



Funding the Republic

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
Intramuros, Manila

Press Release

BTR SUCCESSFULLY ISSUES MAIDEN TOKENIZED TREASURY BONDS

MANILA, Philippines, 20 November 2023 – The Bureau of the Treasury (BTr) marked its 126th anniversary with the launch of the Republic's first-ever Tokenized Treasury Bonds (TTBs), aimed at promoting greater financial inclusion and broader participation in the bond market.

The BTr saw strong demand from qualified institutional investors for the TTBs, with the size of the book reaching P31.426 billion, more than three times the target issue size of P10 billion. This allowed the BTr to upsize the issue to P15 billion at 6.50%, aligned with the prevailing 1-year secondary market rates despite the non-tradability of the TTBs.

The TTBs, whose settlement is scheduled for November 22, 2023, will be issued in the form of digital tokens to be maintained in the BTr's Distributed Ledger Technology (DLT) Registry. For the program, the BTr implemented a dual registry structure, with the DLT Registry running in parallel with the National Registry of Scripless Securities (NRoSS), with the NRoSS serving as the primary registry.

The issuance of the TTBs demonstrates the BTr's commitment towards increased financial inclusion through the modernization of financial platforms and the reduction of friction costs, thus easing retail investor access to government securities. The success of the TTBs would not have been possible without the unwavering support of Finance Secretary Benjamin E. Diokno, Bangko Sentral ng Pilipinas (BSP) Governor Eli R. Remolona, Jr, and Monetary Board Member Rosalia V. De Leon during the transaction.

"The bond tokenization program is anchored on the National Government's long-term vision of a financially inclusive domestic capital market. Through streamlining settlement procedures and minimizing friction costs, this initiative is a huge leap towards our end goal of democratizing investment and empowering our small investors", said Secretary Diokno.

"The initiative by the Bureau of Treasury to tokenize treasury bonds ties in with the broader digital transformation push and capital market development of the Bangko Sentral ng Pilipinas (BSP). Our goal is to expand investment options so that more Filipinos can grow their money through these fixed-income investments while contributing directly to economic growth," said BSP Governor Eli M. Remolona, Jr. "Right now, the focus is on institutional investors but hopefully, we can expand this project to retail investors over time."

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