

Press Release
Government launches Silver Bond (with photo/video)

Friday, July 15, 2016

The Government announced today (July 15) the launch of the first Silver Bond for subscription by Hong Kong residents aged 65 or above.

Speaking at the launch press conference, the Secretary for Financial Services and the Treasury, Professor K C Chan, said, "The issuance of the Silver Bond aims to provide an investment product with steady returns for senior residents in Hong Kong, and at the same time encourage financial institutions to tap into the immense potential of this 'silver market' by introducing a wider spectrum of appropriate products.

"The target issuance size of the first Silver Bond will be HK\$3 billion. It 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 2.00 per cent. Only applications from Hong Kong residents aged 65 or above holding a Hong Kong identity card will be accepted. There will be no secondary market for Silver Bonds. Bond holders may sell their bonds before maturity, if they wish, to the Government at par together with accrued but unpaid interest," he said.

The subscription period of the Silver Bond will start from 9am on July 26 and end at 2pm on August 3. The Bond will be issued on August 12. Hong Kong residents aged 65 or above (i.e. those born in or before 1951) may apply for the Bond through one of the 21 placing banks.

The Financial Secretary announced in his 2016-17 Budget that Government will launch a two-year pilot scheme to issue the Silver Bond, targeting Hong Kong residents aged 65 or above.

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

Ends

