

Monetary Policy



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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)

日本語

April 27, 2020

Revision : May 22, 2020

December 18, 2020

June 18, 2021

The Bank established special rules that supplement the "[Principal Terms and Conditions of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus \(COVID-19\)](#)" (Policy Board Decision on March 16, 2020, hereinafter referred to as the "Principal Terms and Conditions"). The special rules shall be applied when central organizations of financial cooperatives (the Shinkin Central Bank, the Shinkumi Federation Bank, the Rokinren Bank, and the Norinchukin Bank, hereinafter the same) receive loans under the Principal Terms and Conditions in order to disburse their loans to member financial institutions of central organizations of financial cooperatives without a current account at the Bank (hereinafter referred to as "member financial institutions").

- Central organizations of financial cooperatives shall request the following (1) and (2), in advance, to the member financial institutions that wish to receive loans from these organizations under the special rules.
 - To pledge private debt that each central organization of financial cooperatives deemed eligible, such as that listed in paragraph 8. (1) of the Principal Terms and Conditions (hereinafter referred to as "eligible private debt"), as collateral
 - To report the amounts outstanding of loans prescribed in paragraph 8. (2) of the Principal Terms and Conditions
- Notwithstanding paragraph 8. of the Principal Terms and Conditions, the maximum amount of loans for each central organization of financial cooperatives in the case that it receives funds provided under the special rules shall be the sum of the total value prescribed in paragraph 8. of the Principal Terms and Conditions and that prescribed in (1) and (2) below. However, the amount shall not exceed the unused value of total standing pool of eligible collateral pledged to the Bank by the central organization at the time of loan disbursement.
 - 50 percent of the face value of eligible private debt pledged to the central organization by member financial institutions based on 1. (1)
 - The sum of the amounts outstanding of loans prescribed in paragraph 8. (2) (a) of the Principal Terms and Conditions and the amounts outstanding of loans prescribed in paragraph 8. (2) (b) of the Principal Terms and Conditions, both of which were reported by the institutions to their central organizations based on 1. (2)
- Each central organization of financial cooperatives shall disburse loans with funds provided by the Bank under the special rules to the member financial institutions that have carried out either 1.(1) or (2). The amount of loans shall be in accordance with the requests of these institutions within the sum of 2. (1) and (2) of each institution. The duration, the interest rates, and other conditions of the loans disbursed to member financial institutions shall be equivalent to those of the loans provided by the Bank to central organizations of financial cooperatives.
- Central organizations of financial cooperatives shall ensure adequate credit risk management to the member financial institutions that wish to receive loans under the special rules, and implement necessary measures to conduct lending under these special rules in an appropriate manner.
- The Bank can implement necessary measures, such as suspension of loan disbursements under the special rules, to central organizations of financial cooperatives and member financial institutions in case they are inconsistent with the special rules.

Supplementary Provision

The special rules shall become effective on the date determined by the Governor and shall be valid through March 31, 2022.

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