

Government launches iBond

The Government announced today (October 5) the launch of the 2020 inflation-linked retail bond, or iBond, under the retail part of the Government Bond Programme for subscription by Hong Kong residents.

"The issuance is an initiative announced in the 2020-21 Budget to provide residents with a safe and stable investment alternative while further developing the local bond market," the Financial Secretary, Mr Paul Chan, said.

The target issue size of the iBond will be up to \$10 billion. The authorities may consider increasing the issue size to a maximum of \$15 billion subject to market response. The bond will have a tenor of three years. Bond holders will be paid interest once every six months at a rate linked to inflation in Hong Kong, subject to a minimum rate of 2 per cent.

The subscription period of the iBond will start from 9am on October 23 and end at 2pm on November 5. Hong Kong residents may apply for the iBond through a placing bank, securities broker or the Hong Kong Securities Clearing Company Limited.

The iBond will be issued on November 16 and listed on the Stock Exchange of Hong Kong on the following business day (November 17). It can be traded in the secondary market afterwards.

Details of the offering terms and subscription arrangements of the iBond are available at the Government Bond Programme's website (www.hkgb.gov.hk).