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PART I

Acts, Ordinances, President's Orders and Regulations

GOVERNMENT OF GILGIT-BALTISTAN

LAW & PROSECUTION DEPARTMENT

(Gilgit-Baltistan Secretariat)

Gilgit, the 26th November, 2025

THE GILGIT-BALTISTAN PUBLIC FINANCE MANAGEMENT ACT, 2025

(ACT NO. XIX OF 2025)

AN

ACT

ALA-1(1)2025-GBA.—to strengthen management of public finances with the view to improving definition and implementation of fiscal policy for better macroeconomic management, to clarify institutional responsibilities related to financial management, and to strengthen budgetary management;

WHEREAS matters mentioned above are pivotal for reducing public debt and management of public finances;

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AND WHEREAS as defined under Article 70(3) Gilgit-Baltistan Order 2018 it is expedient to provide for regulating the custody of the Gilgit-Baltistan Consolidated Fund, the payment of moneys into that Fund, the withdrawal of moneys therefrom, the custody of other moneys received by or on behalf of the provincial Government, their payment into, and withdrawal from, the Public Account of the Gilgit-Baltistan, and all matters connected with or ancillary thereto;

AND WHEREAS to give elaborate mechanism of public finance management as envisaged in Articles-70 to 73, and 98 of Gilgit-Baltistan Order, 2018, and to guide budgetary management processes, financial and fiscal controls, cash and banking arrangements, and financial oversight of public entities.

It is hereby enacted as follows: —

CHAPTER I

PRELIMINARY

1. **Short title, application and commencement.** —

(1) This Act may be called the Gilgit-Baltistan, Public Finance Management Act, 2025.

(2) It shall apply to all matters of the Gilgit-Baltistan Consolidated Fund and Public Account of the Government of Gilgit-Baltistan and all other matters of the Government of Gilgit-Baltistan connected with or ancillary thereto.

(3) It shall come into force at once.

2. **Definitions.** — In this Act, unless there is anything repugnant in the subject or context, —

(1) **"Appropriation"** means the assignment to meet specified expenditure of funds at the disposal of the assigning authority;

(2) **"Auditor-General"** means Auditor-General of Pakistan appointed under Article-98 of the Gilgit-Baltistan Order, 2018.

(3) **"Authorization of expenditure"** means payments and withdrawals from the Gilgit-Baltistan Consolidated Fund and Public Account of the Government of Gilgit-Baltistan against approved budgetary provisions deemed to be duly authorized unless it is specified in the schedule of authorized expenditure;

(4) **"Bank"** means the State Bank of Pakistan or any office or agency of the State Bank of Pakistan and includes any bank acting as an agent of the State Bank of Pakistan in accordance with the provisions of the State Bank of Pakistan Act, 1956 (XXXIII of 1956);

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(5) **"Commitment"** means an obligation to make a future payment, the funds for which are reserved against the allocated budget of an entity;

(6) **"Constitution"** means the Constitution of the Islamic Republic of Pakistan;

(7) **"Order"** means Gilgit-Baltistan Order 2018.

(8) **"Controller General of Accounts"** means the person appointed under the Controller General of Accounts (Appointment, Functions and Powers) Act, 2012.

(9) **"Contingent liability"** means a financial liability that may arise or come into being if one or more events occur;

(10) **"Gilgit-Baltistan Consolidated Fund"** means the Gilgit-Baltistan Consolidated Fund, established under Article-70 of Gilgit-Baltistan Order 2018.

(11) **"Financial propriety"** means the compliance of law, rules, regulations, maintaining high standard of prudence, vigilance, due diligence and ensuring value for money while incurring expenditure and collecting government receipts;

(12) **"Financial year"** means the financial year commencing on 1st day of July and ending on 30th June of each year.

(13) **"Government"** means the Government of Gilgit-Baltistan;

(14) **"Medium-term"** means budgetary estimates for a rolling three-year budgetary horizon. This includes current estimates, which are to be appropriated by Assembly, and two additional or "outer" years, estimates;

(15) **"Outcomes"** means the effects of outputs on targeted audience;

(16) **"Outputs"** means service delivered;

(17) **"Prescribed "** means prescribed by rules made under this Act;

(18) **"Principal Accounting Officer"** means the secretary of a department or any official notified as Principal Accounting Officer, responsible for exercising financial propriety in management of public funds and having accountability for the economic, efficient and effective use of resources.

