

*“The Hong Kong Capital Markets Association 2005 Forum”*

**Making Efficient  
The Hong Kong Dollar Debt Market**

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# New Development in the Hong Kong Dollar Debt Market

## 1. Retail Bond

- ❖ Introduction of the placing bank issuing mechanism in 2001
- ❖ 214 issues for a total amount of HK\$53 billion since 2001
- ❖ Structured debt products: ABS, MBS, CDO

## 2. Retail Exchange Fund Notes and the Government bond issue

## 3. Securitisation

- ❖ Government's debut asset-backed securities
- ❖ HKMC's mortgage-backed securities
- ❖ Both issues comprised professional and retail tranches, first ever in Hong Kong and the whole of Asia



## Further Improvements Needed in Offering of Retail Bonds

- ❖ Further reduction in regulatory requirements needed
- ❖ Further relaxation in publicity needed
- ❖ Shortening of the period for prospectus vetting to reduce market risk needed
- ❖ Level playing field needed

# Ways to Improve Secondary Market Liquidity

- ❖ More public issues, less private placement issues
- ❖ Change in syndication style to include more syndicate members to enlarge number of market makers
- ❖ Introduction of report dealers to report bond prices
- ❖ Increase in price transparency through media and financial carrier reporting
- ❖ Investor education