

January 18, 2023
Bank of Japan

Amendment to "Principal Terms and Conditions for Funds-Supplying Operations against Pooled Collateral"

At the Monetary Policy Meeting held on January 17 and 18, 2023, the Policy Board of the Bank of Japan made the following decisions with the aim of facilitating market operations.

1. The Bank shall amend the "Principal Terms and Conditions for Funds-Supplying Operations against Pooled Collateral" (see Attachment 1).
2. The Bank shall amend the "Temporary Rules regarding Funds-Supplying Operations against Pooled Collateral" (see Attachment 2).

Amendment to "Principal Terms and Conditions for Funds-Supplying Operations against Pooled Collateral"

- Paragraph 5. shall be amended as follows.

5. Duration of Loans

~~(1) Variable Rate Method~~

~~For loans whose interest rates determined by variable rate method, the Bank shall determine the duration of each loan taking account of conditions in financial markets and the duration shall not exceed one year.~~

~~(2) Fixed Rate Method~~

~~For loans whose interest rate determined by fixed rate method, t~~The ~~Bank shall determine the duration of each loan taking account of conditions in financial markets and the duration shall not exceed ten years.~~

(Supplementary Provision)

The amendment shall become effective on the date determined by the Governor.

Amendment to "Temporary Rules regarding Funds-Supplying Operations against Pooled Collateral"

- The rules shall be amended as follows.

The interest rates listed below shall be ~~0%~~as prescribed in each subparagraph, regardless of the provisions in the relevant Principal Terms and Conditions.

1. The interest rate on loans disbursed based on the fixed-rate method stipulated in Paragraph 6. (2) of the "Principal Terms and Conditions for Funds-Supplying Operations against Pooled Collateral" (Policy Board Decision on April 11, 2006).

The Bank shall determine the interest rate of each loan in order to encourage the formation of a yield curve that is consistent with the guideline for market operations, taking into account market prices of Japanese government bonds for each maturity.

2. Deletion

3. The interest rate stipulated in Paragraph 6. of the "Principal Terms and Conditions for the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth Conducted through the Loan Support Program" (Policy Board Decision on June 15, 2010).

0% per annum

4. The interest rate stipulated in 6. of the "Principal Terms and Conditions for the Fund-Provisioning Measure to Stimulate Bank Lending

Conducted through the Loan Support Program" (Policy Board Decision on December 20, 2012).

0% per annum

(Supplementary Provision)

The amendment shall become effective on the date determined by the Governor.