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Revised on January 1, 2025

## **JBA TIBOR Code of Conduct**

JBA TIBOR Administration

### **(Introduction)**

In connection with the calculation and publication of financial benchmarks (collectively, “JBA TIBOR” (Tokyo Interbank Offered Rate)), the General Incorporated Association JBA TIBOR Administration (“JBATA”) hereby establishes the Code of Conduct (including Attachment 1 and 2). This Code of Conduct sets forth the rules that reference banks should abide by in submitting rates, and thereby aims to ensure compliance with the International Organization of Securities Commissions (“IOSCO”)’s Principles for Financial Benchmarks and to gain trust from markets and users.

Reference banks shall observe the Code of Conduct as well as other applicable laws and regulations in submitting rates subject to the definition of JBA TIBOR (i.e. The definition of benchmarks defined in Article 4 of the JBA TIBOR Operational Rules which shall also apply hereinafter).

### **1. Definitions**

Terms used in the Code of Conduct are defined in accordance with Article 4 of the JBA TIBOR Operational Rules. The details are as follows.

#### **(1) Japanese Yen TIBOR**

The Japanese Yen TIBOR, one of the JBA TIBOR, is the respective averages of interest rates for five tenors (i.e. 1 week, 1 month, 3 months, 6 months and 12 months)<sup>1</sup> provided by reference banks to JBATA in accordance with the procedures set out in Attachment 1 as required by the Code of Conduct. In calculating the

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<sup>1</sup> The rates which reference banks deem as prevailing market rates, assuming transactions between prime banks on the underlying market (Japan unsecured call market) as of 11:00 a.m. The rates are quoted on a 365-day basis, with a spot start, are in increments of 1/100% (1 basis point).

Japanese Yen TIBOR, for each tenor JBATA excludes the two highest and two lowest rates provided by reference banks and averages the remaining rates (rounded to the fifth decimal place).

In cases where certain reference banks fail to provide their rates for some reason, the foregoing process is followed to derive Japanese Yen TIBOR for each tenor based on the rates provided by other banks.

**(2) Prime Bank**

The term “prime bank” shall represent a bank which is financially resilient (e.g. a bank having adequate capital and sufficient liquid assets) and is an active participant in the underlying market.

**(3) Reference Bank**

The term “reference bank” shall represent a bank or financial institution selected by JBATA, in accordance with the procedures set out in Article 35 of the JBA TIBOR Operational Rules (the procedures set out in Attachment 2 of the Code of Conduct), to provide JBATA submission rates for JBATA to calculate and publish JBA TIBOR.

**(4) Submission rate**

The term “submission rate” shall represent a rate provided by reference banks to JBATA with the procedures set out in Article 14 of the JBA TIBOR Operational Rules.

**(5) Official rate**

The term “official rate” shall represent a rate calculated based on submission rates and published by the information providers pursuant to Articles 14 to 17 of the JBA TIBOR Operational Rules. The “official rate” and the “submission rate,” which is defined in item (4) described above, shall be collectively referred to as the “official rates, etc.”

**(6) Service provider**

The term “service provider” shall represent a company to which JBATA outsources the JBA TIBOR calculation and other relevant operations pursuant to Articles 13 and 43 of the JBA TIBOR Operational Rules.

**(7) Information provider**

The term “information provider” shall represent a company, which is selected by JBATA pursuant to Article 45 of the JBA TIBOR Operational Rules, to publish official rates, etc. sent directly by the service provider through online services or

other similar means.

## 2. Rules to be Complied with by Reference Banks

Reference banks shall comply with the following rules pertaining to the submission of rates for JBA TIBOR purposes. Except for the rules related to obligations for notification or reporting to JBATA, paragraphs (2) to (10) set out guidelines on standard processes which are recommended to be put in place by reference banks. Reference banks shall give due regard to these guidelines and put in place processes and controls which will ensure appropriate and sound rate submissions.

### (1) Submission of Rates Based on the Definition

- ① Subject to the definition set out in Section 1, reference banks shall provide submission rates to JBATA on a daily basis for all tenors to be published.
- ② In order to submit the rates subject to the definition, reference banks shall determine submission rates by referring to data in the order of the priority set out below. If the preferred data cannot be observed, data in the next rank shall be referred to.

The waterfall methodology for referring to data in the same rank is as set out in Appendix.

