

Policy and Regulatory Developments

People's Republic of China

[The People's Republic of China Eases Rules on Foreign Bond Issuance](#)

On 23 July, the National Development and Reform Commission issued new rules easing the issuance of overseas corporate bonds. Under the new rules, qualified companies will be allowed to issue bonds under more relaxed financial standards and streamlined review processes. However, to be qualified issuers, companies must be ranked within the top five of their industry in terms of revenue and maintain a good credit rating, among other requirements.

Hong Kong, China

[The Hong Kong Monetary Authority and the People's Bank of China Sign Memorandum of Understanding on Cross-Boundary Linkage of Payment Systems](#)

On 2 August, the People's Bank of China and the Hong Kong Monetary Authority signed a memorandum of understanding to establish a cooperative framework for a cross-boundary linkage of payment systems between the People's Republic of China (PRC) and Hong Kong, China. The cross-boundary payment link is part of a series of measures announced in January to promote financial connectivity between the two markets.

Indonesia

[Bank Indonesia Increases Frequency of Central Bank Bills Auction](#)

In May, Bank Indonesia announced that it would increase the frequency of the auction of its Bank Indonesia Rupiah Securities from once a week to twice a week. The move is meant to attract additional capital flows and help maintain the stability of the rupiah.

Republic of Korea

[The Republic of Korea Announces Economic Policy Directions for the Second Half of 2024](#)

On 3 July, the Government of the Republic of Korea announced its economic policy directions for the second half of 2024. Economic growth for the year is expected to be 2.6%, up from the January forecast of 2.2%, supported by strong exports and a slowdown in inflation. To achieve this goal, the government announced that it will allot KRW25.0 trillion for various programs to help small business owners, including the reduction of financial costs and ways to improve their competitiveness. It will also allocate KRW5.6 trillion to ease the pressure of high living costs, in line with its policy of achieving price stability and strengthening domestic consumption. Lastly, it will increase public sector investments and loans by KRW15.0 trillion to support the domestic economy.

Malaysia

[Malaysia Announces Fiscal Consolidation Plans](#)

On 23 July, the Government of Malaysia announced its commitment to reduce its debt over the next 5 years, targeting a debt-to-gross-domestic-product ratio of 60.0%, down from the current ratio of 64.0%. In line with this, the government stated that it had begun reducing its annual net borrowings from about MYR100.0 billion in both 2021 and 2022 to MYR93.0 billion in 2023, and plans to further lower the target to MYR86.0 billion in 2024. Consequently, the ratio of the annual fiscal deficit to gross domestic product also decreased from 5.6% in 2022 to 5.0% in 2023, and is projected to decline to 4.3% in 2024.

Philippines

The Philippines Aims for Emerging Markets Bond Index Inclusion

In August, the Government of the Philippines discussed with JP Morgan Chase & Co. the inclusion of the government's locally issued PHP-denominated securities in JP Morgan's Emerging Markets Bond Index. The government expects that inclusion would encourage more participation from foreign investors and potentially bring an additional USD10.0 billion–USD12.0 billion in new portfolio flows into the government bond market.

The Philippine Government Seeks to Tap Foreign Debt Market

In July, the Government of the Philippines announced plans to tap the international debt market to raise the remaining USD3.0 billion needed for its 2024 borrowing program. The bonds will be denominated in United States dollars, euros, and Japanese yen, and will be issued in tranches, with the samurai bonds expected to be borrowed last. Of the USD3.0 billion target, about USD500.0 million will be raised through the offering of samurai bonds. The Philippines last issued samurai bonds in April 2022, with total debt sales amounting to JPY70.1 billion.

Singapore

Monetary Authority of Singapore and People's Bank of China Collaborate on Green and Transition Finance Initiatives

On 20 May, the Monetary Authority of Singapore and the People's Bank of China held the 2nd China–Singapore Green Finance Taskforce (GFTF) meeting in Beijing. The GFTF focuses on initiatives to scale up green and transition financing flows between Singapore and the PRC, and across the region. One of the initiatives discussed in the meeting was collaborating on a “green corridor” to encourage green panda bond issuances to meet the demand from Singapore issuers in the PRC's onshore bond market. The Monetary Authority of Singapore supports such financing flows through grant schemes like the Sustainable Bond Grant Scheme. The GFTF is seen as a key platform for the PRC and Singapore to jointly develop concrete initiatives to advance cooperation in green finance.

Thailand

Bank of Japan and Bank of Thailand Renew Bilateral Swap Arrangement

On 23 July, the Bank of Japan and the Bank of Thailand announced the renewal of the existing bilateral swap arrangement between Japan and Thailand. The arrangement allows the two monetary authorities to swap their respective local currencies in exchange for United States dollars. It also enables Thailand to swap Thai baht for Japanese yen. The size of the arrangement remained unchanged at up to USD3 billion or its equivalent in Japanese yen.

Viet Nam

State Bank of Vietnam Extends Policy on Debt Repayment Rescheduling

In June, the State Bank of Vietnam extended the enforcement of Circular No. 2 until 31 December 2024 from an original end date of 30 June 2024. Circular No. 2 allows financial institutions to reschedule debt repayment periods and maintain debt categories for certain sectors to support struggling businesses amid rising levels of bad debt.