

March 24, 2020
Bank of Japan
Financial Markets Department

Additional Measures to Maintain Stability of the Repo Market

The Bank of Japan released "Market Operations toward the End of March" and announced measures to maintain stability of the repo market on March 13. In addition, the Bank has decided to implement the following measures regarding the Securities Lending Facility (SLF) today, in order to ensure stability in the market by easing excessive tightening in supply and demand of Japanese government securities (JGSs) in the repo market.

1. Extension of the implementation period for increasing the number of JGS issues offered in the SLF

The Bank will extend the implementation period through April 30, during which the Bank, in principle, will offer all available JGSs held by the Bank. Meanwhile, requests regarding JGS issues by counterparties in advance will be unnecessary.

2. Relaxation of the upper limit on the number of JGS issues allowed for the submission of bids for the SLF

For the SLF to be offered between March 25 and April 30, the Bank will temporarily raise the upper limit on the number of JGS issues, allowed for the submission of bids by a counterparty per auction, from 20 issues to 30 issues.