Priority of Japanese Yen TIBOR (See Appendix for details)

- (a) Data in the observable unsecured call market
- (b) Data in the observable Japan Offshore Market and Interbank Negotiable Certificate of Deposit (“NCD”) market
- (c) Data in the observable NCD market (other than the Interbank NCD market), large term deposits, short-term government bonds market, GC repos market and Overnight Index Swap (“OIS”) market
- (d) Expert Judgment

### Appendix: Waterfall methodology for Japanese Yen TIBOR

1st Level: Use data in the observable unsecured call market.		
1-1	Actual unsecured call transactions	• Rates in observable actual transactional data are referenced. (Notes 1-3) (The weighted average of the transaction value of such rates are used to arrive at a submission rate.)
1-2	Committed quotes of unsecured call transactions	• Rates relating to offered rates of committed quotes presented by brokers based on which transactions are committed to be executed are referenced. (Note 4) (The weighted average of those offered rates are used to arrive at a submission rate.)
1-3	Indicative quotes of unsecured call transactions	• A change from the previous business day in the mean rate of quotes presented by brokers is referenced. (Note 5) (A change from the previous day in the mean rate of

		quotes is added/deducted to/from the submission rate submitted on the previous day to arrive at the submission rate of the day.)
1-4 (1)	Linear interpolation	- If a submission rate of an adjacent tenor is calculated in line with the sub-tier [1-1], the linear interpolation method is applied to arrive at a submission rate. (Note 6)
1-4 (2)	Retroactive use of actual transactions data	- Go back one business day at a time up to three business days, and if a submission rate is calculated in line with the sub- tier [1-1] in a business day, that submission rate is determined as a reference rate of the day. (Note 7)
1-4 (3)	Linear interpolation based on retroactively-used actual transactions Data	- If a submission rate of an adjacent tenor is calculated in line with the sub-tier [1-1] or [1-4(2)], the linear interpolation method is applied to arrive at a submission rate. (Note 6)
2nd Level: Use data in the observable Japan Offshore Market and Interbank NCD market.		
2-1	Data in the Japan Offshore Market, Data in the Interbank NCD market	- The treatment under the sub-tiers from [1-1] to [1-4(3)] is applied in this order to actual transactions, etc. to arrive at a submission rate (Notes 1-10)
3rd Level: Use data in the observable NCD market (other than the Interbank NCD market), large term deposits, short-term government bonds market, GC repos market and OIS market.		
	Data in the NCD market (other than the Interbank NCD market), Large Term Deposits, short-term government bonds market, general collateral (“GC”) repos market and OIS market	<ul style="list-style-type: none"> <li>- With respect to the following data, reference a change from the previous business day. (Notes 11 and 12) (Changes from the previous business day in the following data ① to ⑤ are added to or deducted from the submission rate submitted on the previous day in accordance with the method predetermined by JBATA to arrive at a submission rate of the day.)</li> <li>① Actual transactions in the NCD market (other than the Interbank NCD market)</li> <li>② Actual transactions in large term deposits</li> <li>③ Quotes in the short-term government bonds market</li> <li>④ Quotes in the GC repos market</li> <li>⑤ Quotes in the OIS market</li> </ul>
4th Level: Expert judgment		
	- A rate is submitted based on expert judgment by a Person Responsible for Rate Submission and Staff Performing Rate Submission Tasks at reference banks.	

Notes:

1. The actual transactional data is limited to those transactions executed in the past 24 hours (from 11:00 a.m. on the previous business day to 11:00 a.m. today). Generally, only actual transaction data exceeding the minimum amount of 1 billion yen shall be collected and a weighted average of these transactions will then be calculated. However, JBATA may apply special rules regarding the start and end times of the 24-hour period and the minimum transaction amount may be applied.
2. The scope of the weighted average calculation shall be data of actual funding transactions in which both the financing and funding sides are a prime bank. Where data includes actual funding transactions in which the prime bank is at the funding side and the non-prime bank is at the investing side, such data shall be included in the scope of weighted average provided that the investing side is a depository institution.
3. Regardless of Notes 1 and 2 above, in the case that a condition separately established by JBATA is met (e.g. a change in the level of policy interest rate), data of actual transactions executed at and before the point of time in which such condition is met shall be excluded from the scope of weighted average.
4. From the Committed Quotes observed between 10:30 a.m. and 11:00 a.m. on that day, only those committed quotes that can be confirmed with a *Tanshi* (broker), that can be recorded, and that have a standard tradable amount are to be included. If multiple Committed Quotes are observed, the weighted average shall be calculated using the maximum transaction amount to determine the submission rate.
5. Information screens of *Tanshi* (broker) to be referenced shall be notified to JBATA in advance. However, where information screens are pre-notified to JBATA, reference shall be made only to those satisfying the criteria for assessing the effectiveness separately established by JBATA.
6. As an exception to an adjacent tenor, linear interpolation for 1 week rates is carried out using the weighted average of actual transactional data related to over- night transactions and the submission rate of 1 month. With respect to a 12 month rate, a change in the 6 month reference rate from the previous business day is added to or deducted from the 12 month rate.
7. If a condition separately established by JBATA is met (e.g. a change in the level of policy interest rate), data shall not be back dated to the business day on which such a condition is met (or earlier) even if transactions are executed within the business days separately set forth by JBATA.
8. The scope of actual transactional data in the Japan Offshore Market shall be limited to data that includes funding transactions in which either the funding or investing side is a Tokyo operation of a financial institution which has a Special

International Financial Transactions Account.

