

Monetary Policy


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Collateral Guidelines on Eligible Foreign Bonds

日本語

May 22, 2009

 Revision: October 5, 2010
 October 7, 2011
 October 5, 2012
 October 7, 2014
 October 7, 2015
 September 21, 2016
 January 31, 2017

1. Purpose

- (1) These guidelines prescribe the principles concerning foreign bonds denominated in foreign currencies that become eligible collateral notwithstanding "[Guidelines on Eligible Collateral](#)" (Policy Board Decision on October 13, 2000) for the Bank's provision of credit related to currency and monetary control (hereinafter "Eligible Foreign Bonds").
- (2) Provisions of "[Guidelines on Eligible Collateral](#)" shall be applied to Eligible Foreign Bonds so far as they are relevant to those bonds, unless otherwise specifically provided by these guidelines.

2. Application

- (1) These guidelines shall be applied only when deemed necessary for ensuring stability in financial markets through further facilitating the Bank's money market operations, or when deemed necessary for conducting appropriate money market operations in view of developments in domestic and overseas financial markets.
- (2) When commencing or suspending application of these guidelines, the Bank shall make it public by means deemed appropriate by the Bank.

3. Eligibility Standards and Collateral Prices

- (1) The eligibility standards shall be as set forth in the [Table](#).
- (2) The prices of collateral, according to its residual maturity, shall be calculated by multiplying market prices (yen equivalent) by the margins calculated according to 3. (2) and (3) of "[Guidelines on Eligible Collateral](#)."

4. Replacement of Terms in Related Guidelines

In applying these guidelines, in the case of paragraph 4. (3) of "Guidelines on Eligible Collateral," the term "collateral other than government bonds (excluding treasury bills), treasury discount bills (treasury bills and financing bills), government-guaranteed bonds, and municipal bonds issued through public offering" shall be deemed to be replaced with "collateral other than government bonds (excluding treasury bills), treasury discount bills (treasury bills and financing bills), government-guaranteed bonds, municipal bonds issued through public offering, and Eligible Foreign Bonds."

5. Exception

When the Bank specifically deems it necessary for its business operations, it may make exceptions to the guidelines set forth in paragraphs 3. and 4.

Supplementary Provisions

1. These guidelines shall become effective as soon as the preparatory work to accept Eligible Foreign Bonds as collateral is completed, and a specific effective date shall be determined by the Governor.
2. The Governor shall determine specifications necessary for implementing these guidelines, including the procedure for accepting Eligible Foreign Bonds as collateral.

Table : Eligibility Standards

Publicly-offered bonds satisfying the following two requirements (the issuing country needs to be rated AA or higher by at least two rating agencies which the Bank considers to be appropriate):

1. Bonds that are listed below.
 - (1) Treasury Bonds, Treasury Notes, or Treasury Bills that are U.S. dollar-denominated bonds issued by the Federal Government of the United States of America
 - (2) Conventional Gilts or Treasury Bills that are pound sterling-denominated bonds issued by the Government of the United Kingdom of Great Britain and Northern Ireland
 - (3) Bunds (Bundesanleihen), Bobls (Bundesobligationen), Schätze (Bundesschatzanweisungen) or Bubills (Unverzinsliche Schatzanweisungen des Bundes) that are euro-denominated bonds issued by the Government of the Federal Republic of Germany
 - (4) OAT (Obligations Assimilables du Trésor), BTAN (Bons du Trésor à intérêts annuels), or BTF (Bons du Trésor à taux fixe et à intérêt précompté) that are euro-denominated bonds issued by the Government of the Republic of France
2. Bonds deemed appropriate in light of ensuring smooth business operation of the Bank and other relevant factors.

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