city-state’s finance minister follows through on an off-the-cuff remark he made on Thursday, but analysts are worried it could negatively impact Singapore’s reputation.

Heng Swee Keat was speaking at the opening of Nanyang Technological University’s Wealth Management Institute when he raised the issue, reports local newspaper *Straits Times*.

Referencing a question he was asked at a previous event about raising the government’s revenue instead of touching its reserves, 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 say, ‘Minister Heng, I’m convinced you don’t touch sovereign wealth, but what about private wealth?’”
He did not elaborate on his remarks.

**Hub takes a hit**

While analysts can see the case for a wealth tax to tackle widening inequality and contribute to the government’s coffers, some have expressed concern that Singapore’s reputation as a global wealth management hub could take a hit, reports newspaper *Business Times*.

Credit Suisse economist Michael Wan welcomed the idea of a wealth tax, telling the paper: “My view is that higher wealth taxes should definitely be one of the options on the table, besides the oft-mentioned [goods and services tax].”

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

She added: “The imposition of any tax that is solely targeted at the level of personal or private wealth could run counter-intuitive to the efforts that the Singapore Government has put in place in the last decade, to develop Singapore into the premier hub for wealth management in Singapore, attracting foreign investors to work and live.”