

CHAPTER 16

RULES OF THE STATE INVESTMENT COUNCIL

Authority

N.J.S.A. 52:18A-91.

Source and Effective Date

R.1996 d.222, effective April 15, 1996.
See: 28 N.J.R. 1366(a), 28 N.J.R. 2397(a).

Executive Order No. 66(1978) Expiration Date

Chapter 16, Rules of the State Investment Council, expires on April 15, 2001.

Chapter Historical Note

Chapter 16, Rules of the State Investment Council, was filed and became effective prior to September 1, 1969.

Subchapter 1, Definitions, was amended by R.1972 d.75, effective April 19, 1972. See: 4 N.J.R. 109(a). Subchapter 1 was repealed by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 2, Amortization Procedures, was amended by R.1972 d.75, effective April 19, 1972. See: 4 N.J.R. 109(a). Subchapter 2 was repealed by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 3 was originally adopted by the State Investment Council and was filed and became effective prior to September 1, 1969. Subchapter 3 was amended by R.1970 d.20A, effective March 3, 1970. See: 2 N.J.R. 19(b), 2 N.J.R. 44(f); R.1971 d.1, effective January 4, 1971. See: 2 N.J.R. 102(c), 3 N.J.R. 30(b); R.1972 d.50, effective March 8, 1972. See: 4 N.J.R. 31(a), 4 N.J.R. 79(b); R.1972 d.75, effective April 19, 1972. See: 4 N.J.R. 109(a); R.1972 d.98, effective May 23, 1972. See: 4 N.J.R. 142(a); R.1973 d.22, effective January 16, 1973. See: 5 N.J.R. 60(a); R.1973 d.70, effective March 12, 1973. See: 5 N.J.R. 126(b); R.1973 d.158, effective June 19, 1973. See: 5 N.J.R. 247(c); R.1974 d.126, effective May 21, 1974. See: 6 N.J.R. 252(a); R.1974 d.192, effective July 16, 1974. See: 6 N.J.R. 328(c); R.1975 d.11, effective January 21, 1975. See: 7 N.J.R. 76(b); R.1975 d.278, effective September 19, 1975. See: 8 N.J.R. 51(a); R.1976 d.29, effective January 28, 1976. See: 8 N.J.R. 140(c); R.1976 d.115, effective April 19, 1976. See: 8 N.J.R. 262(d); R.1976 d.290, effective September 16, 1976. See: 8 N.J.R. 492(b); R.1977 d.13, effective January 21, 1977. See: 9 N.J.R. 100(d); R.1977 d.124, effective April 11, 1977. See: 9 N.J.R. 244(b); R.1978 d.94, effective March 14, 1978. See: 10 N.J.R. 175(a); R.1978 d.180, effective May 26, 1978. See: 10 N.J.R. 304(b); R.1978 d.316, effective September 13, 1978. See: 10 N.J.R. 456(b); R.1978 d.376, effective October 24, 1978. See: 10 N.J.R. 520(c); R.1979 d.19, effective January 17, 1979. See: 11 N.J.R. 105(e); R.1979 d.94, effective March 8, 1979. See: 11 N.J.R. 211(d); R.1979 d.204, effective May 18, 1979. See: 11 N.J.R. 358(b); R.1980 d.315, effective July 16, 1980. See: 12 N.J.R. 497(e); and R.1982 d.188, effective June 21, 1982. See: 13 N.J.R. 620(c), 14 N.J.R. 663(a). Subchapter 3 was repealed and a new Subchapter 3, Classification of Funds, was recodified from Subchapter 5 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 4, Investment Control, was amended by R.1971 d.159, effective September 8, 1971. See: 3 N.J.R. 161(b), 3 N.J.R. 211(b). Subchapter 4 was repealed by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 5, Classification of Funds, was adopted by R.1983 d. 233, effective June 1, 1983. See: 15 N.J.R. 531(a), 15 N.J.R. 1038(d). Subchapter 5, was recodified to Subchapter 3 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 6, United States Treasury and Government Agency Obligations, was recodified to Subchapter 11 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 7, Corporate Obligations, was recodified to Subchapter 12 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 8, Corporate Securities—Industrial Obligations, became effective prior to September 1, 1969. Subchapter 8 was amended by R.1971 d.78, effective June 1, 1971. See: 3 N.J.R. 91(a), 3 N.J.R. 118(b); R.1971 d.159, effective September 8, 1971. See: 3 N.J.R. 161(b), 3 N.J.R. 211(b); R.1972 d.75, effective April 19, 1972. See: 4 N.J.R. 109(a); R.1974 d.321, effective November 20, 1974. See: 6 N.J.R. 495(b); R.1976 d.116, effective April 19, 1976. See: 8 N.J.R. 262(e); R.1976 d.156, effective May 20, 1976. See: 8 N.J.R. 314(c); and R.1976 d.402, effective December 14, 1976. See: 8 N.J.R. 46(b). Subchapter 8, Corporate Securities—Industrial Obligations, was repealed by R.1985 d.553, effective November 4, 1985. See: 17 N.J.R. 2093(b), 17 N.J.R. 2675(a).