9. In [2-1], actual transactional data in the Japan Offshore Market is included in the same rank as actual transactional data in the Interbank NCD market. If multiple sets of actual transaction data are observed, the weighted average of such data shall be calculated to determine the submission rate.
10. [1-2] and [1-3] shall not be used for data in the Interbank NCD market.
11. Apply Notes 1 and 3 in referencing data in the NCD market (other than the Interbank NCD market) and actual transactional data of large term deposits.
12. JBATA shall determine the weight for respective related market transactions set forth in ① to ⑤. The submission rate shall be calculated based on such weighting.

## **(2) Processes and Frameworks for Appropriate Rate Submission**

Reference banks shall put in place the processes set forth below to ensure the appropriateness and accuracy of daily rate submissions.

① Notification to JBATA regarding the Department Responsible for Rate Submission, Person Responsible for Rate Submission and Staff Performing Rate Submission Tasks

i) Reference banks shall identify the department responsible for rate submissions, the person(s) assuming responsibility for rate submissions (“Person Responsible for Rate Submission”) and staff member(s) performing tasks related to rate submissions (“Staff Performing Rate Submission Tasks”); and shall notify such information to JBATA in the form separately designated by JBATA when they are selected as a reference bank and immediately after any change in such information occurs.

ii) The Person Responsible for Rate Submission shall be the personnel in a managerial position who take(s) responsibility for the reference bank’s rate submissions, and who is(are) deemed by the reference bank as having sufficient experience and capability in relation to transactions in the money market or other related markets. The Staff Performing Rate Submission Tasks shall be the person(s) who is(are) deemed by the reference bank as being capable of appropriately performing tasks related to rate submissions under the supervision of the Person Responsible for Rate Submission.

iii) In the event that the Person Responsible for Rate Submission or Staff Performing Rate Submission Tasks is temporarily unavailable, or in the event of an emergency or other similar situation; reference banks may appoint another person(s) to substitute for the registered Person Responsible for Rate Submission and the registered Staff Performing Rate Submission Tasks and to undertake rate

submission tasks. In such cases, the substitute person(s) shall comply with all provisions under the Code of Conduct pertaining to the Person Responsible for Rate Submission or Staff Performing Rate Submission Tasks; and the reference bank shall notify JBATA, either beforehand or as soon as the event occurs, about the substitutes, the date of substitution and other relevant information by using the form separately designated by JBATA.

iv) Reference banks shall retain the information notified to JBATA at least for five years.

② Establishment of Checking Processes and controls for Submission Rates

i) Reference banks shall put in place checking processes to ensure that submission rates are checked by multiple persons through examination, validation and other means; for example, by persons other than the staff directly involved in rate submission tasks.

ii) Reference banks shall put in place processes to monitor for any suspicious submission rate, and to report immediately to JBATA if any are recognized. This monitoring process includes the reference bank's internal audit or internal management functions appropriately extracting samples of submission rates and then taking action based on the inspection results.

③ Establishment of Processes to Appropriately Address Inquiries/Complaints/

Requests for Actions concerning Submission Rates

Reference banks shall put in place processes to appropriately respond when they receive any inquiry, complaint and request for action regarding submission rates from JBATA or relevant authorities. Reference banks shall retain the related information, such as inquiries and complaints regarding submission rates, and the record of their responses to them at least for five years.

**(3) Processes and Frameworks for Management of Conflicts of Interest in relation to Rate Submission**

① Reference banks shall put in place processes to appropriately manage conflicts of interest that arise in relation to rate submissions.

These processes should include involvement of the compliance function and other relevant functions as well as regular assessment by the internal audit function to check whether conflicts of interest are appropriately managed.

② The conflicts of interest mentioned in point ① regarding rate submission refer to the conflicts between the requirement to submit rates appropriately, as defined by the JBA TIBOR Code of Conduct, and the benefits (including non-financial benefits) of individual reference banks.

