

December 13, 2013

Bank of Japan

Bank Indonesia

Establishment of an Arrangement for the Provision of Indonesian Rupiah Liquidity
against Japanese Government Securities

Bank of Japan (BOJ) and Bank Indonesia (BI) have agreed to establish a cross-border liquidity arrangement to enhance the stability of financial markets.

Under this arrangement, eligible banks operating in Indonesia may obtain Indonesian Rupiah (IDR) liquidity from BI by submitting Japanese government securities to BI. The scheme will broaden the range of eligible assets in BI's liquidity facility during the crisis period, and permits greater flexibility in the liquidity management of eligible banks operating in Indonesia.

This collaboration reinforces BOJ and BI's commitment to support the long-standing economic and financial relationship between Japan and Indonesia.

Details of the arrangement will be made public in due course, when the necessary preparations are completed.

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