

June 19, 2015

Bank of Japan

New Framework for Monetary Policy Meetings

At the Monetary Policy Meeting (MPM) held today, the Policy Board of the Bank of Japan decided, by a unanimous vote, to make the following changes concerning MPMs in order to further enhance deliberations at the MPMs and the Bank's communication on monetary policy. Those changes will take effect in January 2016 on condition that the relevant ordinance is revised by the Cabinet.

Under a new framework, the Bank will provide, with higher frequency, more detailed forecasts for Japan's economy and prices, which serve as the basis of policy decisions. In addition, the Bank will start releasing a document that contains summary of opinions presented at each MPM soon after the meeting. The framework -- in which (1) forecasts for the economy and prices are released on a quarterly basis, (2) meetings on monetary policy are held eight times a year, that is, four meetings for forecasts and four other meetings in between them, and (3) a summary of discussion at each MPM is released quickly -- has been widely adopted by major central banks.

1. Releasing the *Outlook for Economic Activity and Prices* on a Quarterly Basis

The Bank will increase the frequency of publication of the *Outlook for Economic Activity and Prices* (hereafter the Outlook Report) from the current semiannual basis to a quarterly basis: the Outlook Report will be released immediately after the MPMs held in January, April, July, and October.

2. Releasing Each Policy Board Member's Forecasts for and Risk Assessments of the Economy and Prices

In addition to the forecasts for the economy and prices of the majority of Policy Board members, each member's forecasts and risk assessments will be released (see Attachment for sample charts).¹

3. Releasing "Summary of Opinions"

A document that contains summary of opinions presented at each MPM ("Summary of Opinions") will be compiled and be released in about a week after the meeting.²

4. Changing the Frequency of MPMs

The Bank will hold MPMs eight times a year; four MPMs for the Outlook Reports and four other MPMs in between them for updating developments in the economy and prices -- currently, MPMs are held about 14 times a year.^{3,4,5}

¹ Forecast Distribution Charts of Policy Board Members will be discontinued.

² Minutes of the MPM will continue to be released after they are approved by the Policy Board at the subsequent MPM.

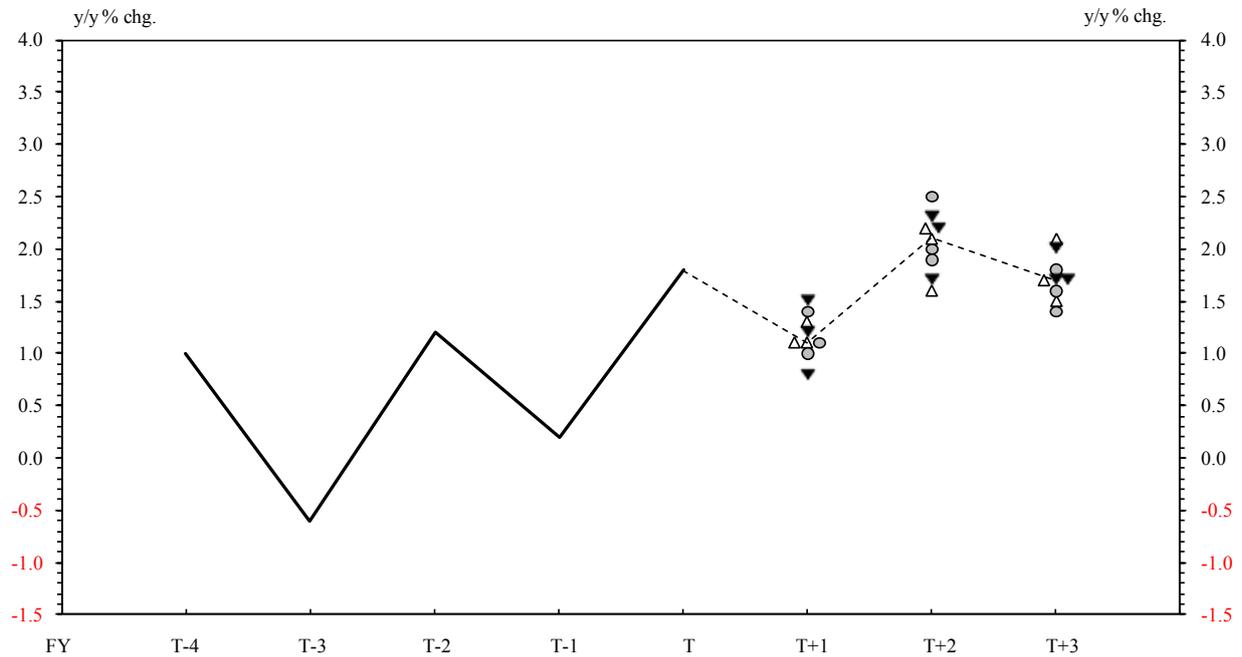
³ The scheduled dates of MPMs in July-December 2015 will not be changed from what have been announced. Dates of MPMs in and after January 2016 will be announced in due course.