③ Among the transactions and business activities that may give rise to conflicts of interest, those considered to have particularly high risk of manipulation of rates

include, among other things, trading activities; for example, proprietary trading involving financial instruments which refer to JBA TIBOR, excluding transactions executed based on ALM policies or other predetermined guidelines. Regarding this business activity, reference banks should put in place processes to manage conflicts of interest at each reference bank commensurate with the degree of manipulation risk; for example, the following:

- i) In principle, it is prohibited for the Person Responsible for Rate Submission/Staff Performing Rate Submission Tasks to also be the person responsible for/staff performing the operation of trading activities related to financial instruments referencing JBA TIBOR. However, if there is any unavoidable reason for a concurrent appointment, such as the organizational structure of the reference bank does not allow for this or if the reference bank does not have a specified trading account, this is permitted provided that the reference bank puts in place appropriate internal validation processes, controls, etc. In this case, the reference bank shall notify JBATA and obtain confirmation from JBATA, either beforehand or as soon as the concurrent positions arise, the existence of the concurrent appointment and the appropriate internal validation processes that had been put in place.
- ii) The exchange of information, coordinating rate submissions or sharing the content of submissions between the Person Responsible for Rate Submission/Staff Performing Rate Submission Tasks and the person responsible for/staff performing the operations of trading activities related to financial instruments referencing JBA TIBOR shall be prohibited, unless there is a reasonable reason to do so.
- iii) Measures should be taken to enforce segregation between the Person Responsible for Rate Submission/Staff Performing Rate Submission Tasks and the person responsible for/staff performing the operations of trading activities related to financial instruments referencing JBA TIBOR, to the extent deemed as appropriate for the purpose of appropriate rate submissions. These measures may include, but are not limited to, considering the office seating arrangements, reporting lines and system access controls.
- iv) Consideration should be given to ensure that remuneration arrangements for the Person Responsible for Rate Submission or Staff Performing Rate Submission Tasks does not give rise to incentives for rate manipulation.

Further, reference banks could establish processes to identify other transactions and business activities that may cause conflicts of interest and to manage such conflicts of interest, depending on the level of risk that rate manipulation may occur.

- ④ Reference banks shall retain documents which record conflicts of interest issues relating to rate submissions, if any, for at least five years. This may include,



but is not limited to, materials used to consider the establishment of processes, materials recording individual cases and reporting materials to the management.

- ⑤ Reference banks shall retain information on exposures related to instruments which refer to JBA TIBOR for at least five years.
- ⑥ The information referenced in item ⑤ above shall be retained on an aggregate basis and also on trader-by-trader or desk-by-desk basis, considering the business and management structure at each reference bank.

#### **(4) Prohibition of Information Sharing, Coordination and Similar Behaviors regarding Rate Submission**

- ① A reference bank's Person Responsible for Rate Submission and Staff Performing Rate Submission Tasks shall not share information of the content of submissions or coordinate rate submissions with persons outside the bank including other reference banks as well as persons inside the bank other than the Person Responsible for Rate Submission and Staff Performing Rate Submission Tasks, unless there is a reasonable reason to do so.
- ② The person responsible for and the staff performing the operations of trading activities related to financial instruments referencing JBA TIBOR at a reference bank, shall not reach out to the Person Responsible for Rate Submission or Staff Performing Rate Submission Tasks, whether such persons are within the bank or belong to other reference banks, for inappropriate determination of rates; and are strictly prohibited from performing any other similar behavior.
- ③ Reference banks shall put in place a process to make sure that the flow of information related to rate submissions within the bank and between other banks is controlled, and other processes necessary to ensure the effectiveness of ① and ② above.

#### **(5) Processes to Enable Post-Submission Explanations for the Basis for Rate Submission**

- ① Reference banks shall put in place processes that enable post-submission explanations about the basis for rate submissions.
- ② The processes to be established under item ① above include the following:
  - i) To have in place documents detailing the determination of submission rates. Such documents are required to provide information as to who were involved in submission processes and descriptions that identify the basis for submission rate determination.
  - ii) To retain data and other information used in determining submission rates.
- ③ The retention period for the information that is required to be retained under item ② above, shall be at least five years.
- ④ Reference banks shall disclose to JBATA and relevant authorities the

information that is required to be retained, if they request to do so.

**(6) Retention of Communication Records regarding Rate Submission**

- ① Reference banks shall retain communication records (e.g. e-mail, messages or chat using information vendors and phone calls) regarding rate submissions of the Person Responsible for Rate Submission and Staff Performing Rate Submission Tasks, in an appropriate manner.
- ② The retention period for the records under item ① above, shall be five years in principle.

