

Operational Changes to the Securities Lending Facility

The Bank of Japan will implement the following operational changes to 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. Upper limit on the amount of sales per issue

The upper limit on the amount of sales per issue for Japanese government bonds (JGBs) with coupons will be raised as follows for the time being.

	JGBs with coupons	(For reference) Treasury discount bills (T-Bills)
Current policy	The amount outstanding of the Bank's holdings or <u>400 billion JPY</u> , whichever is smaller. ^{Note}	The amount outstanding of the Bank's holdings or 100 billion JPY, whichever is smaller.
New policy	The amount outstanding of the Bank's holdings or <u>one trillion JPY</u> , whichever is smaller. ^{Note}	No change

Note: The amount sold in the morning offer will be deducted from the afternoon offer.

2. Clarification of the upper limit on selling yields

In principle, the upper limit on selling yields shall be calculated as follows:

(The rate considered in light of the uncollateralized overnight call rate)^{Note} minus (the minimum fee rate [0.5 percent])

Note: The weighted average of the uncollateralized overnight call rate on the previous business day (rounded off to the first decimal place) will be used.

3. Effective date

The above changes will be effective for the offer made on or after February 16, 2016.

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

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