



KHYBER PAKHTUNKHWA

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PROVINCIAL ASSEMBLY SECRETARIAT KHYBER PAKHTUNKHWA

NOTIFICATION

Dated Peshawar, the 04th September, 2026.

No. PA/Khyber Pakhtunkhwa/Bills-97/2026/3010.— The Khyber Pakhtunkhwa Fiscal Responsibility and Debt Management (Amendment) Bill, 2026 having been passed by the Provincial Assembly of Khyber Pakhtunkhwa on 24th August, 2026 and assented to by the Governor of the Khyber Pakhtunkhwa on 31st August, 2026 is hereby published as an Act of the Provincial Legislature of the Khyber Pakhtunkhwa.

THE KHYBER PAKHTUNKHWA FISCAL RESPONSIBILITY AND DEBT MANAGEMENT (AMENDMENT) ACT, 2026. (KHYBER PAKHTUNKHWA ACT NO. XXI OF 2026)

*(First published after having received the assent of the Governor of the
Khyber Pakhtunkhwa in the Gazette of the Khyber Pakhtunkhwa.
(Extraordinary), dated the 04th September, 2026).*

**AN
ACT**

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,-

- (a) in clause (a), after the word “deficit”, the words and comma “, if any unavoidable special circumstances arise in the public interest” 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.”.

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.”.

**BY ORDER OF MR. SPEAKER
PROVINCIAL ASSEMBLY OF KHYBER
PAKHTUNKHWA**

(SYED WIQAR SHAH)
Secretary
Provincial Assembly of Khyber Pakhtunkhwa