**(7) Implementation of Audits**

- ① Reference banks shall conduct an internal audit on their compliance with the Code of Conduct or other applicable rules regarding rate submissions, in principle once a year.
- ② Reference banks shall report the results of internal audits to JBATA in the form separately designated by JBATA.
- ③ In addition to internal audits, reference banks shall obtain an external audit on their implementation of rate submissions in compliance with the Code of Conduct, in principle once a year. Where an external audit is conducted, reference banks shall report its results to JBATA in the form separately designated by JBATA.
- ④ Reference banks shall retain the results of internal and external audits for at least five years after audits are conducted.

**(8) Processes for Reporting to JBATA if a Problem Occurs**

- ① If reference banks recognize violations of the Code of Conduct or other similar incidents in connection with the rate submissions to JBATA, they shall report such incidents to JBATA immediately.
- ② Reference banks shall establish processes for immediate reporting to their compliance, audit functions, and management upon recognizing violations of the Code of Conduct or other similar incidents. These processes should include internal whistle-blowing processes. Reference banks should ensure proper protection for whistle-blowers, ensuring they are fairly treated when they establish their internal whistle-blowing systems.

**(9) In-house Training**

- ① Reference banks shall conduct in-house training in line with the Code of Conduct at least annually, targeting the Person Responsible for Rate Submission and Staff Performing Rate Submission Tasks. They should retain the results for at least five years after the completion of such training.

② Reference banks shall report the result of the above in-house training to JBATA in the form separately designated by JBATA.

③ In addition to the above in-house training, reference banks shall provide training to the personnel who are involved in financial instruments transactions which refer to JBA TIBOR. This includes those responsible for and those performing relevant tasks in the department dealing in JBA TIBOR related financial instruments and the department engaging in trading activities. The training shall provide participating personnel with a thorough understanding of the Code of Conduct commensurate with the scope and extent of their roles, and shall be conducted at least on an annual basis. The results of this training shall be retained at least for five years after the completion of such training.

When appointing a new Person Responsible for Rate Submission and Staff Performing Rate Submission Tasks, the training shall be provided to them before or immediately after the appointment.

#### **(10) Cooperation for the Review of the JBA TIBOR Workflow Resulting from a Change of the Service Provider**

If JBATA changes the service provider responsible for calculating and publishing JBA TIBOR, reference banks shall participate in the consultation with JBATA to review the JBA TIBOR workflow and other matters arising from such changes.

#### **(11) Cooperation for JBATA's Inquiries/Inspections regarding Rate Submissions**

① Reference banks shall respond in good faith to inquiries about daily rate submissions from JBATA or relevant authorities, and shall cooperate and respond to their requests, if any, to submit documents, data and other related materials set out in paragraph (5) of Section 2.

② Reference banks shall cooperate and respond to requests for cooperation from JBATA and audit firms or other firms concluding an outsourcing agreement with JBATA regarding assessments and inspections on the compliance with the Code of Conduct.

③ Reference banks shall retain the records of communication with JBATA and the other firms at least for five years with related to above ① and ②.

#### **(12) Assessment of Compliance with the Code of Conduct**

JBATA shall assess reference banks' compliance with the Code of Conduct on an annual basis and whenever the Code of Conduct is amended; and reference banks shall comply. The annual assessment pertaining to reference banks' compliance with the Code of Conduct shall be performed at the same time as JBATA performs the annual

selection of reference banks.

### **(13) Establishment of Internal Rules**

- ① Reference banks shall establish internal rules including those pertaining to the matters set out in paragraph (1) to (12) described above of this section.
- ② Reference banks shall submit its internal rules to JBATA when they are selected as a reference bank and shall immediately submit amended rules to JBATA whenever an amendment is made to such rules.
- ③ The internal rules, including information related to the process of their amendment, shall be retained for at least five years. The same shall apply when a bank ceases to be a reference bank.

### **3. Revision and Termination of the Code of Conduct**

The revision and termination of the Code of Conduct shall be executed by the decision of Board of Directors at JBATA. In revising the Code of Conduct, JBATA shall set a sufficient transition period or take other measures so that reference banks have enough time to prepare for the change in the process.

### **4. Others**

- (1) Reference banks shall also be mindful and comply with “Contingency Plan for JBA TIBOR Publication” designated separately by JBATA as they comply with this Code of Conduct.
- (2) Reference banks and market participants must comply the Code of Conduct and exercise caution in handling the JBA TIBOR so that they will avoid engaging in activities that would constitute a violation of the Antimonopoly Law.

