PROVINCIAL ASSEMBLY SECRETARIAT,
KHYBER PAKHTUNKHWA

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NOTIFICATION

Dated Peshawar, the 9/07/2026

No.PA/Khyber Pakhtunkhwa/Bills-97/2026/ 293 In pursuance of the provision contained in Rule 113 of the Provincial Assembly of Khyber Pakhtunkhwa Procedure and Conduct of Business Rules, 2025, the Khyber Pakhtunkhwa Fiscal Responsibility and Debt Management (Amendment) Bill, 2026 as introduced in the Provincial Assembly of Khyber Pakhtunkhwa on 06th July, 2026 is hereby published for general information.

(Here print as in the accompaniment).

(SYED WIQAR SHAH)
Secretary,
Provincial Assembly of Khyber Pakhtunkhwa

The Manager, Government Printing Press, Peshawar

For publication in the Gazette of Khyber Pakhtunkhwa, extraordinary bearing the same date. One copy may be supplied to this Secretariat

Assistant Secretary-III,
Provincial Assembly of Khyber Pakhtunkhwa

E.No.PA/Khyber Pakhtunkhwa /Bills-97/2026/ 294 Dated 9/07/2026

Copy of the above is forwarded for information and necessary action to:-

1. The Principal Secretary to Mr. Speaker, Provincial Assembly of Khyber Pakhtunkhwa.
2. The Deputy PS to Deputy Speaker, Provincial Assembly of Khyber Pakhtunkhwa.
3. The Director I.T, Provincial Assembly of Khyber Pakhtunkhwa, for official website.

Assistant Secretary-III,
Provincial Assembly of Khyber Pakhtunkhwa

A
Bill

further to amend the Khyber Pakhtunkhwa Fiscal Responsibility and Debt Management Act, 2022.

WHEREAS it is expedient to amend the Khyber Pakhtunkhwa Fiscal Responsibility and Debt Management Act, 2022 (Khyber Pakhtunkhwa Act No. XVI of 2022), for the purposes hereinafter appearing;

It is hereby enacted by the Provincial Assembly of Khyber Pakhtunkhwa as follows:

1. **Short title and commencement.**---(1) This Act may be called the Khyber Pakhtunkhwa Fiscal Responsibility and Debt Management (Amendment) Act, 2026.

(2) It shall come into force at once.

2. **Amendment of section 5 of the Khyber Pakhtunkhwa Act No. XVI of 2022.**---In the Khyber Pakhtunkhwa Fiscal Responsibility and Debt Management Act, 2022 (Khyber Pakhtunkhwa Act No. XVI of 2022), hereinafter referred to as the said Act, in section 5,-

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(a) in clause (a), after the word "deficit", the words and comma ", if any special circumstances arise" shall be inserted; and

(b) clause (c) shall be deleted.

3. **Substitution of section 9 of the Khyber Pakhtunkhwa Act No. XVI of 2022.**---In the said Act, for section 9, the following shall be substituted, namely:

"9. **Fiscal limitations.**---Government shall take appropriate measures to ensure adherence to the fiscal limitations, in any financial year, net investment in non-financial assets, which shall not be less than twenty (20) percent of average revenue of the Province:

Provided that where the net investment falls below twenty percent (20%) of the average revenue of the Province, prior approval of Government shall be mandatory.

4. **Substitution of section 10 of the Khyber Pakhtunkhwa Act No. XVI of 2022.**---In the said Act, for section 10, the following shall be substituted, namely:

"10. **Debt limitations.**---(1) Government shall manage total public debt and guarantees, in a manner that the following debt limitations are adhered to:

(a) debt servicing, in a financial year, shall not exceed five (05%) percent of the average revenue of the Province:

Provided that where the debt servicing exceeds five percent (05%) of the average revenue of the Province, prior approval of Government shall be mandatory, which shall not exceed seven percent (07%) of the average revenue of the Province; and

(b) the combined stock of total public debt and guarantees does not, at any time, exceed seventy-five percent (75%) of the average revenue of the Province:

Provided that where the combined stock of total public debt and guarantees exceeds seventy-five percent (75%) of the average revenue of the Province, prior approval of Government shall be mandatory, which shall not exceed one hundred percent (100%) of the average revenue of the Province.

(2) Autonomous or semi-autonomous bodies shall not be authorized to raise any loan, incur any debt or give any guarantee for any purpose, except with the prior approval of Government.".

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5. Amendment of section 11 of the Khyber Pakhtunkhwa Act No. XVI of 2022.---In the said Act, in section 11,-

(a) for the words "Debt Management Unit", wherever occurring, the words "Debt Management Office" shall respectively be substituted;

(b) for sub-sections (1), (2) and (3), the following shall respectively be substituted, namely:

"(1) There shall be a Debt Management Office within the Department, which shall be headed by a Director General, who shall be assisted by such number of staff members as may be determined by the Department. The Director General and staff members shall be appointed on contractual basis for a period of three years through a competitive hiring process:

Provided that the tenure of Director General and staff members may be extended for another term of three years, or a further period as may deem appropriate, subject to satisfactory performance.

(2) The Director General shall report to the Secretary of the Department in performance of his functions under this Act.

(3) The qualification, experience and other terms and conditions of service of the Director General and the staff members shall be such as may be prescribed.".

STATEMENT OF OBJECTS AND REASONS

The proposed amendments in the Khyber Pakhtunkhwa Fiscal Responsibility and Debt Management Act, 2022, seek to further strengthen the Province's fiscal responsibility framework and improve public debt management in light of changing fiscal needs. The purpose of the amendments is to improve the existing fiscal and debt limits, promote financial discipline and keep public borrowing sustainable, transparent and consistent with the broader objective of maintaining macro-fiscal stability. The proposed amendments also encourage productive and development-focused use of public resources while reducing excessive dependence on borrowing and the burden of debt servicing.

2. The Bill also seeks to improve the institutional structure for debt management through the establishment of a dedicated Debt Management Office within Finance Department, in line with modern public financial management practices. The proposed amendments are expected to improve oversight, coordination, and accountability in debt operations and support better fiscal decision-making. Accordingly, these amendments are considered necessary in the public interest for sound fiscal governance, sustainable debt management, and efficient financial administration in the Province. Hence, this Bill.

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Law Department

MINISTER-IN-CHARGE.

Peshawar,
dated the
, 2026.