

# STATES OF JERSEY



## **DRAFT PUBLIC FINANCES (TRANSITIONAL PROVISIONS) (No. 2) (AMENDMENT) (JERSEY) REGULATIONS 201-**

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**Lodged au Greffe on 23rd March 2010  
by the Minister for Treasury and Resources**

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**STATES GREFFE**





Jersey

## **DRAFT PUBLIC FINANCES (TRANSITIONAL PROVISIONS) (No. 2) (AMENDMENT) (JERSEY) REGULATIONS 201-**

### **REPORT**

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These Draft Regulations would establish a Common Investment Fund for the States of Jersey, allowing the pooling of States Funds for investment purposes. The aim of the States of Jersey – Common Investment Fund is to provide greater investment opportunities, economies of scale and minimise fees and costs.

The States of Jersey – Common Investment Fund will be an administrative arrangement, and not a separate fund, providing a simple cost-effective way of pooling funds for investment purposes.

#### **Operation of the States of Jersey – Common Investment Fund**

The following States Funds will be considered for inclusion in the States of Jersey – Common Investment Fund –

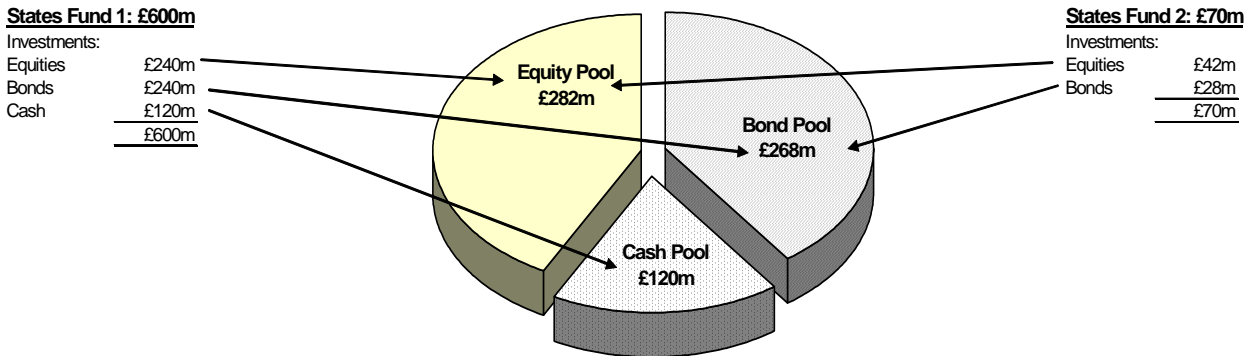
- Strategic Reserve Fund
- Stabilisation Fund
- Social Security (Reserve) Fund
- Health Insurance Fund
- Other Special Funds.

The Fund will not be marketed to any public organisations and will only be open to investment for States Funds.

Each participating fund will maintain its own investment strategy and will be able to invest in its chosen range of investments categories in line with their strategic aim and ranges. For example, the Strategic Reserve Fund could continue to invest in equities, bonds and cash by investing in the States of Jersey – Common Investment Fund. The diagram below shows how the individual States Funds will participate in the States of Jersey – Common Investment Fund, for illustrative purposes only.

**States of Jersey -  
Common Investment Fund**

Fund Value £670m



e.g. States Fund 1 owns 85% (£240 million) of the equity portfolio with a value of £282 million.

### Regulations

The Minister for Treasury and Resources proposes the following amendments to the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations 2005 under Article 6(2) of the Public Finances (Jersey) Law 2005 –

- *Deletion of Regulation 2(3)* – This Regulation states that the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations 2005 does not apply to the investment of monies owned or controlled by the States invested in any other manner prescribed by the Public Finances Law and other enactments. Deletion of this Regulation provides States Funds the opportunity to invest in the Common Investment Fund.
- *New Regulation 2A* – allows the pooling of States Funds monies for investment purposes taking into account any Trust deeds, instruments or legislation governing the Funds. The name of the pooled fund shall be known as the “States of Jersey – Common Investment Fund”.

Further law changes may be required and will be dependent on the Laws for each of the participating funds.

### Financial and manpower implications

The costs associated with the implementation and operation of the States of Jersey – Common Investment Fund will be met from existing budgets and the relevant funds.

## Explanatory Note

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These Regulations amend the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations 2005 to make it clear that public monies may be pooled for investment purposes.

*Deletion of Regulation 2(3)* – This Regulation presently provides that *Chapter 2 – Investment of money owned or controlled by the States* of the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations 2005 does not apply to the investment of public money invested in a manner prescribed by any other enactment. Deletion of this Regulation would permit all public money to be invested via the Common Investment Fund.

*New Regulation 2A* – allows the pooling of public money for investment purposes taking into account any trust, instrument or enactment that may relate to the money. The name of the pooled fund would be known as the “States of Jersey – Common Investment Fund”.





Jersey

## **DRAFT PUBLIC FINANCES (TRANSITIONAL PROVISIONS) (No. 2) (AMENDMENT) (JERSEY) REGULATIONS 201-**

*Made* [date to be inserted]

*Coming into force* [date to be inserted]

**THE STATES**, in pursuance of Article 6(2) of the Public Finances (Jersey) Law 2005<sup>1</sup>, have made the following Regulations –

### **1 Regulation 2 amended**

Regulation 2(3) of the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations 2005<sup>2</sup> is deleted.

### **2 Regulation 2A inserted**

After Regulation 2 of the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations 2005 there is inserted the following Regulation –

#### **“2A Pooling**

- (1) All or any part of the money to which this Chapter applies may be pooled for investment purposes.
- (2) Money pooled under paragraph (1) may be invested in the name ‘States of Jersey – Common Investment Fund’.
- (3) If –
  - (a) an instrument that established a special fund;
  - (b) a trust; or
  - (c) an enactment,

relates to the whole or any part of money pooled under paragraph (1), the investment strategy mentioned in Regulation 3 must take account of the provisions of the instrument, trust or enactment.”.

**3 Citation**

These Regulations may be cited as the Public Finances (Transitional Provisions) (No. 2) (Amendment) (Jersey) Regulations 201-.

**4 Commencement**

These Regulations come into force forthwith.



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- <sup>1</sup> *chapter 24.900*  
<sup>2</sup> *chapter 24.900.81*