

## Operational Changes to the Securities Lending Facility

The Bank of Japan will include treasury discount bills (T-Bills) to the securities sold under the Securities Lending Facility, in order to ease stress in the Japanese government securities (JGSs) market with a view to further facilitating the Bank's money market operations as well as contributing to smooth settlement of JGSs.

### 1. Issues to be sold

Issues to be sold shall, pursuant to the Bank's relevant rules, be selected from T-Bills held by the Bank.

### 2. Upper limit to the amount of sales per issue, continuous use of the Facility, and minimum fee rate

In light of the expected purpose of use, the upper limit to the amount of sales per issue, the number of business days permitted for consecutive sales transactions<sup>1</sup> per issue with the same counterparty, and the minimum fee rate will be as follows.

|   | T-Bills  | (For reference)<br>JGBs with coupons   |
|---|--|--|
| Upper limit to the amount of sales per issue <sup>2</sup> | The amount outstanding of the Bank's holdings or <u>100 billion JPY</u> , whichever is smaller.  | The amount outstanding of the Bank's holdings or 400 billion JPY, whichever is smaller.  |
| Continuous use of the Facility <sup>3</sup>               | In principle, counterparties will be permitted to consecutively purchase the same issue from the Bank for a maximum of <u>five business days</u> . | In principle, counterparties will be permitted to consecutively purchase the same issue from the Bank for a maximum of 15 business days. |
| Minimum fee rate  | 0.5%   | 0.5%   |

- Notes:
1. This rule is not applicable to roll-over transactions subject to fails charge in accordance with market practice.
  2. The amount sold in the morning offer will be deducted from the afternoon offer.
  3. The Bank may extend the period for consecutive sales transactions per issue when deemed necessary in light of the conditions of financial markets.

### 3. Effective date

The above changes will be effective for the offer made on or after September 1, 2015.

For further information, please contact the following e-mail address.

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