## **Supplement**

### **1. Effective Date**

This Code of Conduct will be in effective April 1, 2014. It is permitted that (3)-⑤, (3)-⑥, (6), and the external audit requirement described in (7) will be effective one year after the initial implementation of the Code of Conduct.

### **2. Transition**

For the purpose of the application of paragraphs (1) and (2) of Section 1 with respect to JBA TIBOR to be published until March 31, 2015, “interest rate for 6 tenors (i.e. 1 week, 1 month, 2 months, 3 months, 6 months and 12 months)” in the said paragraphs shall be read as “interest rates for 13 tenors (1week, 1 month, 2 months, 3 months, 4 months, 5 months, 6 months, 7 months, 8 months, 9 months, 10 months, 11 months and 12months)”.

### **3. Interim Measure for revision as of February 20, 2017 (1)**

For the purpose of the application of revised JBA TIBOR Code of Conduct as of February 20, 2017, paragraphs (1) and (2) of Section 1 with respect to JBA TIBOR to be published until March 31, 2019, “interest rate for 5 tenors (i.e. 1 week, 1 month, 3 months, 6 months and 12 months)” in the said paragraphs shall be read as “interest rates for 6 tenors (1week, 1 month, 2 months, 3 months, 6 months and 12months)”.

### **4. Interim Measure for revision as of February 20, 2017 (2)**

For the purpose of the application of revised JBA Code of Conduct as of February 20, 2017, [Workflow for Publication of Official Rates] of Attachment 1 with respects to JBA TIBOR to be published until March 31, 2019, “Official Rate” in the said paragraph shall be read “Official Rates, etc.”

(This English translation is provided exclusively as a convenience. Any questions that may arise in interpretation of words and provisions of these rules shall be interpreted in accordance with the Japanese original.)

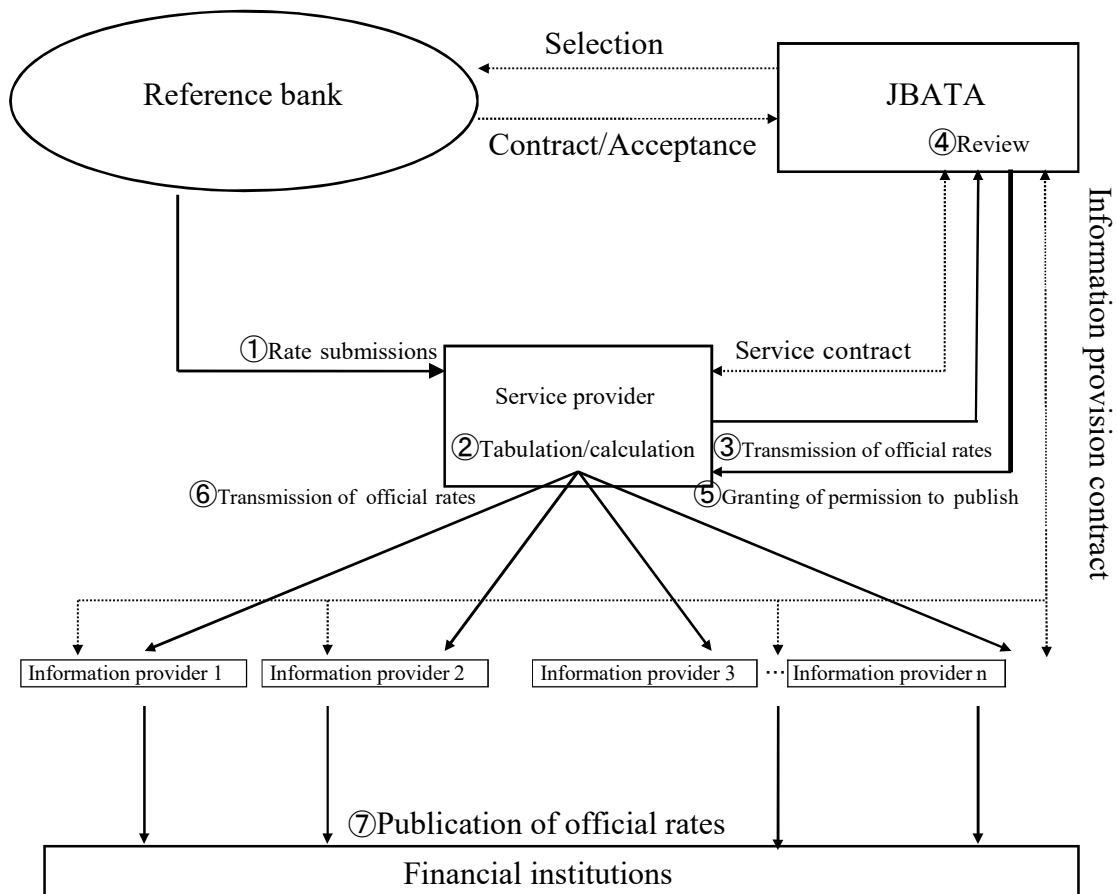
## **(Attachment 1) Rate Submission Procedures**

### **[Workflow for Publication of Official Rates]**

The following outlines the workflow for the tabulation, calculation and publication of the JBA TIBOR. (See the diagram below.)

