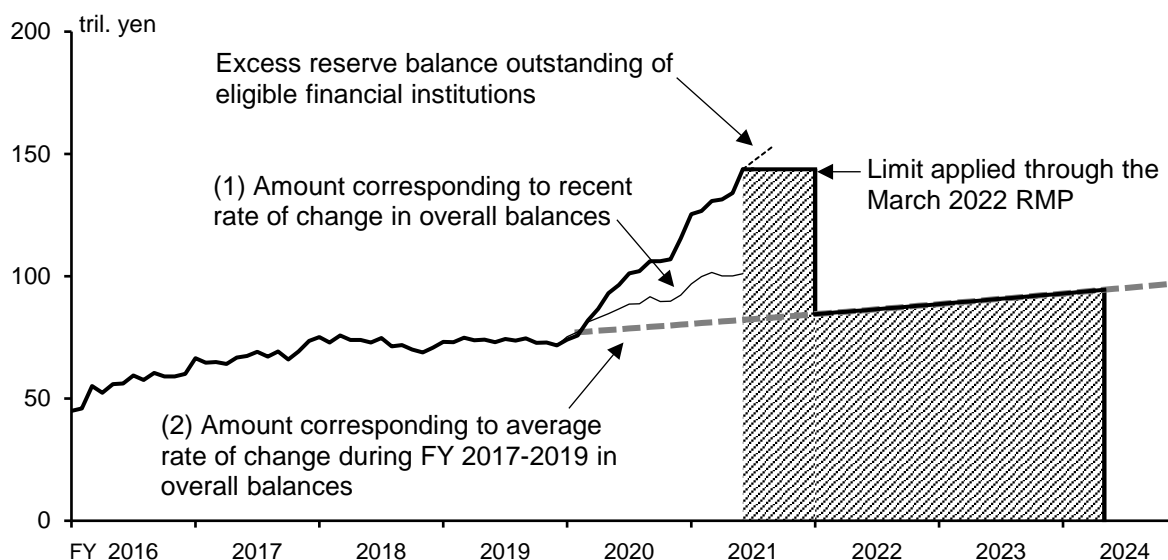


Amendment to the Special Deposit Facility to Enhance the Resilience of the Regional Financial System

In order to ensure the appropriate conduct of the Special Deposit Facility to Enhance the Resilience of the Regional Financial System, the Bank of Japan decided to amend the limit to the eligible amount for special remuneration as follows.

- The limit for eligible financial institutions shall be the smaller of the following. Regarding (1), no change has been made.
 - (1) The amount calculated by multiplying the amount outstanding of their current account balances in excess of required reserves (excess reserve balances) during fiscal 2019 by the recent rate of change in the overall current account balances held at the Bank.
 - (2) The amount calculated by multiplying their excess reserve balance outstanding during fiscal 2019 by the average annual rate of change in the overall current account balances held at the Bank during fiscal 2017-2019 (104.9 percent).
- (Effective date)
- This amendment shall be effective from the November 2021 reserve maintenance period (RMP). Considering the impact of the amendment in the middle of the fiscal year on regional financial institutions' business, through the March 2022 RMP, the amount up to the eligible amount outstanding for special remuneration during the October 2021 RMP shall be remunerated as transitional arrangements.

Limit to the eligible amount for special remuneration (Illustration)



- Notes: 1. The chart shows the excess reserve balance outstanding through the September 2021 RMP, which covers that of eligible financial institutions of the Special Deposit Facility, and the limit to the eligible amount for special remuneration from the October 2021 RMP. For simplicity, the excess reserve balance outstanding during the October 2021 RMP is assumed to be the same as during the September 2021 RMP.
2. The shaded area indicates the eligible amount for special remuneration. Examples are shown in which (2) the amount corresponding to the average rate of change during fiscal 2017-2019 in overall balances is smaller than (1) the amount corresponding to the recent rate of change in overall balances.