Subchapter 9, Finance Companies—Senior Debt, was amended by R.1972 d.75, effective April 19, 1972. See: 4 N.J.R. 109(a); R.1974 d.322, effective November 20, 1974. See: 6 N.J.R. 495(c); R.1976 d.153, effective May 19, 1976. See: 8 N.J.R. 313(b); and R.1977 d.393, effective October 20, 1977. See: 9 N.J.R. 544(d). Subchapter 9, Finance Companies—Senior Debt, was repealed by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 10, Title 11 Federal Housing Administration Mortgages, was recodified to Subchapter 55 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 11, New Jersey State and Municipal General Obligations, was recodified to Subchapter 17 and Subchapter 11, United States Treasury and Government Agency Obligations, was recodified from Subchapter 6 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 12, Public Authority Revenue Obligations, was recodified to Subchapter 18 and Subchapter 12, Corporate Obligations, was recodified from Subchapter 7 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 13, Commercial Paper, was recodified to Subchapter 31 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 14, International Bank for Reconstruction and Development, was repealed and Subchapter 14, Finance Companies; Senior Debt, was adopted as new rules by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 15, Capehart Mortgages, was repealed and Subchapter 15, Bank Debentures, was adopted as new rules by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 16, United States Government Insured Merchant Marine Bonds, was repealed and Subchapter 16, Canadian Obligations, was recodified from Subchapter 23 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 17, Common and Preferred Stock and Issues Convertible into Common Stock, was recodified to Subchapter 41 and Subchapter 17, New Jersey State and Municipal Government Obligations, was recodified from Subchapter 11 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 18, Inter-American Development Bank, was repealed and Subchapter 18, Public Authority Revenue Obligations, was recodified from Subchapter 12 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 19, Title II Section 203B Federal Housing Administration Mortgages, was adopted pursuant to authority of N.J.S.A. 52:18A-89 and was filed and became effective March 14, 1975, as R.1975 d.67.

