

December 18, 2020

Bank of Japan

Amendment to "Principal Terms and Conditions of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)"

At the Monetary Policy Meeting held on December 17 and 18, 2020, the Policy Board of the Bank of Japan made the following decisions with a view to continuing to support financing, mainly of firms, in response to the novel coronavirus (COVID-19).

1. The Bank shall amend the "Principal Terms and Conditions of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)" (see Attachment 1).
2. The Bank shall amend the "Special Rules for Member Financial Institutions of Central Organizations of Financial Cooperatives to Use the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)" (see Attachment 2).
3. The Bank shall amend the "Principal Terms and Conditions for Outright Purchases of CP and Corporate Bonds" (see Attachment 3).

Amendment to "Principal Terms and Conditions of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)"

- Paragraph 8. shall be amended as follows.

8. Maximum Amount of Loans for Each Counterparty

(No change)

(1) (No change)

(2) The sum of the amounts prescribed in the following (a) and (b) among the amount outstanding of loans made by each counterparty to small and medium-sized firms in response to COVID-19 at the time determined pursuant to the relevant rules of the Bank

(a) (No change)

(b) The amount outstanding of loans of which loan conditions are equivalent to those of loans prescribed in (a) (~~with the maximum amount of 100 billion yen~~)

- Paragraph 9. shall be amended as follows.

9. Deadline for New Application for Loans

The period for new application for loans shall end on ~~March~~September ~~31~~30, 2021.

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

These terms and conditions shall become effective today and shall be valid through ~~March~~September ~~31~~30, 2021. To the loans that are disbursed on or before ~~March~~September ~~31~~30, 2021, these terms and conditions shall be applied until their maturities.

(Supplementary Provision)

The amendments concerning paragraph 9. and the Supplementary Provision shall become effective today, and the amendment concerning paragraph 8. shall become effective on the date determined by the Governor.

Amendment to "Special Rules for Member Financial Institutions of Central Organizations of Financial Cooperatives to Use the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)"

- Paragraph 2. shall be amended as follows.

2. Notwithstanding paragraph 8. of the Principal Terms and Conditions, the maximum amount of loans for each central organization of financial cooperatives in the case that it receives funds provided under the special rules shall be the sum of the total value prescribed in paragraph 8. of the Principal Terms and Conditions and that prescribed in (1) and (2) below. However, the amount shall not exceed the unused value of total standing pool of eligible collateral pledged to the Bank by the central organization at the time of loan disbursement.

(1) (No change)

(2) The sum of the amounts outstanding of loans prescribed in paragraph 8. (2) (a) of the Principal Terms and Conditions and the amounts outstanding of loans prescribed in paragraph 8. (2) (b) of the Principal Terms and Conditions ~~with the maximum amount of 100 billion yen per member financial institution~~, both of which were reported by the institutions to their central organizations based on 1. (2)

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

The special rules shall become effective on the date determined by the Governor and shall be valid through ~~March~~September 30, 2021.

(Supplementary Provision)

The amendment concerning the Supplementary Provision shall become effective today, and that concerning paragraph 2. shall become effective on the date determined by the Governor.

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

- Paragraph 2. to 4. in the Supplementary Provision shall be amended as follows.

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 ~~March~~September ~~31~~30, 2021.

(1) }
(2) } (No change)

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 ~~March~~September ~~31~~30, 2021.

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 ~~April~~October 1, 2021 to ~~March~~September ~~31~~30, 2022 for CP, and from ~~April~~October 1, 2021 to ~~March~~September ~~31~~30, 2026 for corporate bonds.

(Supplementary Provision)

These amendments shall become effective today.