

Relaxation of the Terms and Conditions for the Securities Lending Facility
for the Cheapest-to-Deliver Issues

The Bank of Japan decided to implement the following measures concerning the Securities Lending Facility (SLF) for 10-year JGBs #359, #360, and #361 for the time being, in order to ensure stability in the market by easing excessive tightening in supply and demand of Japanese government securities in the repo market. The changes below will be effective from March 1, 2023.

1. Increase in the Upper Limit on the Consecutive-day Purchases of the Same Issue

Regular conditions ^(Note 1)	A maximum of 50 business days, in principle
After relaxation	A maximum of 85 business days, in principle ^(Note 2)

- Notes: 1. With regard to 10-year JGBs #358, the regular conditions will be applied to new transactions made on and after March 1.
2. For 10-year JGBs #359 and #360, the total number of consecutive-day purchases, including those through February 28.

2. Expansion of the Issues Applicable to the Relaxed Conditions for the Delivery of the Cheapest-to-Deliver (CTD) Issues^(Note 1)

Regular conditions	CTD issues of which the share of the Bank's holdings in the market exceeds 80 percent
After relaxation ^(Note 2)	All CTD issues regardless of the share of the Bank's holdings, in principle

- Notes: 1. The first and second CTD issues for 10-year JGB futures in the nearest two contract months.
2. For 10-year JGBs #358, those supplied through the SLF conducted through March 13 can be delivered on the relaxed conditions.

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