See: 7 N.J.R. 180(d). Subchapter 19 was amended by R.1970 d.34B, effective April 2, 1970. See: 2 N.J.R. 57(d); R.1970 d.137, effective November 13, 1970. See: 2 N.J.R. 86(e), 2 N.J.R. 102(d); and R.1972 d.182, effective September 18, 1972. See: 4 N.J.R. 249(b). Subchapter 19, Title II Section 203(B) Federal Housing Administration Mortgages, was repealed and Subchapter 19, Collateralized Notes and Mortgages, was recodified from Subchapter 40 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 20, Title III Section 501(B) Veterans Administrative Mortgages, was amended by R.1970 d.137, effective November 13, 1970. See: 2 N.J.R. 86(e), 2 N.J.R. 102(d); and R.1972 d.182, effective September 18, 1972. See: 4 N.J.R. 249(b). Subchapter 20, Title III Section 501(B) Veterans Administrative Mortgages, was repealed and Subchapter 20, International Government and Agency Obligations, was recodified from Subchapter 47 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 21, Bank Debentures, was adopted by R.1990 d.306. Subchapter 21, Bank Debentures, was repealed and Subchapter 21, U.S. Treasury Futures Contracts, was recodified from Subchapter 50 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 22, Common Stocks and Convertible Securities, was recodified to Subchapter 42 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 23, Canadian Obligations, was recodified to Subchapter 16 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 24, United States Government Obligations, was amended by R.1970 d.34A, effective April 2, 1970. See: 2 N.J.R. 57(e). Subchapter 24, United States Government Obligations, was repealed by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 25, Three-party Agreements; United States Government, was repealed by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 26, Three-party Agreements; Corporate, was amended by R.1972 d.182, effective September 18, 1972. See: 4 N.J.R. 249(b). Subchapter 26, Three-party Agreements; Corporate, was repealed by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 27 was filed and became effective prior to September 1, 1969. Pursuant to Executive Order No. 66(1978), Subchapter 27 expired on October 31, 1984. A new Subchapter 27, Certificates of Deposit, was adopted as R.1985 d.201, effective August 5, 1985. See: 17 N.J.R. 60(b), 17 N.J.R. 1907(c). Subchapter 27, Certificates of Deposit, was recodified to Subchapter 32 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 28, Title II Federal Housing Administration—Insured Mortgages; Multifamily, was recodified to Subchapter 53 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 29, Title II Federal Housing Administration Insured Construction Mortgages; Multi-family, was adopted by the Chairman, State Investment Council, pursuant to authority delegated at N.J.S.A. 52:18A-89, and was filed and became effective May 21, 1970, as R.1970 d.57. See: 2 N.J.R. 51(c). Subchapter 29, Title II Federal Housing Administration Insured Construction Mortgages; Multifamily, was recodified to Subchapter 54 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 30, Minimum Legal Requirements, was repealed by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 31, State of New Jersey Cash Management Fund, was filed and became effective February 1, 1971 as R.1971 d.17. See: 3 N.J.R. 14(a), 3 N.J.R. 52(b). Subchapter 31 was amended by R.1977 d.173, effective May 19, 1977. See: 9 N.J.R. 296(a); R.1977 d.478, effective December 16, 1977. See: 10 N.J.R. 45(c); R.1979 d.96, effective March 8, 1979. See: 11 N.J.R. 212(b); R.1979 d.437, effective October 31, 1979. See: 11 N.J.R. 651(a); R.1980 d.235, effective July 1, 1980. See: 12 N.J.R. 436(a); R.1982 d.191, effective June 21, 1982. See: 13 N.J.R. 528(a), 14 N.J.R. 663(c); R.1980 d.443, effective October 10, 1980. See: 12 N.J.R. 679(a); and R.1982 d.363, effective October 18, 1982. See: 14 N.J.R. 899(a), 14 N.J.R. 1166(a). Subchapter 31 was readopted as R.1984 d.262, effective July 2, 1984. See: 16 N.J.R. 1041(a), 16 N.J.R. 1807(c). Subchapter 31, State of New Jersey Cash Management Fund, was recodified to Subchapter 61 and Subchapter 31, Commercial Paper, was recodified from Subchapter 13 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 32 was adopted by R.1972 d.17, effective February 1, 1972. See: 3 N.J.R. 14(a), 3 N.J.R. 52(b). Pursuant to Executive Order No. 66(1978), Subchapter 32 expired on January 17, 1984. A new Subchapter 32, Common Pension Fund A, was adopted by R.1985 d.615, effective December 2, 1985. See: 17 N.J.R. 2386(b), 17 N.J.R. 2914(b). Subchapter 32, Common Pension Fund A, was recodified to Subchapter 62 and Subchapter 32, Certificates of Deposit, was recodified from Subchapter 27 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 33, Community College Capital Projects Funding, was adopted, pursuant to authority of N.J.S.A. 18A:3-21e, as a means for carrying out the provisions of Chapter 12, P.L. 1971 (N.J.S.A. 18A:64A-22.1 to 18A:64-22.8, inclusive), by R.1971 d.175A, effective October 1, 1971. See: 3 N.J.R. 183(d), 3 N.J.R. 235(a). Subchapter 33 was amended by R.1973 d.9, effective January 4, 1973. See: 4 N.J.R. 279(a), 5 N.J.R. 59(c). Subchapter 33, Community College Capital Projects Funding, was repealed and Subchapter 33, Repurchase Agreements, was recodified from Subchapter 37 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 34, Rule on Investment of Proceeds of Bonds for School Building Construction, was amended by R.1971 d.216, effective December 3, 1971. See: 3 N.J.R. 234(a), 4 N.J.R. 13(a). Subchapter 34, Rule on Investment of Proceeds of Bonds for School Building Construction, was repealed and Subchapter 34, Bankers Acceptance, was recodified from Subchapter 39 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 35, Loan Participation Notes, was recodified from Subchapter 41 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 36, Common Pension Fund B, was amended by R.1972 d.75, effective April 19, 1972. See: 4 N.J.R. 109(a). Subchapter 36, Common Pension Fund B, was recodified to Subchapter 63 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b). Subchapter 36, Guaranteed Income Contracts, became effective August 5, 1991, as R.1991 d.387. See: 23 N.J.R. 1776(a), 23 N.J.R. 2344(b).

