



Yale SCHOOL OF MANAGEMENT
Program on Financial Stability

EliScholar – A Digital Platform for Scholarly Publishing at Yale

YPFS Resource Library

6-18-2021

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

Bank of Japan/Central Bank of Japan

<https://elischolar.library.yale.edu/ypfs-documents/11560>

This resource is brought to you for free and open access by the Yale Program on Financial Stability and [EliScholar](#), a digital platform for scholarly publishing provided by Yale University Library. For more information, please contact ypfs@yale.edu.

June 18, 2021

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 June 17 and 18, 2021, 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 9. shall be amended as follows.

9. Deadline for New Application for Loans

The period for new application for loans shall end on ~~September 30~~March 31, 2021~~2022~~.

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

These terms and conditions shall become effective today and shall be valid through ~~September 30~~March 31, 2021~~2022~~. To the loans that are disbursed on or before ~~September 30~~March 31, 2021~~2022~~, these terms and conditions shall be applied until their maturities.

(Supplementary Provision)

These amendments shall become effective today.

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)"

- 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 ~~September~~March 30~~31, 2021~~2022.

(Supplementary Provision)

This amendment shall become effective today.

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 ~~September~~March ~~30~~31, ~~2021~~2022.

(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 ~~September~~March ~~30~~31, ~~2021~~2022.

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~~April 1, 2021~~2022~~ to ~~September~~March 30~~31, 2022~~2023 for CP, and from ~~October~~April 1, 2021~~2022~~ to ~~September~~March 30~~31, 2026~~2027 for corporate bonds.

(Supplementary Provision)

These amendments shall become effective today.