

### Relaxation of the Terms and Conditions for the Securities Lending Facility

The Bank of Japan, as stated in "Measures Contributing to the Continuation of Powerful Monetary Easing" released today, will implement the following measures concerning the Securities Lending Facility (SLF).

#### 1. Reduction of the Minimum Fee Rate

	Before	After
Minimum fee rate	0.5 percent	0.25 percent

— On this occasion, the Bank will adopt the Tokyo Repo Rate<sup>(Note)</sup> as the prevailing market rate to be considered when the Bank sets the upper limit on selling yields.

(Note) Specifically, the Tomorrow/Next Tokyo Repo Rate released on the previous business day.

#### 2. Abolition of the Upper Limit on the Amount of Sales Per Issue

	Before	After
Upper limit on the amount of sales per issue	The amount outstanding of the Bank's holdings <sup>(Note 1)</sup> or one trillion JPY <sup>(Note 2)(Note 3)</sup> , whichever is smaller.	The amount outstanding of the Bank's holdings. <sup>(Note 1)</sup>

(Note 1) The amount needed for other business (including sales of Japanese government securities conducted before the SLF) will be deducted.

(Note 2) 100 billion JPY for treasury discount bills.

(Note 3) The amount sold in the morning offer will be deducted from the afternoon offer.

#### 3. Relaxation of Conditions for the Delivery of Cheapest-to-Deliver issues

For cheapest-to-deliver (CTD) issues<sup>(Note)</sup>, the Bank will relax the conditions on which it will accept that the counterparty is unable to deliver CTD issues to the Bank.

(Note) The first and second CTD issues for 10-year JGB futures in the nearest two contract months, of which the share of the Bank's holdings in the market exceeds 80 percent.

#### 4. Digitalization of the SLF Application Process

For the convenience of the counterparties, the Bank will introduce a digitalized application process for the SLF using an existing online communication system, instead of the current paper-based application process using facsimile.

#### 5. Effective date

The Bank will implement the above measures in early June, once the counterparties and the Bank finish with the necessary operational preparations. The effective date of the measures will be announced when decided.

For further information, please contact the Market Operations Division, Financial Markets Department ( <a href="mailto:post.fmd26@boj.or.jp">post.fmd26@boj.or.jp</a> )
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