Subchapter 37, Repurchase Agreements, was filed and became effective February 14, 1974 as R.1974 d.36. See: 6 N.J.R. 125(a). Subchapter 37 was amended by R.1974 d.264, effective September 24, 1974. See: 6 N.J.R. 416(a); and R.1983 d.282, effective July 18, 1983. See: 15 N.J.R. 795(a), 15 N.J.R. 1182(c). Subchapter 27 was readopted as R.1984 d.261, filed June 13, 1984. See: 16 N.J.R. 1042(a), 16 N.J.R. 1808(a). Subchapter 37, Repurchase Agreements, was recodified to Subchapter 33 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 38, became effective September 24, 1974 as R.1974 d.266. See: 18 N.J.R. 416(c). Pursuant to Executive Order No. 66(1978), Subchapter 38 expired on January 17, 1984 and a new Subchapter 38 was adopted by R.1978 d.615, effective December 2, 1985. See: 17 N.J.R. 2386(b), 17 N.J.R. 2914(b). Subchapter 38 was repealed and a new Subchapter 38, Common Pension Fund C, was adopted by R.1987 d.107, effective February 17, 1987. See: 18 N.J.R. 2438(a), 19 N.J.R. 380(b). Subchapter 38, Common Pension Fund C, was repealed by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

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Subchapter 39, Bankers Acceptance, was adopted pursuant to authority delegated at N.J.S.A. 52:18A-89 and was filed and became effective September 24, 1974, as R.1974 d.263. See: 6 N.J.R. 415(b). Subchapter 39 was readopted as R.1983 d.283, effective July 18, 1983. Subchapter 39, Bankers Acceptance, was recodified to Subchapter 34 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 40, Collateralized Notes and Mortgages, was recodified to Subchapter 19 by R.1991 d.274, effective June 3, 1991. See: 3 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 41, Loan Participation Notes, became effective October 3, 1988 as R.1988 d.466. See: 20 N.J.R. 1779(b), 20 N.J.R. 2467(c). Subchapter 41, Loan Participation Notes, was recodified to Subchapter 35 and Subchapter 41, Common and Preferred Stock and Issues Convertible into Common Stock, was recodified from Subchapter 17 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 42, Covered Call Options, was filed and became effective August 9, 1979 as R.1979 d.307. See: 11 N.J.R. 475(c). Subchapter 42 was amended by R.1982 d.192, effective June 4, 1982. See: 13 N.J.R. 526(b), 14 N.J.R. 663(b); and R.1982 d.193, effective June 21, 1982. See: 13 N.J.R. 750(b), 14 N.J.R. 663(b). Subchapter 42 was readopted as R.1984 d.383, filed August 13, 1984. See: 16 N.J.R. 1708(a), 16 N.J.R. 2378(b). Subchapter 42, Covered Call Options, was recodified to Subchapter 43 and Subchapter 42, Common Stocks and Convertible Securities, was recodified from Subchapter 22 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b). Subchapter 42 was amended to "Common Stocks and Convertible Securities (Trust Fund)" by R.1996 d.222, effective May 6, 1996. See: 28 N.J.R. 1366(a), 28 N.J.R. 2397(a).