- (1) Reference banks quote rates as of 11:00 a.m. and provide such rates to the service provider by inputting information into terminals (①) (input deadline: 12:20 p.m.). Reference banks are responsible for checking and verifying the rates they input. (See Table 1 for an image of the input screen.)
- (2) The service provider tabulates the submission rates and calculates the official rates (②).
- (3) The service provider immediately transmits its calculation results to JBATA over its transmission system (③).
- (4) JBATA reviews calculation results (④), and grants the service provider permission to publish the official rates, etc. (⑤).
- (5) Upon receiving permission, the service provider transmits the official rate. to information providers by 1:00.p.m (⑥).
- (6) Information providers immediately publish the official rate. (⑦). (See Table 2 for an image of the list of official rates.)
- (7) In principle, the official rates, etc. are not revised after 12:20 p.m. However, should there be need to revise submission rates after 12:20 p.m., revisions shall be made before 12:35 on the same day upon consultation with JBATA.

[Diagram: workflow for publication of official rates]



Note: An automated input/output processing system has been constructed between JBATA and the service provider, as well as between the reference banks and the service provider. An automated transmission system using FTP has additionally been constructed between the service provider and the information providers. Faxes and other alternative methods are used during system failures and similar disruptions.

**Table 1: Input Screen of Rates Quoted by Reference Banks (Image)**

全銀協TIBORリファレンスバンク用：A銀行(user\_id)
yyyy/mm/dd hh:mm

入力画面

日本円（12:20操作締切）

レート	承認	送信日付	VALUE DATE	1W	1M	3M	6M	12M
日本円		本日	yyyy/mm/dd	yyyy/mm/dd	<input type="text" value="XXX"/>	<input type="text" value="XXX"/>	<input type="text" value="XXX"/>	<input type="text" value="XXX"/>
	済	前日	yyyy/mm/dd hh:mm	yyyy/mm/dd	<input type="text" value="XXX"/>	<input type="text" value="XXX"/>	<input type="text" value="XXX"/>	<input type="text" value="XXX"/>

通常12:20以降、入力承認した値は確定され、修正できません。  
12:20以降の修正は事務代行会社(03-XXXX-XXXX)までご連絡下さい。

**Table 2: List of JBA TIBOR Rates (Image)**

### Official rate

TIBOR - 平均値 -	
全銀協日本円TIBOR 午前11時現在365日ベース/SPOT	
(mm/dd)	
1週間	X.XXXXX
1カ月	X.XXXXX
3カ月	X.XXXXX
6カ月	X.XXXXX
12カ月	X.XXXXX

### List of Submission rates by Reference Banks

全銀協日本円TIBOR - 呈示レート -									
(mm/dd)	A銀行	B銀行	C銀行	D銀行	E銀行	F銀行	G銀行	H銀行	I銀行
1W	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX
1M	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX
3M	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX
6M	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX
12M	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX	X.XX



## **(Attachment 2) Procedures for Reference Banks Selection**

### **1. Selection of Reference Banks**

- (1) In principle, JBATA selects reference banks and announces its result at the end of each fiscal year.
- (2) JBATA considers the following factors in selecting reference banks. JBATA also considers JBA TIBOR continuity and the diversification of the financial industry to which reference banks conducts for the selection. Furthermore, the JBATA also shall consider any issues arising from the location of a reference bank being in jurisdiction different to that of the JBATA.
  - ① Market trading volume (trading volume in the underlying market)
  - ② Yen asset balance
  - ③ Reputation
  - ④ Track record in providing rate submissions (This factor is not considered in the case of newly selected reference banks.)
  - ⑤ Degree to which the processes required to comply with the Code of Conduct has been established
- (3) Upon being selected as a reference bank, the reference bank shall conclude with/submit to JBATA a contract/acceptance letter by using the form separately designated by JBATA.
- (4) JBATA selects a sufficient number of reference banks for the stable operations of the JBA TIBOR publication. Whenever the JBATA recognizes the necessity, it selects new reference banks even during a fiscal year.
- (5) The minimum number of reference banks is eight. Should the number of reference banks temporarily decline below the floor—for example, because two reference banks merge—the JBA TIBOR is calculated by using the same method as described in Section 1 of the Code of Conduct based on submissions from the remaining reference banks only until additional reference banks are selected to satisfy the minimum number.
- (6) Unless otherwise instructed by JBATA, reference banks shall provide submission rates for all tenors subject to publication.

