

Roadmap to Prepare for the Discontinuation of Japanese Yen LIBOR

		2020				2021				2022
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
System and infrastructure			□ Release a "Dear CEO" Letter [the JFSA and the BoJ]			□ Conduct a survey on the use of LIBOR [the JFSA and the BoJ]				Permanent discontinuation of LIBOR
				□ Release the practical solution on the treatment of hedge accounting [the ASBJ]						
				□ Publish the amended definitions and protocol [the ISDA]		□ The amended definitions and protocol take effect [the ISDA]				
Products	Loans	□ Release the sample of fallback provisions for bilateral loans [the Japanese Bankers Association]					■ Develop systems and operations for O/N RFR Compounding (Fixing in Arrears)	■ Cease the issuance of new loans referencing LIBOR	■ Significantly reduce the amount of loans referencing LIBOR	
	Bonds				□ Release the standard of recommended fallbacks [the Committee]	■ Develop systems and operations for O/N RFR Compounding (Fixing in Arrears)	■ Cease the issuance of new bonds referencing LIBOR	■ Significantly reduce the amount of bonds referencing LIBOR		
	Interest rate swaps					□ Develop system [the Japan Securities Depository Center]	■ Adopt the new quoting conventions for the interest rate swaps based on TONA	■ Cease the initiation of new interest rate swaps referencing LIBOR		
Term Reference Rates		□ Start the weekly publication of prototype rates		□ Start the daily publication of prototype rates		□ Start the publication of production rates				
Progress on transition from LIBOR			■ Start negotiations among contracting parties				Products referencing the alternative rates increase	Products referencing LIBOR significantly decrease		

Notes:1. ■ indicates measures to be taken by each firm.

2. In this roadmap, "LIBOR" refers to the conventional one based on a methodology in which the rate is calculated using the rates submitted by the panel banks.

3. "Cease the initiation of new interest rate swaps referencing LIBOR" shall be applied to transactions except those intended for risk management of existing positions. In addition, the sub-group shall not preclude financial institutions from executing those transactions which would result in increasing LIBOR exposure for their customers and not require financial institutions to confirm their customers' purposes of trade before and after selling financial instruments or executing transactions (please refer to "Report from the Sub-Group for the Development of Term Reference Rates," material for the Mar. 26, 2021 meeting.)