



SECURITIES INDUSTRY ADVISORY

Amendment to the Pool of Allowable Assets for Retail Repurchase Agreements

**The Financial Services Commission
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**FINANCIAL SERVICES COMMISSION
AMENDMENT TO THE POOL OF ALLOWABLE ASSETS FOR RETAIL REPURCHASE AGREEMENTS**

March 2020

Further to the Securities Industry Advisory: Amendment to the Pool of Allowable Assets for Retail Repurchase Agreements (**SR-ADVI-17/12-0009-1**) released in December 2017, the Financial Services Commission (FSC) wishes to further amend Part 2.02(b)(iii) to clarify the criteria for immobilized corporate bonds as it relates to the FSC's definition of regulated financial institutions .

Part 2.02(b)(iii) is now amended as follows:

Immobilized Securities will include:

(i) Securities issued and/or guaranteed by the GOJ, inclusive of central government, statutory bodies, companies owned or controlled by the GOJ and agencies of the GOJ;

(ii) Foreign currency denominated investment grade corporates in keeping with the foreign currency restriction outlined by section 22 of the BOJ Act and the BOJ (Dealings in Foreign Currency Instruments) (Eligible Securities Dealers) (Exemption) Orders; and

(iii) Local currency denominated corporate bonds with any of the following criteria:

- Listed corporate bond;
- Unlisted corporate bond which is fully secured by assets that fall within one or more of the following categories:
 - shares of a listed company;
 - real estate with registration of lien as first mortgage;
 - receivables;
 - cash and cash equivalents; or
 - GOJ and/or GOJ guaranteed securities
- Corporate bond issued and/or guaranteed by a company with an investment grade credit rating, listed company or a bank, insurance company, building society or securities dealer. In the case of a bank, insurance company, building society or securities dealer this is subject to such company being in good standing with the FSC and/or the BOJ.

The above amendment is effective March 10, 2020.

Kindly direct queries in writing to:

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