



KHYBER PAKHTUNKHWA

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GOVERNMENT OF THE KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT

NOTIFICATION

Peshawar Dated, the 2nd October, 2024.

No.1/132(F/L)FD/2024-25/KP-DMF.--In exercise of powers conferred by section 45 of the Khyber Pakhtunkhwa Public Financial Management Act, 2022 (Khyber Pakhtunkhwa Act No. XXIX of 2022), read with sub-section (1) of section 36 thereof, the Government of Khyber Pakhtunkhwa is pleased to make the following rules, namely:

The Khyber Pakhtunkhwa Debt Management Fund Rules, 2024

1. **Short title and commencement.**---(1) These rules may be called the Khyber Pakhtunkhwa Debt Management Fund Rules, 2024.

(2) These rules shall come into force at once.

2. **Definitions.**---(1) In these rules, unless there is anything repugnant in the subject or context, the following expressions shall have the meanings as are respectively assigned to them, that is to say:

- (a) “Act” means the Khyber Pakhtunkhwa Public Financial Management Act, 2022 (Khyber Pakhtunkhwa Act No. XXIX of 2022);
- (b) “Chairman” means the Chairman of the Committee;
- (c) “Committee” means the Management and Oversight Committee, constituted under rule 5 of these rules;
- (d) “debt” means the disbursed and undisbursed public debt of Government;
- (e) “Province” means the Province of the Khyber Pakhtunkhwa; and
- (f) “Secretary” means Secretary to Government, Finance Department.

(2) Words and expressions, used but not defined under these rules, shall have the same meanings as are respectively assigned to them under the Act.

3. Establishment of the Fund.---(1) In pursuance of sub-section (1) of section 36 of the Act and for the purpose of rule 4 of these rules, there shall be established a Special Purpose Fund, to be known as the Khyber Pakhtunkhwa Debt Management Fund, hereinafter referred to as Debt Management Fund.

(2) Subject to the availability of resources, the Committee may transfer money for the purpose of investment from Government Treasury of the Province to the Debt Management Fund.

4. Utilization and control of the Debt Management Fund.---(1) The Debt Management Fund shall be made available and utilized for management of debt.

(2) The Debt Management Fund shall be under the control of and operated upon by the Committee.

(3) The Finance Department shall provide secretariat assistance to the Debt Management Fund.

(4) The Debt Management Fund or any portion thereof may be invested by the Finance Department, with prior approval of the Committee, in low-risk and high-liquidity instruments to ensure the availability of funds for the management of debt.

(5) The principal amount, so transferred to the Debt Management Fund for the purpose of investment, under sub-rule (2) of rule 3, shall be reimbursed from the Debt Management Fund to the Government Treasury of the Province, with prior approval of the Committee.

(6) The profits or any portion thereof, so earned out of the investment of the principal amount, may be-

- (a) retained in the Debt Management Fund for the purpose of reinvestment by the Finance Department; or
- (b) transferred to the Government Treasury of the Province by the Finance Department.

(7) The Finance Department shall, in case of reinvestment of the profits or any portion thereof under sub-rule (6), submit a report to the Committee for information.

5. Constitution of the Committee.---For the purposes of these rules, there shall be a Committee, to be known as Management and Oversight Committee, which shall consist of-

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| (a) | Chief Secretary, Government of Khyber Pakhtunkhwa; | Chairman |
| (b) | Secretary to Government, Finance Department; | Member |
| (c) | Secretary to Government, Administration Department; | Member |
| (d) | Chief Manager, State Bank of Pakistan, Peshawar; and | Member |
| (e) | Additional Secretary, Finance Department to be nominated by the Secretary to Government, Finance Department. | Member-cum-Secretary |

6. Responsibilities and functions of the Committee.---Without pre-judice to the functions assigned to the Committee under these rules, the Committee, in addition, shall-

- (a) oversee and monitor the management of the Debt Management Fund;
- (b) determine the investment strategy of the Debt Management Fund and evaluate its performance, which shall be made publicly available to ensure transparency;
- (c) ensure compliance with an adherence to the Act and these rules; and
- (d) approve the utilization of Debt Management Fund for unforeseen and urgent financial obligations, in exceptional circumstances, relating to the management of debt.

7. Meeting of the Committee.---(1) The Committee shall convene a meeting, at least once in a quarter. The Chairman may call an emergency meeting of the Committee, as he deems necessary.

(2) The Chairman and two members of the Committee shall form the quorum of a meeting.

(3) All decisions in a meeting of the Committee shall be taken by majority of votes. In case of equality of votes, the Chairman shall have a casting vote.

(4) The Member-cum-Secretary of the Committee shall record minutes of the meeting of the Committee, or in his absence, by any other officer of the Finance Department, nominated by the Secretary.

(5) The approved minutes shall be circulated amongst the members of the Committee within a fortnight and the members and the members of the Committee shall forward their observations, if any, to the Member-cum-Secretary of the Committee, within two days of the receipt of the minutes.

(6) The minutes of the previous meeting shall be confirmed before the start of the next meeting.

8. Maintenance of the accounts of Fund.---The accounts of the Debt Management Fund shall be maintained by the Finance Department on double entry book keeping system.

9. Audit.---The Auditor General of Pakistan shall be responsible to conduct audit of the accounts of Debt Management Fund on yearly basis.

Sd/-
**SECRETARY TO
GOVERNMENT OF THE KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT**