

March 2, 2022

Establishment of the "Cross-Industry Forum on Interest Rate Benchmarks"

The Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks (hereinafter the Committee) was reorganized and the "Cross-Industry Forum on Interest Rate Benchmarks" (hereinafter the Forum) was established.

Since its establishment in August 2018, the Committee has provided market participants with support on their initiatives to transition away from Japanese yen (JPY) LIBOR by developing recommendations for the stocktaking of ideas on the choice and usage of alternative interest rate benchmarks to JPY LIBOR and deliberating practical challenges and solutions. In this situation, the transition in the Japanese markets has been progressed smoothly as a result of efforts made by a wide range of market participants and the Committee's activities have come to an end.

The Forum will provide opportunities to exchange opinions with regard to a small number of contracts in Japan for which the transition from JPY LIBOR has not been completed, the transition from LIBOR in other jurisdictions and foreign currencies, efforts on the enhancement of the reliability of Japanese yen interest rate benchmarks, and practical issues related to the choice and usage of those benchmarks. The Forum will aim to facilitate smooth transactions referencing Japanese yen interest rate benchmarks, with the participation of a wide range of market participants and interest rate benchmark users.

1. Frequency

Approximately once every three months (the first meeting will be held after the beginning of fiscal 2022.)

2. Participants

Financial institutions, institutional investors, non-financial corporates, and other entities that have participated in the Committee

3. Secretariat

Market Infrastructure Division at the Financial Markets Department of the Bank of Japan

(Tentative translation)

4. Objectives

The Forum shall conduct the following, with aims to facilitate smooth transactions referencing Japanese yen interest rate benchmarks in the Japanese markets:

- (a) exchanging opinions on the choice and usage of Japanese yen interest rate benchmarks by market participants and interest rate benchmark users;
- (b) monitoring of market trends and contractual practices related to the choice and usage of Japanese yen interest rate benchmarks and exchanging opinions on specific challenges that may arise; and
- (c) exchanging information on trends in interest rate benchmarks in other jurisdictions and foreign currencies.

5. Other issues

The meeting minutes of the Forum and related documents will be released on the Bank of Japan's website.

Inquiries

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