Subchapter 43, Mortgage Backed Securities, was filed and became effective August 9, 1979 as R.1979 d.307. See: 11 N.J.R. 475(d). Subchapter 43 was amended by R.1982 d.396, effective November 1, 1982. See: 14 N.J.R. 652(a), 14 N.J.R. 1221(a). Pursuant to Executive Order No. 66(1978), Subchapter 43 was readopted by R.1984 d.384, filed August 13, 1984. See: 16 N.J.R. 1709(a), 16 N.J.R. 2379(a). Subchapter 43, Mortgage Backed Securities, was repealed and a new Subchapter 43, Mortgage-Backed Securities; Private Pass-Through, was adopted by R.1990 d.305, effective June 18, 1990. See: 22 N.J.R. 1043(a), 22 N.J.R. 1945(a). Subchapter 43, Mortgage-Backed Securities; Private Pass-Through, was recodified to Subchapter 58 and Subchapter 43, Covered Call Options, was recodified from Subchapter 42 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 44, Deferred Compensation Plan, became effective January 2, 1990 as R.1990 d.7. See: 21 N.J.R. 3262(a), 22 N.J.R. 60(b). Subchapter 44, Deferred Compensation Plan, was recodified to Subchapter 65 and Subchapter 44, Common and Preferred Stocks and Issues Convertible into Common Stock of International Corporations, was recodified from Subchapter 48 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 45, Real Estate Equity, became effective June 18, 1990 as R.1990 d.307. See: 22 N.J.R. 1044(b), 22 N.J.R. 1945(c). Subchapter 45, Real Estate Equity, was recodified to Subchapter 71 and Subchapter 45, Covered Put Options, was recodified from Subchapter 52 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 46, Common Pension Fund D, was adopted by R.1990 d.7, effective January 2, 1990. See: 21 N.J.R. 3262(a), 21 N.J.R. 3438(a), 22 N.J.R. 60(b). Subchapter 46, Common Pension Fund D, was recodified to Subchapter 67 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 47, International Government and Agency Obligations, was adopted by R.1990 d.7, effective January 2, 1990. See: 21 N.J.R. 3262(a), 22 N.J.R. 60(b). Subchapter 47, International Government and Agency Obligations, was recodified to Subchapter 20 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 48, Common and Preferred Stock and Issues Convertible into Common Stock of International Corporations, was recodified to

Subchapter 44 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 49, Purchase and Sale of International Currency, was adopted by R.1990 d.7, effective January 2, 1990. See: 21 N.J.R. 3262(a), 22 N.J.R. 60(b). Subchapter 49, Purchase and Sale of International Currency, was recodified to Subchapter 81 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 50, U.S. Treasury Futures Contracts, was recodified to Subchapter 21 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 52, Covered Put Options, was recodified to Subchapter 45 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 53, Title II Federal Housing Administration—Insured Mortgages; Multi-family, was recodified from Subchapter 28 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 54, Title II Federal Housing Administration Insured Construction Mortgages; Multifamily, was recodified from Subchapter 29 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 55, Title II Federal Housing Administration Mortgages, was recodified from Subchapter 10 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 58, Mortgage-Backed Securities; Private Pass-Through, was recodified from Subchapter 43 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 61, State of New Jersey Cash Management Fund, was recodified from Subchapter 31 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 62, Common Pension Fund A, was recodified from Subchapter 32 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 63, Common Pension Fund B, was recodified from Subchapter 36 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 65, Deferred Compensation Plan, was recodified from Subchapter 44 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 67, Common Pension Fund D, was recodified from Subchapter 46 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 71, Real Estate Equity, was recodified from Subchapter 45 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Subchapter 81, Purchase and Sale of International Currency, was recodified from Subchapter 49 by R.1991 d.274, effective June 3, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Pursuant to Executive Order No. 66(1978), Chapter 16 was readopted as R.1985 d.201, effective August 5, 1985. See: 17 N.J.R. 60(b), 17 N.J.R. 1907(c).

The expiration date of Chapter 16, Rules of the State Investment Council, was extended by gubernatorial directive from December 2, 1990 to May 2, 1991. See: 23 N.J.R. 26(a).

Pursuant to Executive Order No. 66(1978), Chapter 16 was readopted as R.1991 d.274, effective May 2, 1991. See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).

Pursuant to Executive Order No. 66(1978), Chapter 16 was readopted as R.1996 d.222, effective April 15, 1996. See: Source and Effective Date. See, also, section annotations.

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SUBCHAPTER 11. UNITED STATES TREASURY AND GOVERNMENT AGENCY OBLIGATIONS

17:16-11.1 United States Treasury and Government Agency Obligations

(a) Notwithstanding the provisions of any law pertaining to legal investments, the Director shall not make any commitment to purchase securities for any fund unless such securities are of the class of securities in which such fund may be invested pursuant to these regulations; except that the Director may purchase for any pension and annuity, static, trust, demand or temporary reserve fund without regard to any limitation:

SUBCHAPTERS 1 THROUGH 2. (RESERVED)

SUBCHAPTER 3. CLASSIFICATION OF FUNDS

17:16-3.1 General provisions

(a) Funds having similar investment characteristics and objectives under their respective enabling acts shall be grouped together in any of the following classifications:

1. Pension and Annuity Group;
2. Static Group;
3. Demand Group;
4. Temporary Reserve Group; and
5. Trust Group.

As amended, R.1982 d.397, effective November 1, 1982.
See: 14 N.J.R. 329(a), 14 N.J.R. 1220(d).
List of classification groups added.
Recodified by R.1991 d.274, effective June 3, 1991.
See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).
Stylistic changes.

