

SMI Markets: Japan

Date: 16 May 2014

CSDs: Bank of Japan (Japan)

## BOJ to Implement Phase II of BOJ-NET System

The Bank of Japan (BOJ) has announced that the phase II (the full launch) of the new BOJ-NET will be implemented on 13 Oct 2015. The alternative date is set for 24 Nov 2015 in case the initial target date cannot be met. The main changes under the phase II are summarised below:

- The operations of the BOJ-NET will start at 8.30am (local time) and 7.30am on the last business day of the month. The operating hours will also be extended until 7.00pm at the beginning of the full launch, followed by a further extension up to 9.00pm sometime after the full launch.
- BOJ plans to set core hours, all participants should remain connected during the core hours and be able to process JGS-related transactions during the period. The core hours for BOJ-NET JGB services are between 9.00am and 4.30pm, and 9.00am to 5.00pm for the BOJ-NET Funds Transfer Services.
- The two-day frozen period prior to the redemption and interest payment in the JGB book-entry system will be abolished.
- All BOJ-NET messages will be based on the Extensible Markup Language (XML), with selected types of messages that are ISO 20022 compliant, including:
  - Foreign Exchange Yen Clearing System;
  - Funds transfer services with the foreign central bank accounts;
  - JGB transfers (DVP);
  - JGB transfers (FOP).

The related BOJ announcement can be viewed here: [Implementation Date for Phase II of New BOJ-NET System](#) (in Japanese).

## Market Information Impact

### Japan

This information affects the data contained in the Settlement sections of the Securities Market Information Service.

## CSD Risk Impact

### Bank of Japan (Japan)

CSD Rating: AA-

CSD Flash Impact: Positive

Impacted Risk Type: Operational Risk

Current Rating = A

Flash Impact = Positive

The adoption of XML messaging compliant with ISO 20022 would enable market participants to use standardised messages and hence improve straight-through processing. The impact on Operational Risk is "Positive".

Related Flash: [BOJ to Extend BOJ-NET Operating Hours, 17/03/2014](#) (click to view)

## For further information contact:

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