

Press release

Government launches iBond

Tuesday, July 5, 2011

The Government today (July 5) announced the launch of the inflation-linked retail bond, or iBond, for subscription by Hong Kong residents beginning in July this year. The iBond will be issued under the retail section of the Government Bond Programme.

Speaking at a press conference on the launch, the Secretary for Financial Services and the Treasury, Professor K C Chan, said, "The issuance of the iBond mainly aims to promote the further development of the retail bond market in Hong Kong by enhancing retail investors' awareness and interest in bond investment.

"The maximum issuance size of the iBond will be HK\$10 billion. The iBond will have a tenor of three years and 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 1 per cent," he said.

The iBond's subscription period will start at 9am on July 11, 2011 and end at 2pm on July 19, 2011. Hong Kong residents may apply for the iBond through any of the placing banks, securities brokers or the Hong Kong Securities Clearing Company Limited.

The iBond will be issued on July 28, 2011 and listed on the Stock Exchange of Hong Kong the following day (July 29).

Details of the offering terms and subscription arrangements of the iBond are available on the Government Bond Programme website at www.hkgb.gov.hk/en/retail/retail.html.

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