

May 1, 2020

Bank of Japan

Amendment to "Principal Terms and Conditions for Outright Purchases of CP and Corporate Bonds"

At the Monetary Policy Meeting held on April 27, the Policy Board of the Bank of Japan decided to amend the "Principal Terms and Conditions for Outright Purchases of CP and Corporate Bonds" with the aim of further facilitating market operations (see Attachment).

Amendment to "Principal Terms and Conditions for Outright Purchases of CP and Corporate Bonds"

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

1. These terms and conditions shall become effective today.

2. Notwithstanding paragraph 4. (6) and (7) of the Principal Terms and Conditions, corporate bonds and bonds issued by real estate investment corporations to be purchased shall be as follows until September 30, 2020.

(1) Corporate Bonds

Satisfy either criteria paragraph 4. (6) (a) or (b) of the Principal Terms and Conditions, and with a remaining maturity of 1 year or more and up to 5 years.

(2) Bonds Issued by Real Estate Investment Corporations

Satisfy either criteria paragraph 4. (7) (a) or (b) of the Principal Terms and Conditions, and with a remaining maturity of 1 year or more and up to 5 years.

3. Notwithstanding paragraph 5. of the Principal Terms and Conditions, the amounts outstanding of a single issuer's CP and corporate bonds to be purchased shall not exceed 500 billion yen and 300 billion yen, respectively. In addition, if the amounts outstanding of a single issuer's CP and corporate bonds purchased by the Bank at the time of purchase exceed 50 percent and

30 percent, respectively, of the total amounts outstanding of issuance by a single issuer at the time determined pursuant to the relevant rules of the Bank, such CP and corporate bonds shall be excluded from the list of CP and corporate bonds to be purchased. This rule shall be applied until September 30, 2020.

4. Notwithstanding paragraph 5. of the Principal Terms and Conditions, if the Bank deems it necessary in order to conduct market operations smoothly, it can decide the maximum amounts outstanding of a single issuer's CP and corporate bonds to be purchased within the range of the amounts prescribed in the main clause and proviso of 3. and those prescribed in the main clause and proviso of paragraph 5. of the Principal Terms and Conditions. This rule shall be applied from October 1, 2020 to September 30, 2021 for CP, and from October 1, 2020 to September 30, 2025 for corporate bonds.

(Supplementary Provision)

These amendments shall become effective today.