Amendments to Principal Terms and Conditions
for Money Market Operations and the Complementary Lending Facility

At the Monetary Policy Meeting held today, the Policy Board of the Bank of Japan decided to make amendments to principal terms and conditions for money market operations and the complementary lending facility in order to reflect the introduction of the Financial Instruments and Exchange Law.

See the attachments for the details of the amendments.
Amendment to "Principal Terms and Conditions for Funds-Supplying Operations against Pooled Collateral"

- Paragraph 3. shall be amended as follows.

3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No. 89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No. 34, 1971]), domestic and foreign securities companies, financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997] and Article 10, Paragraph 1, Clause 4 of the same Order, respectively) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and tanshi companies (Article 10, Paragraph 1, Clause 5 of the Order).

(Supplementary Provision)

This amendment shall become effective on September 30, 2007.
Amendment to "Principal Terms and Conditions for the Purchase/Sale of Japanese Government Securities with Repurchase Agreements"

● Paragraph 3. shall be amended as follows.

3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No. 89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No. 34, 1971]), domestic and foreign securities companies, financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997] and Article 10, Paragraph 1, Clause 4 of the same Order, respectively) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and tanshi companies (Article 10, Paragraph 1, Clause 5 of the Order).

(Supplementary Provision)
This amendment shall become effective on September 30, 2007.
Amendment to "Principal Terms and Conditions Pertaining to the Sale of Bills"

3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No. 89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No. 34, 1971]), domestic and foreign securities companies, financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997] and Article 10, Paragraph 1, Clause 4 of the same Order, respectively) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and tanshi companies (Article 10, Paragraph 1, Clause 5 of the Order).

(Supplementary Provision)

This amendment shall become effective on September 30, 2007.
Amendment to "Principal Terms and Conditions for the Outright Purchase/Sale of Short-Term Japanese Government Securities"

- Paragraph 3. shall be amended as follows.

3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank’s relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No. 89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No. 34, 1971]), domestic and foreign securities companies, financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997] and Article 10, Paragraph 1, Clause 4 of the same Order, respectively) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and tanshi companies (Article 10, Paragraph 1, Clause 5 of the Order).

(Supplementary Provision)

This amendment shall become effective on September 30, 2007.
Amendment to "Principal Terms and Conditions for the Outright Purchase/Sale of Japanese Government Bonds"

Paragraph 3. shall be amended as follows.

3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No. 89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No. 34, 1971]), domestic and foreign securities companies, financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997] and Article 10, Paragraph 1, Clause 4 of the same Order, respectively) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and tanshi companies (Article 10, Paragraph 1, Clause §4 of the Order).

(Supplementary Provision)

This amendment shall become effective on September 30, 2007.
Amendment to "Principal Terms and Conditions for the Purchase of CP with Repurchase Agreements"

Paragraph 3. shall be amended as follows.

3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No. 89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No. 34, 1971]), domestic and foreign securities companies [financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997] and Article 10, Paragraph 1, Clause 4 of the same Order, respectively)], securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and tanshi companies (Article 10, Paragraph 1, Clause 5 of the Order).

(Supplementary Provision)

This amendment shall become effective on September 30, 2007.
Attachment 7

Amendment to "Principal Terms and Conditions for Complementary Lending Facility"

- Paragraph 2. (1) (a) shall be amended as follows.

(a) Counterparties shall be either financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No. 89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No. 34, 1971]), domestic and foreign securities companies, financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997] and Article 10, Paragraph 1, Clause 4 of the same Order, respectively) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and 
tanshi companies (Article 10, Paragraph 1, Clause 5 of the Order).

(Supplementary Provision)
This amendment shall become effective on September 30, 2007.

- Paragraph 3. shall be amended as follows.

3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No. 89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No. 34, 1971]), domestic and foreign securities companies, financial institutions firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997] and Article 10, Paragraph 1, Clause 4 of the same Order, respectively) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and tanoshi companies (Article 10, Paragraph 1, Clause 5 of the Order).

(Supplementary Provision)

This amendment shall become effective on September 30, 2007.