

Relaxation of the Terms and Conditions for the Securities Lending Facility
for the Cheapest-to-Deliver Issues

The Bank of Japan decided to implement the following measures concerning the Securities Lending Facility (SLF) for 10-year JGBs #361, #362, and #363 for the time being, in order to ensure stability in the market by easing excessive tightening in supply and demand of Japanese government securities in the repo market. The changes below will be effective from September 1, 2023.

1. Increase in the Upper Limit on the Consecutive-day Purchases of the Same Issue

Regular conditions ^(Note 1)	A maximum of 50 business days, in principle
After relaxation	A maximum of 75 business days, in principle ^(Note 2)

Notes: 1. With regard to 10-year JGBs #360, the regular conditions will be applied to new transactions made on and after September 1.

2. The total number of consecutive-day purchases, including those through August 31.

2. Expansion of the Issues Applicable to the Relaxed Conditions for the Delivery of the Cheapest-to-Deliver (CTD) Issues^(Note 1)

Regular conditions	CTD issues of which the share of the Bank's holdings in the market exceeds 80 percent
After relaxation ^(Note 2)	All CTD issues regardless of the share of the Bank's holdings, in principle

Notes: 1. The first and second CTD issues for 10-year JGB futures in the nearest two contract months.

2. For 10-year JGBs #360, those supplied through the SLF conducted through September 12 can be delivered on the relaxed conditions.

For further information, please contact the Market Operations Division, Financial Markets Department (post.fmd26@boj.or.jp).
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