

Comment Received in Public Consultation for  
 “Proposed Policy on Treatment of Revisions to JBA TIBOR Official Rates, etc.”

1. Comment received in the public consultation

- The following table describes the overview of the comment received in the public consultation for “Proposed Policy on Treatment of Revisions to JBA TIBOR Official Rates, etc.” published on February 24, 2017 (the deadline of comment was March 28, 2017) and JBATA’s response to the comment.
- We received one comment by the deadline. We would like to take this opportunity to express our gratitude to your cooperation.

Overview of the comment received	JBATA’s response
<ul style="list-style-type: none"> <li>○ A final settlement price of a financial future transaction determined based on published JBA TIBOR needs to be reported by around 2:00 p.m. from the exchange. If JBA TIBOR official rates were revised after 2:00 p.m., it would be extremely difficult to change the final settlement price following the revision. Therefore, we request to set the deadline of revision by 2:00 p.m.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Our policy on revisions to JBA TIBOR official rates sets forth as follows: JBATA shall, in principle, not revise any official rates after publication. However, when there is a significant impact on the level of official rates, official rates, etc. may be revised.</li> <li>➤ As this comment relates to exceptional treatment of making a revision, we decided to clarify and announce the criteria for revising JBA TIBOR official rates, etc. This will ensure transparency of the JBA TIBOR publication process and increase predictability of users of TIBOR on revisions to JBA TIBOR official rates, etc.</li> <li>➤ Specifically, the following three points are clarified:               <ul style="list-style-type: none"> <li>(i) Threshold for determining “a significant impact”</li> <li>(ii) Deadline for a revision</li> <li>(iii) Nature of revised official rates, etc.</li> </ul> </li> </ul> <p>※ See “2.” For details.</p>

2. Clarification based on the result of public consultation

Based on “1.” above, “Policy on Treatment of Revisions to JBA TIBOR Official Rates, etc.” will be further clarified as specified in the table below.

Clarification based on the comment received in the public consultation	Proposed treatment in the public consultation	Note
<p>4. Treatment of revisions to official rates, etc.</p> <p>(1) Principal treatment (omitted)</p> <p>(2) Exceptional treatment Notwithstanding the preceding paragraph, when there is a significant impact on the level of official rates (<u>The threshold is set at 3bp (0.03%). The level of this threshold is reviewed as appropriate, and if any change will be made, the change will be notified beforehand over a certain period.</u>) (※1) as a result of inappropriate calculation identified by 1:30 p.m. of the day (※2), official rates, etc. may be revised based on the determination of the Board of Directors, after discussions of whether to revise official rates, etc. at the JBA TIBOR Administration Committee.</p> <p>If JBATA revised official rates, etc., JBATA shall announce this on its website <u>by no later than 2:00 pm of the day (※ 2)</u> and distribute revised rates to the information providers through</p>	<p>4. Treatment of revisions to official rates, etc.</p> <p>(1) Principal treatment (omitted)</p> <p>(3) Exceptional treatment Notwithstanding the preceding paragraph, when there is a significant impact on the level of official rates as a result of inappropriate calculation of <u>reference rates by a reference bank (※4)</u>, official rates, etc. may be revised based on the determination of the Board of Directors, after discussions of whether to revise official rates, etc. at the JBA TIBOR Administration Committee.</p> <p>If JBATA revised official rates, etc., JBATA shall <u>immediately</u> announce this on its website, and distribute revised rates to the information providers through the service providers.</p>	<p>※ 1 Specify that the threshold for determining “significant impact on the level” is 3 bp (0.03%)</p> <p>※ 2 Specify that if inappropriate calculation is identified by 1:30 p.m. of the day, this shall be published by no later than 2:00 p.m. of the day.</p> <p>※ 3 Clarify that the revised official rate, etc. is the rate as of 11:00 am which is one of the elements of definitions of JBA TIBOR.</p> <p>※ 4 (Deleted the unnecessary description)</p>

<p>the service providers. <u>In such a case, the revision is deemed to be made to official rates, etc. as of 11:00 a.m. of the day. (※3)</u></p>		
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1. The table above only shows the extract of those requirements being changed for further clarification. (There is no other change.)
  2. If financial environment will be changed, the threshold will be reviewed accordingly, and a revised threshold will be announced to disseminate this in advance.