⁴ Compilation and publication of the *Monthly Report of Recent Economic and Financial Developments* will be discontinued. The report will be integrated into the Outlook Report.

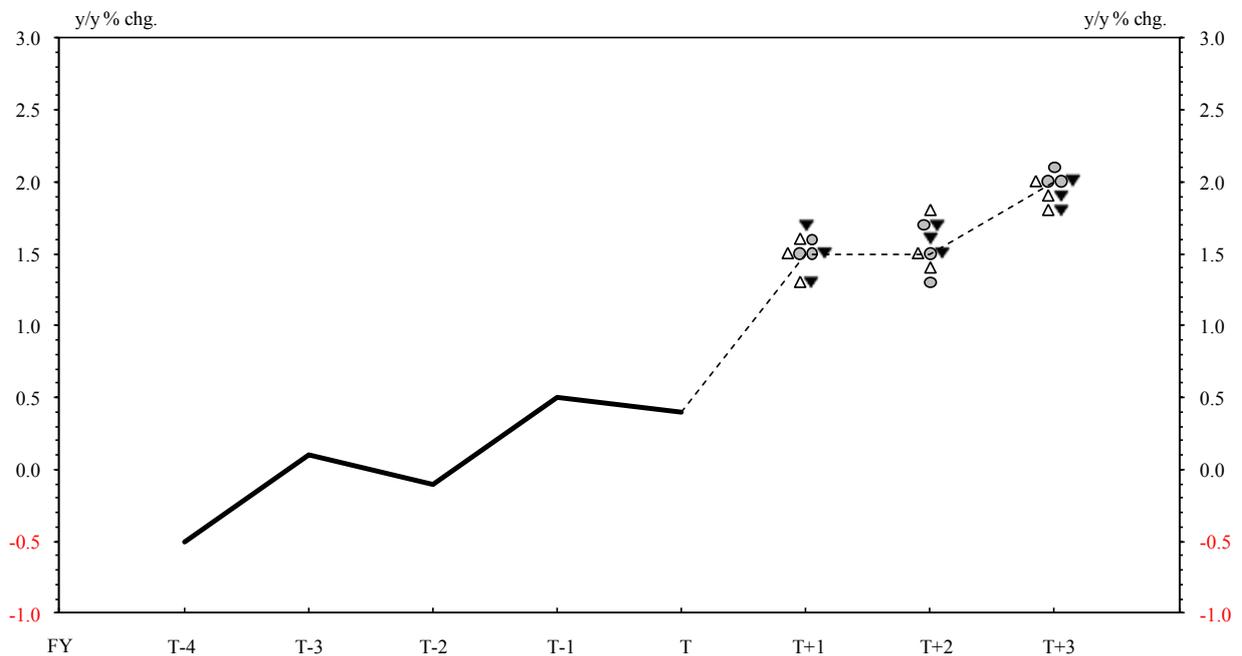
⁵ The Federal Open Market Committee (FOMC) meetings and the European Central Bank (ECB) Governing Council meetings on monetary policy are both held eight times a year. The Bank of England has also announced its plan to change the frequency of its Monetary Policy Committee meetings to eight times a year.

Policy Board Members' Forecasts and Risk Assessments (Sample)

(1) Real GDP



(2) CPI (All Items Less Fresh Food)



Notes: 1. Solid lines show actual figures, while dotted lines show the medians of the Policy Board members' forecasts (point estimates).

2. The locations of ●, △, and ▼ in the charts indicate the figures for each Policy Board member's forecasts to which he or she attaches the highest probability. Risk balance assessed by each Policy Board member is shown by the following shapes: ● indicates that a member assesses "upside and downside risks as being generally balanced," △ indicates that a member assesses "risks are skewed to the upside," and ▼ indicates that a member assesses "risks are skewed to the downside."