



**BERMUDA**  
**1954 : 5**

**PUBLIC FUNDS ACT 1954**

ARRANGEMENT OF SECTIONS

|    |   |   |  |
|----|---|---|--|
| 1  | Interpretation  | 5 | [repealed by 1977:56]                                |
| 2  | Governor to appoint<br>Bermuda Public Funds<br>Investment Committee<br>annually | 6 | Commencement of<br>sections 4, 7 and<br>8[omitted]   |
| 3  | Minister of Finance may<br>consult the Committee                                | 7 | Transitional [omitted]                               |
| 4  | Minister of Finance to<br>manage, control and<br>invest public funds            | 8 | Consequential<br>amendments and repeals<br>[omitted] |
| 4A | Power to amend definition<br>of "approved securities"                           |   |  |

SCHEDULE

Consequential amendments  
and repeals [omitted]

[8 February 1954]

[preamble and words of enactment omitted]

[Section 19 of 2004:22 and paragraph 1(1) of the Schedule to that Act retitled the "Hospital Insurance Act 1970" as the "Health Insurance Act 1970" effective 1 January 2006. These amendments are not individually noted.]

**Interpretation**

- 1 In this Act unless the context otherwise requires—  
"the Committee" means the Bermuda Public Funds Investment  
Committee established under section 2;

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"the Minister" means the Minister of Finance,

### **Governor to appoint Bermuda Public Funds Investment Committee annually**

2 (1) The Governor shall appoint annually a body of persons to be known as the Bermuda Public Funds Investment Committee which shall consist of not less than five but not more than seven members as the Governor may determine.

(2) A member of the Committee shall hold office at the Governor's pleasure and, unless his appointment is earlier terminated, it shall be deemed to terminate one year from the date on which it takes effect.

(3) The Governor shall appoint one member of the Committee to be Chairman who shall hold office (as such) during the Governor's pleasure.

(4) The Committee shall be deemed to be properly constituted notwithstanding that there is a vacancy in the office of Chairman or of any member.

(5) At any meeting of the Committee the Minister may preside if, acting in his discretion he decides to do so, but unless he so decides the meeting shall be presided over, either—

(a) by the Chairman; or

(b) in the absence of the Chairman by such member of the Committee as the members present elect to preside over the meeting.

(6) Any matter to be decided by the Committee shall be decided by a majority of the members present and voting on such matter:

Provided that in the event of an equal number of votes the person presiding may give a second or casting vote.

(7) Fees shall be paid to members of the Committee in accordance with the provisions of the Government Authorities (Fees) Act 1971 [title 14 item 6].

(8) In the exercise of his powers under this section the Governor shall act on the advice of the Minister.

*[Section 2 subsection (1) amended by 2006:2 s.2 effective 22 March 2006]*

### **Minister of Finance may consult the Committee**

3 In the exercise of his powers and duties under this Act and any other enactment relating to the control and management of the specified public funds or any other public funds the Minister may consult or take

the advice of the Committee but, notwithstanding that the Minister has consulted or taken the advice of the Committee on any matter, he may act in his discretion in relation to any such matter.

**Minister of Finance to manage, control and invest public funds**

4 (1) As from the appointed day the Minister of Finance shall have power to receive all moneys authorized by the Legislature to be paid, or otherwise lawfully paid into any of the specified public funds, and shall, subject to the provisions of this or of any other Act, manage and control each such fund.

(2) The Minister shall, as soon as may be, invest any such moneys as aforesaid in approved securities in such proportions and in such manner as he may determine:

Provided that not more than three quarters of the amount of such moneys for the time being invested in approved securities shall be invested in the kind of approved securities described in sub-paragraph (vi) of paragraph (b) of subsection (5).

(3) The Minister may realize any funds that are in a state of investment—

(a) for the purpose of implementing any appropriation, withdrawal or repayment of or from any of the specified public funds authorized by or under any Act; or

(b) for the purpose of re-investing such funds in other approved securities.

(4) The Minister shall keep books (which books shall be in the custody of the Accountant-General) showing all transactions under this Act.

