

Policy and Regulatory Developments

People's Republic of China

The People's Bank of China Reduces Reserve Requirement Ratio and Unveils Other Economic Support Measures

On 7 May, the People's Bank of China announced that it would reduce the reserve requirement ratio by 50 basis points (bps) to 9.0%, effective 15 May. In addition, it said that it would raise by CNY300 billion the relending facility available to technology companies and establish a CNY500 billion relending facility for services consumption and elderly care. The central bank also reduced by 25 bps the rate charged on its housing provident loan fund.

The People's Bank of China and China Securities Regulatory Commission Release Rules for Innovation Bonds

On 7 May, the People's Bank of China and the China Securities Regulatory Commission announced rules to facilitate the issuance of innovation bonds. The measures include supporting equity investment institutions such as financial institutions and private equity companies; encouraging issuers to issue longer-term bonds; streamlining the bond issuance process, including issuances as part of the government's performance appraisal of technology companies; and encouraging local governments to provide support such as guarantees.

Hong Kong, China

Hong Kong Monetary Authority Announces Bond Issuance for the Second and Third Quarters

On 17 April, the Hong Kong Monetary Authority published the tentative issuance schedule for Hong Kong Special Administrative Region Institutional Government Bonds under the Institutional Bond Programme and Government Sustainable Bond Programme for the

second and third quarters of 2025. In the second quarter, HKD9.5 billion of local currency bonds with maturities of 1–15 years will be issued and CNY5.5 billion worth of bonds denominated in Chinese yuan with maturities of 1–10 years will also be auctioned. In the third quarter, the tentative amount of HKD-denominated bonds to be issued will total HKD6.75 billion, while the amount of CNY-denominated bonds to be offered will total CNY7.75 billion. The HKD-denominated bonds will carry maturities of 1–20 years, while the CNY-denominated bonds will have maturities of 1–10 years.

Indonesia

Indonesia Concludes Debt Switch

In February, the Government of Indonesia conducted a debt switch amounting to IDR502.0 billion versus total bids worth IDR1,344.0 billion. The eligible bonds for the debt switch included 15 series of Treasury bonds with varying maturities covering the period 2025–2029. The destination bonds comprised six series that will mature from 2030 to 2064. The government will offer another debt exchange in August.

Republic of Korea

The Government of the Republic of Korea Approves First Supplementary Budget for 2025

On 18 April, the government approved the first supplementary budget proposal for 2025 worth KRW12.2 trillion. The proposal comprised KRW3.2 trillion allotted for disaster and emergency response, KRW4.4 trillion for trade enhancement and artificial intelligence competitiveness, KRW4.3 trillion to support people's livelihood, and KRW0.2 trillion for other government projects. Subsequently, on 1 May, the National Assembly approved the supplementary budget at an increased amount of KRW13.8 trillion.

Ministry of Economy and Finance Announces Adjusted Korea Treasury Bond Issuance Plan for 2025

On 7 May, the Ministry of Economy and Finance (MOEF) announced adjustments to its Korea Treasury Bond issuance plan for 2025 to reflect the approved supplementary budget. The issuance ceiling was raised to KRW207.1 trillion from KRW197.6 trillion. The MOEF will continue with its schedule of issuing 55%–60% of the total volume in the first half of the year, and the remaining 40%–45% in the second half. In terms of tenors, the MOEF is planning to maintain the share of short-term bonds (2 years and 3 years) at 30±3%, reduce the share of medium-term bonds (5 years and 10 years) to 30±3% from 35±3%, and increase that of long-term bonds (20–50 years) to 40±5% from 35±5%.

Malaysia

Bank Negara Malaysia Reduces Statutory Reserve Requirement Ratio

On 8 May, Bank Negara Malaysia reduced the statutory reserve requirement ratio by 100 bps from 2.0% to 1.0%, the lowest it has been in 14 years, effective 16 May. This decision was made to ensure financial market stability amid uncertainties, along with promoting financial intermediation activities. The statutory reserve requirement ratio reduction will free up about MYR19 billion of funds in the financial market.

Philippines

Bangko Sentral ng Pilipinas Expands Trust Entities' Access to Central Bank Securities

On 15 January, the Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1207 which allows trust entities to invest in BSP securities via Investment Management Accounts alongside Unit Investment Trust Funds. This amendment also covers secondary market trading via the Philippine Dealing and Exchange Corporation. The expanded access aims to boost the tradability and liquidity of BSP securities, enhance the BSP's capacity to absorb excess cash in the financial system, and improve monetary policy transmission.

Singapore

Singapore's Parliament Passes 2025 Budget Spending Plan

On 10 March, the Singapore Parliament approved a 2025 budget spending plan totaling SGD143.1 billion, equivalent to 18.7% of Singapore's gross domestic product, up from SGD134.2 billion spent in 2024. The approved budget is in line with projected government spending targeted to reach about 20.0% of gross domestic product by 2030. State revenue is projected to reach SGD122.8 billion in 2025 and will be supported by collections from corporate and personal income taxes, the goods and services tax, and carbon taxes, among others.

Thailand

Public Debt Management Office Conducts THB25 Billion Bond Switch

On 21 February, the Public Debt Management Office concluded bond switch transactions totaling THB25.0 billion, the second series of such transactions for fiscal year 2025. The transactions allowed investors to swap their holdings of the designated source bonds, which were maturing shortly, with designated destination bonds that have longer remaining tenors. The source bond for this batch of bond switch carried tenors of less than 1 year, while tenors of the six destination bonds ranged from 4.7 years to 47.3 years. The bond switch is part of the Public Debt Management Office's fundraising program for fiscal year 2025 and supports its debt management objectives by reducing the bunching of short-term debt and increasing the liquidity of 5- to 50-year government bonds.

Viet Nam

Viet Nam Plans to Auction VND120.0 Trillion Worth of Government Bonds in the Second Quarter of 2025

The Government of Viet Nam plans to raise VND120.0 trillion in the second quarter of 2025 through its Treasury bond offering. The planned issuance represents 24.0% of the total VND500.0 trillion auction plan for 2025 and was 8.1% higher than the VND111.0 trillion auction plan in the previous quarter. The Treasury bonds to be auctioned will carry maturities of 5–30 years with auctions to be scheduled every Wednesday.