



3 AUGUST 2021

INAUGURAL SGS (INFRASTRUCTURE) NA21200W ISSUANCE ON 1 OCTOBER 2021

MAS will issue the first Singapore Government Securities (SGS) under the Significant Infrastructure Government Loan Act (SINGA) on 1 October 2021. The inaugural SGS (Infrastructure) will be a new 30-year benchmark bond, NA21200W¹. The 2021 SGS issuance calendar on the MAS website has been updated to incorporate this new SGS (Infrastructure) issuance (<https://www.mas.gov.sg/bonds-and-bills/auctions-and-issuance-calendar>).

2 MAS will announce the issuance size five business days before the auction on 28 September 2021. **Table 1** lists the key dates for the upcoming SGS (Infrastructure) issuance:

Table 1: Key Dates for the NA21200W SGS (Infrastructure) issuance

Size Announcement Date	Auction Date	Issuance Date
Tue, 21 Sep 2021	Tue, 28 Sep 2021	Fri, 1 Oct 2021

¹ For avoidance of doubt, NA21200W is not a green bond. The first Green SGS (Infrastructure) issuance under the SINGA will be issued from 2022.



Background on the Significant Infrastructure Government Loan Act (SINGA)

- 1 On 10 May 2021, Parliament passed the SINGA, authorising the Government to borrow up to S\$90 billion over the next 15 years to finance major, long-term infrastructure, such as new rail lines and coastal protection infrastructure to protect Singapore against rising sea levels.
- 2 Borrowing under the SINGA will allow the Government to spread out the lumpy costs of infrastructure across generations. This is both a fair and efficient approach:
 - (a) Fair, because payments are borne by the generations who will benefit from the infrastructure.
 - (b) Efficient, because with Singapore's AAA rating and the current market environment, we are likely to be able to tap the debt market at favourable interest rates.
- 3 Under the SINGA, a new category of SGS, named SGS (Infrastructure), will be issued.
 - (a) Existing SGS will be renamed as SGS (Market Development).
 - (b) SGS (Infrastructure) will have similar key features as SGS (Market Development):
 - (i) SGS (Infrastructure) will rank *pari passu* with SGS (Market Development) and the recourse to investors is the same, i.e. backed by assets of the Government;
 - (ii) SGS (Infrastructure) and SGS (Market Development) will enjoy the same tax and regulatory treatment (e.g. both can be used by financial institutions as high quality liquid assets to meet regulatory requirements and would be accepted as eligible collateral at MAS' facilities);
 - (iii) SGS Primary Dealers' market making and underwriting arrangements would apply equally, and they would have similar access to the Enhance Repo Facility (ERF); and
 - (iv) Given the similarities, SGS (Infrastructure) would be priced along the existing SGS (Market Development) yield curve.
 - (c) MAS will calibrate the overall issuance of SGS (Infrastructure) and SGS (Market Development) holistically, so that overall supply would be sufficient to cater to prevailing investor demand and market conditions.