17:16-3.2 Approved list

A "list of funds under the supervision of the Council" shall be maintained by the Director.

Amended by R.1982 d.397, effective November 1, 1982.
See: 14 N.J.R. 329(b), 14 N.J.R. 1220(d).
Pension and annuity groups changed to an approved list.
Recodified by R.1991 d.274, effective June 3, 1991.
See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).
Reference to Council approval deleted.

1. United States Treasury obligation;
2. United States Government Agency Obligations from a list approved by the State Investment Council; and
3. Treasury receipts, certificates of accrual, collateralized mortgage obligations or similar securities which evidence ownership of interest and/or principal of securities eligible under 1. and 2. above, provided that the Director and a member of his staff certify that the security being considered for purchase is qualitatively substantially identical to the Government securities which secure or otherwise support it.

As amended, R.1972 d.75, eff. April 19, 1972.
See: 4 N.J.R. 109(a).
As amended, R.1974 d.323, eff. November 20, 1974.
See: 6 N.J.R. 496(a).
As amended, R.1975 d.97, eff. April 8, 1975.
See: 7 N.J.R. 241(a).
Amended by R.1985 d.552, effective November 4, 1985.
See: 17 N.J.R. 2093(a), 17 N.J.R. 2674(b).
Amended (a): added (a)1.-(a)3.
Recodified by R.1991 d.274, effective June 3, 1991.
See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).
Title changed.

SUBCHAPTER 12. CORPORATE OBLIGATIONS

17:16-12.1 Permissible investments

The director may invest and reinvest the moneys of any fund in corporate obligations which meet the standards set forth in N.J.A.C. 17:16-12.2 below.

i. The value of the real estate venture is at least \$150 million, and the Director has received an independent appraisal of the venture's value at the time of purchase.

ii. The investment is recommended by the Director and approved by the Council.

iii. Participation may consist of up to 51 percent of the equity in the venture or up to 25 percent of the venture's senior non-subordinated debt, provided that the debt contains equity characteristics consisting of cash and/or equity ownership/participation.

Recodified by R.1991 d.274, effective June 3, 1991.
See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).
Definition of eligible investment and level of ownership amended.

17:16-71.2 Market appraisals

The sponsor of any real estate pools or buildings purchased under N.J.A.C. 17:16-45.1 shall provide the Division of Investment independent market appraisals for all properties, on an annual basis; and shall provide annual independently audited financial statements for such pools or buildings.

17:16-71.3 Limit on investment

The aggregate book value of real estate investment under this subchapter, for any eligible pension fund, shall not exceed 10 percent of the book value of all assets of such pension fund.

SUBCHAPTERS 72 THROUGH 80. (RESERVED)

SUBCHAPTER 81. PURCHASE AND SALE OF INTERNATIONAL CURRENCY

17:16-81.1 Permissible investments

Subject to the limitations contained in this subchapter, the Director may enter into foreign exchange contracts for the

currency of any of the countries listed on the Approved List of International Government and Agency Obligations Bonds or any other currency in which the obligations of those countries on the Approved List are denominated.

17:16-81.2 Limitations

(a) The following limitation applies to those investments permitted under N.J.A.C. 17:16-81.1:

1. The foreign exchange contract must be for the purpose of hedging the international portfolio.

Recodified by R.1991 d.274, effective June 3, 1991.
See: 23 N.J.R. 983(a), 23 N.J.R. 1800(b).
Citations corrected.

Amended by R.1991 d.391, effective August 5, 1991.
See: 23 N.J.R. 1778(a), 23 N.J.R. 2345(c).

In (a) deleted 2 requiring 75 percent of portfolio be hedged.

17:16-81.3 Definitions

The following words and terms as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Foreign exchange contracts” means forward contracts, to sell or buy a specified amount of a specified foreign currency at a rate fixed at the time of the transaction but with delivery at a specified future time, entered into with any U.S.-Canadian-chartered commercial bank having total assets of at least \$2,000,000,000 or its equivalent in Canadian dollars (qualified bank); any U.S. broker-dealer (or subsidiary or affiliate thereof) having a net capital of at least \$100,000,000 (qualified broker); or any other foreign exchange counterparty approved by the State Investment Council.

“Hedging” means combining a long position in an asset with a short position in the hedging instrument in order to offset fluctuations in the value of the underlying asset.