

Policy on Treatment of Revisions to JBA TIBOR Official Rates, etc.

(Established on May 31, 2017)

1. Objective

The Policy on Treatment of Revisions to JBA TIBOR Official Rates, etc. (the “Policy”) sets out the policy on how to treat revisions to JBA TIBOR official rates under Article 18 of the JBA TIBOR Operational Rules.

2. Definition

The definition of terms shall be those defined in the JBA TIBOR Operational Rules except for those defined below:

(1) Inappropriate calculation

Inappropriate calculation refers to the calculation of official or reference rates by JBATA or reference banks using manners or procedures which are inconsistent with those set out in the JBA TIBOR Operational Rules and/or JBA TIBOR Code of Conduct as well as those set out in internal rules established by reference banks based on the JBA TIBOR Code of Conduct. Inappropriate calculation excludes situations which could not be recognized when calculating official or reference rates.

3. Reporting on inappropriate calculation of reference rates

If a reference bank has identified inappropriate calculation of its reference rate, it shall immediately report to JBATA the reason why inappropriate calculation has occurred and original reference rates and revised reference rates using the format separately established by JBATA.

4. Treatment of revisions to official rates, etc.

(1) Principal treatment

① Treatment of official rates, etc.

JBATA shall not revise any official rates after publication.

② Treatment of reference rates

JBATA shall not revise any reference rates after publication of official rates.

(2) Exceptional treatment

Notwithstanding the preceding paragraph, when there is a significant impact on the level of official rates (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.) as a result of inappropriate calculation identified by 1:30 p.m. of the day, 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.

If JBATA revised official rates, etc., JBATA shall announce this on its website by no later than 2:00 pm of the day and distribute revised rates to the information providers through the service providers. In such a case, the revision is deemed to be made to official rates, etc. as of 11:00 a.m. of the day.

5. Ensuring transparency

JBATA shall announce on a quarterly basis whether there is any inappropriate calculation of official rates, etc.

6. Revision

A revision to the Policy shall be considered at the JBA TIBOR Administration Committee and determined by the Board of Directors.

In revising the Policy, the revision shall be reported to the JBA TIBOR Oversight Committee before submitting to the Board of Directors for its approval.

(Supplementary provisions)

1. Effective date

The Policy shall be effective from July 24, 2017.