

Glossary

- Asian currency unit (ACU) — An offshore facility created by Singapore in 1968.
- Chukikokusai fund — A medium-term, government bond-based fund that offers a floating interest rate and is only slightly less liquid than a bank deposit.
- Dual currency-bond — A bond whose principal and sometimes interest may be payable in either of two currencies at the option of the holder.
- European currency unit (ECU) — A currency unit based on a basket of European currencies sponsored by the European Monetary Agreement and similar in function to SDRs.
- Euroyen bond — A yen-denominated bond issued outside the Japanese bond market by a resident or a non-resident.
- Gensaki* — Equivalent to U.S. repurchase agreement (“repo”) where the seller of a debt instrument (usually a Treasury bill) agrees to repurchase it at a fixed price at some future date.

- Impact loan** — An authorized foreign currency-loan to a Japanese firm.
- International bank facility (IBF)** — An offshore facility created by the United States in 1981.
- Kamikaze loan** — A loan on which there is little or no profit for the lender. Normally made to gain entry into a new market or client.
- Keiretsu** — A group of firms usually centred around a bank and characterized by a high degree of inter-corporate shareholding and inter-firm dealings.
- MITI** — Ministry of International Trade and Industry.
- MoF** — Ministry of Finance.
- Samurai bond** — A yen-denominated bond issued by a non-resident and sold in the Japanese market.
- Sogo bank** — Regional commercial bank.
- Swap transaction** — A technique whereby two parties agree to exchange two streams of interest payment. The two streams may be in the same currency but on different interest rate bases, in which case it is known as an interest rate swap, for example, one stream of fixed rate payment and one stream based on the London inter-bank offered rate (LIBOR). They may be both at fixed rates but on different currencies, which is then known as a currency swap. Or they also be in different currencies and different interest rate bases, in which case it is called a cross-currency interest rate swap. In interest rate swaps, the principal on which the streams of payment are based do not change hands although there may be an exchange of principal in currency swaps.
- Tokkin funds** — Trust funds managed by the trust banks, which exercise only administrative control but not portfolio management, which is done by a separate company, usually a securities firm.
- Zaibatsu** — Large family-controlled trading companies that dominated the Japanese industry before World War II.