(5) In this section—

(a) "the appointed day" means the day appointed by the Governor under section 6 for the coming into effect of this section;

(b) "approved securities" means—

(i) moneys deposited with any institution licensed as a bank under the Banks and Deposit Companies Act 1999, being moneys denominated in a freely convertible currency;

(ii) moneys deposited with any bank outside Bermuda, being moneys denominated in a freely convertible currency;

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- (iii) balances with the Crown Agents;
- (iv) Treasury Bills issued by an overseas Government, being Bills denominated in a freely convertible currency and maturing within one hundred and eighty-four days;
- (v) securities issued in an overseas country —
  - (aa) by the Government of that country, or by the government of a state, province or other local government entity in that country, or otherwise by a public agency of that country: or
  - (bb) which are guaranteed by the government of that country or by such a local government entity or public agency as aforesaid,being in either case securities denominated in a freely convertible currency;
- (vi) securities issued or guaranteed by the International Bank for Reconstruction and Development established by the Bank Agreement referred to in the Bretton Woods Agreements Act 1945 of the United Kingdom, or by any other supranational agency from time to time approved by the Minister in writing for the purposes of this sub-paragraph as being a supranational agency of a similar kind;
- (vii) quoted securities of an approved corporation; and in this subparagraph—
  - "quoted securities" means securities, including debentures and fully paid shares, quoted on a stock exchange recognized by the Minister for the purposes of this subparagraph; and
  - "approved corporation" means a company or corporation having in the opinion of the Committee a shareholders' equity of a value of not less than \$50,000,000 (or such lower amount as the Minister may in any particular case in writing approve) at the time of the investment;
- (viii) securities issued or guaranteed by any organization recognized by the Minister as an

international organization for the purposes of this sub-paragraph;

- (ix) bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Bermuda;
- (x) securities issued by mutual funds, investment trusts, investment companies and limited partnerships wherever established or incorporated;
- (xi) futures contracts, options, forward contracts and swaps;
- (xii) investment in private placements;
- (xiii) investment in asset-backed and mortgage-backed securities.

(c) "the specified public funds" means—

- (i) The Public Service Superannuation Fund established by section 10A of the Public Treasury (Administration and Payments) Act 1969 [*title 14 item 1*];
- (ii) any balance in the general account of the Crown Agents with the Government of Bermuda standing to the credit of Bermuda as mentioned in section 26 of the Public Treasury (Administration and Payments) Act 1969 [*title 14 item 1*];
- (iii) the Government Employees Health Insurance Fund established under the Government Employees (Health Insurance) Act 1986 [*title 9 item 15*];
- (iv) the Pension Fund established under the Contributory Pensions Act 1970 [*title 18 item 7*];
- (v) [*repealed*]
- (vi) the Government Borrowing Sinking Fund established by section 12 of the Government Loans Act 1978 [*title 15 item 23*];
- (vii) the Confiscated Assets Fund established under section 55A of the Proceeds of Crime Act 1997.

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*[Section 4 amended by 1990:8 effective 21 March 1990; by 1993:12 effective 22 March 1993; subsection (5)(b)(i) amended by BR81/1999 effective 1 January 2000; subsection (5)(c)(vii) inserted by 2000:35 s.6(5) effective 1 June 2001; subsection (5)(b)(x) and (xi) inserted by BR 46/2001 effective 24 August 2001; subsection (5)(b)(xi) to (xiii) inserted by 2006:2 s.3 effective 22 March 2006; subsection (5)(c)(v) repealed by 2009:10 s.18 effective 1 April 2009]*

### **Power to amend definition of "approved securities"**

4A (1) The Minister acting on the advice of the Committee may by order amend the meaning of "approved securities" in section 4(5)(b) for the purposes of all or any provisions of this Act.

(2) An order under this section is subject to affirmative resolution procedure.

*[Section 4A inserted by 2001:14 s.2 effective 2 July 2001]*

5 *[Repealed by 1977:56]*

### **Commencement of sections 4, 7 and 8**

6 *[omitted]*

*[The appointed day under this section is 1 April 1954 by virtue of SR&O 10/1954]*

### **Transitional**

7 *[omitted]*

### **Consequential amendments and repeals**

8 *[omitted]*

## **SCHEDULE**

*[omitted]*

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*[Amended by*

|          |            |
|----------|------------|
| 1960 85  | 1978 14    |
| 1965 205 | 1980 48    |
| 1967 283 | 1985 43    |
| 1968 52  | 1990 8     |
| 1968 66  | 1993 12    |
| 1968 307 | BR 81/1999 |
| 1968 334 | 2000 35    |
| 1969 666 | 2001 14    |
| 1971 83  | BR 46/2001 |
| 1974 91  | 2006 2     |
| 1977 56  | 2009 10]   |