

January 29, 2016

Bank of Japan

**Establishment of "Temporary Rules regarding the Eligibility Standards for Loans on Deeds to Companies Denominated in the U.S. Dollar"**

At the Monetary Policy Meeting held on January 28 and 29, 2016, the Policy Board of the Bank of Japan made the decision to establish the "Temporary Rules regarding the Eligibility Standards for Loans on Deeds to Companies Denominated in the U.S. Dollar" (see Attachment), in light of facilitating smooth implementation of Quantitative and Qualitative Monetary Easing.

The decision was made in accordance with the decision at the Monetary Policy Meeting held on December 17 and 18, 2015.

**Temporary Rules regarding the Eligibility Standards for Loans on Deeds to Companies Denominated in the U.S. Dollar**

1. In light of facilitating smooth implementation of Quantitative and Qualitative Monetary Easing, for the time being, loans on deeds to companies denominated in the U.S. Dollar (USD) shall become eligible collateral, notwithstanding 4. (1) (c) of the "Guidelines on Eligible Collateral" (Policy Board Decision on October 13, 2000).
2. Collateral prices for eligible loans on deeds to companies denominated in the USD shall be as follows, notwithstanding Table 1, "Categories of Collateral and Collateral Prices" of the "Guidelines on Eligible Collateral".

A residual maturity of:

(1) up to 1 year	88% of outstanding principal balance (yen equivalent)
(2) more than 1 year and up to 3 years	80% of outstanding principal balance (yen equivalent)
(3) more than 3 years and up to 5 years	70% of outstanding principal balance (yen equivalent)
(4) more than 5 years and up to 7 years	65% of outstanding principal balance (yen equivalent)
(5) more than 7 years and up to 10 years (Those with maturity date falling in the same month of the tenth year are included.)	55% of outstanding principal balance (yen equivalent)

3. The "Temporary Rules regarding the Eligibility Standards for Debt of Companies in Disaster Areas" (Policy Board Decision on April 28, 2011) shall not be applied in loans on deeds to companies denominated in the USD.

(Supplementary Provision)

The temporary rules shall become effective as soon as the preparatory work to accept eligible loans on deeds to companies denominated in the USD as collateral is completed, and a specific effective date shall be determined by the Governor.