

Policy and Regulatory Developments

People's Republic of China

People's Bank of China Suspends Bond Purchases

In January, the People's Bank of China announced that it would temporarily suspend central bank purchases of government bonds. In its decision, the central bank said the suspension would help reduce excess demand for government bonds. The central bank will resume purchases once it feels demand and supply conditions have stabilized.

Hong Kong, China

Hong Kong Monetary Authority Announces Revised Government Bond Issuance Plan

On 9 January, the Hong Kong Monetary Authority published a revised tentative schedule for institutional government bonds to be issued under the Infrastructure Bond Programme and the Government Sustainable Bond Programme during the first quarter of 2025. Compared with the previous issuance schedule published in October, the new schedule increased the planned amount of HKD-denominated government bonds to be issued in the first quarter of 2025 to HKD7.5 billion from HKD3.5 billion. Similarly, the planned issuance size of CNY-denominated government bonds was raised to CNY7.5 billion from CNY4.5 billion. The changes in the revised issuance schedule included two additional HKD-denominated tenders (3-year and 5-year bonds) and one additional CNY-denominated tender (10-year bond), as well as increases in the tentative issuance sizes of select tenders.

Indonesia

Bank Indonesia to Purchase IDR150 Trillion Worth of Government Bonds in 2025

In December, Bank Indonesia announced plans to purchase up to IDR150 trillion worth of government bonds from the secondary market in 2025. The bond purchase forms part of the central bank's monetary operations. Bank Indonesia utilizes government bonds as underlying assets for its issuance of short-term securities to attract foreign fund inflows and support the stability of the domestic currency. From the start of the year through 17 February, Bank Indonesia purchased a total of IDR32.5 trillion from the primary market (IDR13.0 trillion) and the secondary market (IDR19.5 trillion).

Republic of Korea

The Government of the Republic of Korea Announces 2025 Economic Outlook and Policy Directions

In January, the Government of the Republic of Korea announced its 2025 economic outlook and policy directions. Annual economic growth for 2024 and 2025 is projected to be 2.1% and 1.8%, respectively. The lower growth projection for the year is due to slow export growth affected by policy shifts in the United States, along with weak construction activity and economic sentiment. Meanwhile, inflation is expected to decelerate to 1.8% in 2025 due to lower oil prices, but uncertainty stemming from geopolitical risks remains. The policy direction for 2025 is focused on (i) supporting the recovery of people's livelihoods, (ii) managing external creditworthiness, (iii) proactively responding to uncertainties in the international trade environment, and (iv) increasing industrial competitiveness.

Malaysia

Regional Central Banks Collaborate on Framework for Cross-Border Transactions

On 17 February, Bank Negara Malaysia, along with Bank Indonesia and the Bank of Thailand, announced additional considerations for eligible transactions in the implementation of its Local Currency Transaction Framework Operational Guidelines. The transaction framework is a set of standards to enhance efficiencies in trade and investment among the three economies. It was previously revised in August 2023 to include cross-border financial transactions. Among the augmented guidelines, eligible cross-border transactions were expanded and portfolio investments are now eligible under the framework. These guidelines aim to streamline processes and improve transparency for key participating financial institutions. This collaboration reaffirms the participating economies' commitment to the use of local currencies in regional trade and investment.

Philippines

Bangko Sentral ng Pilipinas Cuts Reserve Requirement Ratio

On 21 February, the Bangko Sentral ng Pilipinas announced reductions to the reserve requirement ratio for banks effective 28 March. The reserve requirement ratio for banks and nonbank financial institutions will be lowered by 200 basis points (bps) to 5.0%, digital banks by 150 bps to 2.5%, and thrift banks by 100 bps to 0.0%. The adjustments are expected to reduce the obstacles in financial intermediation to facilitate improved liquidity conditions and provide the central bank with the flexibility to gradually lower interest rates.

Singapore

The Government of Singapore Increases Issuance Limit on Government Bonds

On 12 November, the Parliament of Singapore approved an increase in the issuance limit on government bonds to SGD1.5 trillion from SGD1.1 trillion, which was previously approved in January 2021. Over 60% of the incremental amount will be allocated for the issuance

of special government securities in accordance with the investment needs of Singapore's Central Provident Fund. The remaining 20% of the increase will be allotted for the issuance of Singapore government securities, Treasury bills, and Singapore savings bonds. The new issuance limit is expected to hold until 2029.

Thailand

Public Debt Management Office Conducts THB24 Billion Bond Switch Transactions

On 22 November, the Public Debt Management Office (PDMO) concluded bond switch transactions totaling THB24.2 billion. Investors participating in the transactions swapped eligible government bonds maturing shortly for eligible destination bonds with longer remaining maturities. The source bond had a remaining maturity of 1 year, while the six destination bonds had remaining maturities of 5–48 years. The bond switch supported the PDMO's debt management objectives by reducing the bunching of debt with 1–4 year maturities and increasing the liquidity of longer-term government bonds. The PDMO plans to conduct a total of THB140 billion in bond switch transactions in fiscal year 2025.

Viet Nam

Ministry of Finance Revises Disclosure Regulations for Bond Issuers

Effective 25 December, entities issuing private bonds domestically and internationally must comply with the updated information disclosure requirements specified in Circular 76 by the Ministry of Finance. The new circular requires disclosure on (i) pre-issuance information; (ii) bond offering results; (iii) extraordinary developments; and (iv) details on bond conversion, warrants, early buybacks, and swaps. Semiannual and annual updates are also required. Issuers must communicate this information to investors via printed or electronic documents, or through their official websites, and this must be submitted electronically to the Hanoi Stock Exchange. Circular 76 aims to enhance transparency and accountability for bond issuers in both domestic and international markets. It replaces Circular 122 issued in December 2020.