

Market Operations for Three On-the-Run Issues of 10-year Japanese Government
Bonds

The Bank of Japan will implement the following measures concerning the Securities Lending Facility (SLF) and fixed-rate purchase operations for consecutive days for three on-the-run issues of 10-year Japanese government bonds (JGBs) of which supply and demand conditions in the repo market could be deemed excessively tightened over the long term, in order to ensure the use of the SLF in line with its purpose and facilitate the Bank's money market operations.

1. Regarding the Conduct of the SLF

(i) Revision to the Minimum Fee Rate

The Bank will change the minimum fee rate for the above-mentioned applicable three on-the-run issues of 10-year JGBs as follows from February 27, 2023. ^(Note)

Before	0.25 percent
After	1.0 percent, in principle ^(Note)

Note: The Bank will decide per auction the issues subject to the revision and the specific minimum fee rate, taking account of conditions in financial markets.

(ii) Reduction of the Upper Limit on the Amount of Sales Per Issue

As for the issues subject to (i), the Bank will lower the upper limit on the amount of sales per issue from "the amount outstanding of the Bank's holdings^(Note 1)", if the Bank specifically deems it necessary. ^(Note 2) In principle, the Bank will not offer the SLF in the afternoon for the issues of which the upper limit on the amount of sales is lowered.

Notes: 1. Deducting the amount needed for sales of the issue conducted before the SLF, in principle.

2. The Bank will decide per auction the specific upper limit on the amount of sales per issue.

2. Regarding the Conduct of Fixed-Rate Purchase Operations for Consecutive Days

The Bank will not necessarily conduct fixed-rate purchase operations for consecutive days for the issues subject to 1., if the yields of those issues in the secondary market are not expected to reach 0.5 percent.

For further information, please contact the Market Operations Division, Financial Markets Department (post.fmd26@boj.or.jp).
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