

## **The Philippine Dealing System Holding Corp. (PDS Group) first market infrastructure in Asia to launch live fully DLT-based digital bond, with over-subscribed issue of US\$210m Union Bank of the Philippines bond and STACS as Technology Partner**

[SINGAPOREPHILIPPINES](#), 02 June 2022

The Philippine Dealing System Holdings Corp. ('PDS Group') today announced the launch of a fully digitally native bond, issued on a distributed ledger technology ('DLT') network powered by Hashstacs Pte Ltd ('STACS'), a Singapore-headquartered FinTech firm. The digital bond was issued by the Union Bank of the Philippines ('UnionBank') for PHP 11.00 billion or approximately USD 210 million and priced at 3.25% p.a. for a tenor of 1.5 years. With more than 895 bondholders for this launch, PDS Group becomes the first Asian national market infrastructure to launch a fully live DLT-based bond.

PDS Group subsidiary Phil. Depository & Trust Corp. ('PDTC'), the national Central Securities Depository for debt and equities, and STACS embarked on the project, a proof of concept to explore, use, and determine efficiencies of DLT for PDTC's fixed income registry and depository operations, with the aim of deploying a viable DLT-powered PDTC Digital Registry & PDTC Digital Depository system to support issuances and servicing (transfers and corporate actions) of a Philippine Digital bond and culminating in the live issuance of a digitally native bond.

The main benefits and features of DLT that underpin the digital bond include immutability, system resilience, and multiple redundancy. The DLT network has multiple nodes, which instantaneously record all transactions, thereby backing-up each other while ensuring immutability.

Through the partnership, PDTC and STACS were able to effectively model and optimize the workflows involved, unlocking new efficiencies and strategic opportunities. The new digital processes remain completely seamless for the underwriters, issuers, and bondholders with a paperless submission of issuing documents for listing and registry via the PDS Group's e-Securities Issue Portal ('e-SIP') to create securities onto the PDTC Digital Registry, powered by STACS.

Importantly, these benefits were achieved, while being completely compliant with the existing Philippine securities laws and regulations, as well as the rules of the Phil. Dealing & Exchange Corp. ('PDEX') another PDS Group subsidiary that is a Philippine SEC-licensed Fixed Income Market Operator. The UnionBank issued Digital Bond is listed on the PDEX FI Market and secondary market transactions will occur on existing market infrastructure for trading to clearing and a newly built link from the clearing system to the PDTC Digital Depository to complete Delivery Versus Payment settlement. The project's feature of interoperability was planned to allow PDEX Trading Participants and PDTC Depository Participants to seamlessly reap the benefits of the new digital market infrastructure while being supported by traditional market infrastructure and compliant with the regulatory framework.

**Ramon Monzon, CEO at of the Group's parent company, PDS Holdings, said:** "The digital economy is quickly expanding across the globe, and it promises to be a significant engine for innovation, competitiveness, and economic growth. To be part of the digital economy, financial market infrastructures must "digitalize", and this has been the impetus for the PDS Group's digitalization initiatives. In engaging in this POC, the focus on seamless inter-operability of digital with traditional infrastructure and the digital services' compliance with existing securities laws and regulations foster an evolutionary approach. In that regard, we are pleased to have a like-minded partner in STACS, also looking to use technology to fulfil a vision of corporate issuers and client investors mutually benefiting from the convenience of digitalized funding and investment processes."

As a leading fintech firm focused on environmental, social, and governance ('ESG') fintech, in partnership with the Monetary Authority of Singapore's ('MAS') Project Greenprint, STACS contributed its domain expertise in DLT to power PDS Group's platform. Earlier in May (18 May), STACS officially launched its flagship blockchain-powered platform, ESGpedia, which powers the ESG Registry of Project Greenprint. With over 20 institutional partners from both the financial and non-financial sectors, ESGpedia provides holistic and forward-looking ESG data on a common, standardized registry and as of today, hosts more than 170,500 certificates.

**Benjamin Soh, Managing Director at STACS**, said: “We are thrilled to be partnering with the Philippines PDS Group and powering the first national market infrastructure in Asia to launch a fully live DLT-based bond, via our DLT expertise. Technology like DLT provides immutability and ease of access by different users, allowing the benefits to be reaped across borders on an international scale, by PDS and its wider ecosystem of financial institution partners, creating vast value and opportunities for the industry. DLT is also a key enabler of sustainable business models and related finance, and we hope to further enhance PDS Group’s platform.”

Future phases of the partnership include further engagement with the industry, in view of possibly scaling up PDS Group’s platform with more features, including ESG management via holistic ESG data as well as smart contracts to automate the lifecycle management of sustainable financial products.

**For further information, please contact:**

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### **About PDS Group**

The Philippine Dealing System Holdings Corp. (“PDS Group”) is a private corporation that has been providing national financial market infrastructure services since 1995. The services provided are designed to meet the needs of all market stakeholders while abiding by the best international standards. The PDS Group’s key subsidiaries are the: Philippine Depository & Trust Corp. (PDTC), the sole SEC-licensed Central Securities Depository (CSD) for Fixed Income (FI) and Equity (Eq) markets that also provides Registry services for these asset classes. PDTC is also regulated by the Bangko Sentral ng Pilipinas (BSP) which granted it quasi-bank and trust licenses, and Philippine Dealing & Exchange Corp. (PDEX) – the operator of the PDEX FI Market, which utilizes various SEC licenses to operate an exchange, to operate an over-the-counter market, to be a Self-Regulatory Organization, and SEC clearing authorization to properly oversee the activities its hybrid market from trading through to clearing and settlement.

## **About STACS**

STACS (Hashstacs Pte Ltd) is a Singapore-headquartered FinTech company focused on ESG FinTech, in partnership with the Monetary Authority of Singapore's (MAS) Project Greenprint for ESGpedia which powers the Greenprint ESG Registry. STACS serves as the Nexus of ESG Finance with its live blockchain infrastructure that enables effective Sustainable Finance and unlocks value in Asset and Wealth Management and Digital Securities. Its clients and partners include global banks, stock exchanges, asset managers, and corporates. STACS is The Asset Triple a Digital Awards 2021 FinTech Start-Up of the Year, an Award Winner of the MAS Global FinTech Innovation Challenge Awards 2020, and a two-time awardee of the Financial Sector Technology and Innovation (FSTI) Proof of Concept (POC) grant, under the Financial Sector Development Fund administered by the MAS.