

Further Strengthening of Cooperation with the Japan Finance Corporation, etc. (Request)

In response to sharp increases in consultations concerning financing received by the Japan Finance Corporation and the Okinawa Development Finance Corporation (hereinafter "Japan Finance Corporation, etc."), the Financial Services Agency issued the Notice dated March 24, 2020, Kinkantoku No. 709 "Cash Flow Support for Companies as Impact of COVID-19 (Novel Coronavirus) Outbreak Grows (Request)."

However, in light of the current situation of applications for loans filed with the Japan Finance Corporation, etc., further cooperation between the Japan Finance Corporation, etc. and private financial institutions is considered to be necessary in order to offer cash flow support more sufficiently.

Under such circumstances, the Small and Medium Enterprise Agency and the Ministry of Finance issued a notice dated April 21, 2020, requesting the Japan Finance Corporation, etc., as one of the support measures for companies in urgent need of working capital, to actively utilize bridge loans by private financial institutions until companies can receive loans from the Japan Finance Corporation, etc.^(Note)

The FSA also requests the following matters so that all financial institutions will endeavor to further strengthen mutual cooperation and offer sufficient support to companies. Please properly inform the members of your association.

(Note) Active utilization of bridge loans is requested when the following conditions are satisfied.

- (i) It can be known through hearing from both a private financial institution and a company that "the company planned to receive a loan in relation to the COVID-19 infection from the Japan Finance Corporation, etc., but received a loan from the private financial institution (the private financial institution provided a loan) while recognizing it as a bridge loan."
- (ii) The date of executing the loan received as mentioned in (i) above is on or after the day on which the business consultation service desks were established (January 29, 2020).

1. With regard to loans provided by private financial institutions as bridge loans until loans are provided by the Japan Finance Corporation, etc., when requests for refunding by the Japan Finance Corporation, etc. are filed both by companies and relevant private financial institutions, the Japan Finance Corporation, etc. will accept such requests to the extent possible. Based on this policy, private financial institutions are requested to provide bridge loans or otherwise proactively offer cash flow support for companies.

2. In order to facilitate the aforementioned efforts for cash flow support, private financial institutions are requested to closely cooperate with branches of the Japan Finance Corporation, etc. in respective areas in executing loans, while referring to past cooperative efforts between the Japan Finance Corporation, etc. and private financial institutions.