### **2. Resignation of Reference Banks**

- (1) In principle, reference banks may not resign their position as a reference bank during a fiscal year and shall perform their rate submission responsibilities on an ongoing basis.
- (2) Regardless of paragraph (1) above, if a reference bank needs to resign its reference bank designation for unavoidable reasons, it shall notify JBATA in

writing two months prior to the suspension of rate submissions.

- (3) JBATA shall announce on its website the offer of resignation as well as the (planned) date of resignation in principle within three business days, including the date of receipt, of receiving an offer of resignation in writing from the reference bank as per paragraph (2) above.

### **3. Revocation of the Reference Banks Selection**

- (1) JBATA may revoke a bank's reference bank selection if the bank meets any of the following conditions:
  - i) The bank is consistently late in providing rate submissions, frequently requires revision of its submissions or encounters other difficulties with regard to rate submissions that make its continued participation unsuitable for the smooth administration of the JBA TIBOR publication.
  - ii) The bank cannot take appropriate actions within a reasonable period in response to JBATA's request for improvement, if any issues are identified in the bank's compliance with the Code of Conduct.
  - iii) The bank is assessed as being no longer eligible for the reference bank selection in light of the criteria set out in paragraph (2) of Section 1 above due to changes in its business or for other reasons.
  - iv) The bank is assessed as being not suitable as a reference bank in light of its violation of laws, its receipt of administrative punishment, damage to its reputation or other incidents.
- (2) In the event that JBATA revokes the reference bank selection as per the preceding paragraph (1), JBATA shall announce this on its website or by other means.

**(Reference material) Notes Pertaining to the Antimonopoly Law**

**[Reference] Notes on Publication of the JBA Japanese Yen TIBOR by JBATA**

**1. Legal status of publication of Japanese Yen TIBOR under the Antimonopoly Law by JBATA**

- (1) An enterprise must not effect private monopolization or unreasonable restraint of trade ( § 3).

The term "unreasonable restraint of trade" means business activities, by which any enterprise mutually restricts or conducts their business activities, thereby causing, contrary to the public interest, a restraint of competition in any particular field of trade ( § 2(6)).

- (2) JBA or other "trade association(s)" is prohibited from substantially restraining competition in any particular field of trade and from unjustly restricting the functions or activities of the constituent enterprises (meaning an enterprise who is a member of the trade association) ( § 8(i) and § 8(iv)).

**2. Relevant actions that may violate the Antimonopoly Law**

- (1) In light of Section 1 above, financial institutions should be fully aware of actions, described in the following paragraph (2), that may violate the Antimonopoly Law in relation to the publication of the Japanese Yen TIBOR by JBATA.

Financial institutions should also understand that there may be cases other than those described in the following paragraph (2) in which mutual communication regarding interest rates or other trading conditions among financial institutions may violate the Antimonopoly Law.

- (2) Actions that may violate the Antimonopoly Law

- ① Advance exchange of information and coordination among reference banks on submitted rate levels to be furnished to the service provider.
- ② In the Japan unsecured call market, making a prior agreement among participants in the market to trade under certain rules based on the Japanese Yen TIBOR published by JBATA (e.g., at the TIBOR itself or at the TIBOR + X%) and conducting such trade following such agreement.
- ③ In markets other than the Japan unsecured call market, making an agreement, among financial institutions or by JBA and/or other trade association(s), to exclusively use the Japanese Yen TIBOR (i.e. not to use LIBOR or other interest rate indices) as the interest rate index (e.g. base rate for spread loans, floating side of interest rate swaps, etc.) in financial transactions (including deposits, loans and interest swaps).
- ④ Making a prior agreement among financial institutions or by JBA and/or other trade association(s) to use certain rules based on the Japanese Yen

TIBOR for the determination of interest rates (e.g. agreement to determine the Japanese Yen TIBOR flat as the minimum interest rate or to determine the Japanese Yen TIBOR + X% as the contract interest rate) for spread lending and determining interest rates under such rules.

- (3) Note that it does not constitute a violation of the Antimonopoly Law if individual financial institutions at their own discretion use the Japanese Yen TIBOR or the Japanese Yen TIBOR + X% as the trading interest rate for individual transactions (either on the interbank market or on other markets).