

(Tentative translation)

[3] Proposed Framework for the Deliberating Body

Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks

- Provide necessary deliberations on the following, with aims to facilitate market participants and interest rate benchmark users to appropriately choose and use interest rate benchmarks in ways suited to the characteristics of financial instruments and financial transactions:
 - (a) developing recommendations for the stocktaking of ideas on the appropriate choice and usage of Japanese yen (JPY) interest rate benchmarks
 - (b) identifying specific challenges arising from (a) above and proposing solutions; and
 - (c) developing transition plans based on (a) and (b) above for a new framework enabling the use of JPY interest rate benchmarks.
- Form sub-groups and decide on issues for deliberation.

Sub-Groups*

Loans

With the aim of facilitating the transition of interest rate benchmarks in loan markets and mitigating risks stemming from the potential discontinuance of LIBOR, provide necessary deliberations on loan contracts referencing JPY IBORs (JPY LIBOR, JPY TIBOR, and Euroyen TIBOR).

Bonds

With the aim of facilitating the transition of interest rate benchmarks in bond markets and mitigating risks stemming from the potential discontinuance of LIBOR, deliberate on bonds referencing JPY IBORs (JPY LIBOR, JPY TIBOR, and Euroyen TIBOR).

Development of Term Reference Rates

Deliberate on the development of term reference rates based on the uncollateralized overnight call rate (or so-called TONA), which was identified as the JPY risk-free reference rate (RFR).

* In addition to the above three sub-groups that are currently planned to be established, new sub-groups may be established based on the decision of the Committee by products or by themes. Also, forums may be held to inform interest rate benchmark users other than the members/observers of the Committee or sub-groups of the deliberations.