

October 25, 2021

Bank of Japan

Extension of the Bilateral Local Currency Swap Agreement with
the People' s Bank of China

To enhance the financial stability of China and Japan, hence supporting economic and financial activities for economic development in each country, the Bank of Japan has decided to extend the bilateral local currency swap agreement with the People' s Bank of China to October 25, 2024, allowing for the exchange of local currencies between the two central banks of up to CNY 200 billion or JPY 3.4 trillion.

By utilizing the swap agreement, the Bank of Japan would be prepared to provide liquidity in Renminbi in the event that Japanese financial institutions face unexpected difficulties in Renminbi settlements, and the Bank judges the liquidity provision to be necessary for ensuring the stability of Japan' s financial system.