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Principal Terms and Conditions for the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas of the 2016 Kumamoto Earthquake (Invalid)

Bank of Japan/Central Bank of Japan

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Monetary Policy

Principal Terms and Conditions for the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas of the 2016 Kumamoto Earthquake (Invalid)

1. Purpose

The terms and conditions prescribe the principles for the Bank of Japan's funds-supplying operation to support financial institutions in disaster areas, i.e., those areas in which financial institutions in disaster areas are made eligible against eligible collateral to tap oxygen market operations within the maximum amount determined by the Bank. This operation is introduced with the aim of supporting financial institutions in disaster areas in their initial response in meeting the demand for funds for restoration and rebuilding by extending appropriate funding.

2. Location of Operations

The Bank's Head Office (Operations Department) or its branches.

3. Eligible Counterparties

(1) Financial institutions with business offices in disaster areas that are made eligible against eligible collateral (2) Financial institutions with business offices in disaster areas that conduct lending in disaster areas

4. Lists of Loan

List of Loans

5. Duration of Loans

The duration of each loan shall be within 1 year.

6. Loan Rates

The interest rate on loans shall be 0 percent per annum.

7. Counterparties and Amount of Each Loan

Counterparties of each loan are eligible counterparties selected pursuant to 3. (1), and no loan shall be made to a counterparty that does not meet the conditions prescribed in 6. (2).

8. Maximum Amount of Loan

The maximum amount of loans shall not exceed 300 billion yen.

9. Date of Loan Disbursement, etc.

The period for new application for loans shall end on June 30, 2020.

10. Date of Loan Disbursement, etc.

The date shall be determined by the Governor.

11. Collateral

(a) Loans shall be secured by eligible collateral, and the value of the total standing pool of eligible collateral pledged to the Bank.

Guidelines on Eligible Collateral

(b) The Bank specifically deems it necessary in order to conduct money market operations smoothly, it can extend funds supplied through the above-mentioned operation to any financial institution in disaster areas.

Guidelines on Eligible Foreign Bonds

(c) To be deemed suitable for securing the money market operations, the amounts of bonds issued by financial institutions in disaster areas shall have the following requirements:

1. When it revises the list of eligible counterparties, the Bank shall not apply paragraph 8. (1) until all the loans specified in the previous clause are repaid.

These terms and conditions shall be valid through June 30, 2020. To the loans that are disbursed on or before June 30, 2020, the provisions of the new terms and conditions are not applied.