Explanation.—The term "Secretary" shall include the Chief Secretary, Additional Chief Secretary, Principal Secretary, Secretary or Acting Secretary to the Government of Gilgit-Baltistan

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in charge of a department and, where there is no secretary, the Special Secretary, Additional Secretary and Director General, in charge of a department;

(19) **"Public Account"** means the Public Account of the Gilgit-Baltistan as defined under Article-70 of Gilgit-Baltistan Order, 2018.

(20) **"Public moneys"** mean the moneys forming part of the Gilgit-Baltistan Consolidated Fund and the Public Account of the Gilgit-Baltistan;

(21) **"Public servant"** means a public servant within the meaning of Section-21 of the Pakistan Penal Code (Act XLV of 1860).

(22) **"Re-appropriation"** means transfer of funds from one head of account of appropriation to another such head of account;

(23) **"Supplementary grant"** means budget grant within the meaning of Article-73 of Gilgit-Baltistan Order 2018.

(24) **"Technical supplementary grant"** means surrender of funds from one budget grant and budget authorization in another grant. Technical supplementary grant shall not result in increase of overall government expenditure;

(25) **"Tax expenditure"** means the revenue which Government foregoes through the provisions of tax laws that allows deductions, tax rebates, tax concessions exclusions or exceptions from the taxpayer's taxable expenditure income or investment, deferral of a tax liability or preferential tax rates;

(26) **"Treasury single account"** means a banking arrangement for the consolidation of government financial resources in one bank account or multiple bank accounts linked to one main account through which the government transacts all its receipts and payments; and

(27) **"Voted expenditure"** means expenditure other than the charged expenditure specified in the annual budget statement referred to in Article-71(2) of the Gilgit-Baltistan Order, 2018.

CHAPTER II

BUDGET MANAGEMENT

BUDGET PREPARATION AND PRESENTATION

3. **Budget strategy paper.**—(1) The Government of Gilgit-Baltistan shall approve the budget strategy paper containing quantified macroeconomic and fiscal projections for the medium-term by fifteenth of 15th January of each year. It shall be published as well as placed on the Finance Department's official

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website. The paper shall indicate strategic priorities of the Government of Gilgit-Baltistan, revenue and spending policies and specify indicative levels of spending in various Departments, Authorities, SOEs and special institutions. Upon approval of the paper, the Finance Department shall issue indicative budget ceilings to departments, authorities, SOEs and special institutions.

(2) The Minister for Finance shall discuss the budget strategy paper with Standing Committees responsible for Finance and Revenue in the Gilgit-Baltistan Assembly.

(3) The Government of Gilgit-Baltistan may extend the deadline mentioned in sub-section (1) in case of extreme requirement.

4. **Annual Budget Statement.**—(1) The Government of Gilgit-Baltistan shall, in respect of every financial year, cause to be laid before the Gilgit-Baltistan Assembly. Annual Budget Statement consistent with Article-71 of Gilgit-Baltistan Order 2018 including a statement of the purpose and estimates divided into detailed items for each demand for grant.

(2) Each Demand for grant may indicate budget estimates of the ensuing year, initial budget estimates and revised estimates of outgoing year and provisional actual expenditure of year prior to outgoing year.

(3) The Annual Budget Statement shall also contain-

(a) statement of contingent liabilities of the Government of Gilgit-Baltistan; and

(b) statement of fiscal risks.

5. **Plan Based Government's expenditure estimates.**—All government expenditures, whether from a recurrent or development demand for grant, shall be based on well-defined plans.

6. **Grant-in-aid.** —The Government of Gilgit-Baltistan may approve grant-in-aid for Public and Private Institutions, Local Bodies, Autonomous Bodies, State Owned Enterprises and other non-political institutions and associations as it may consider appropriate in the manner as may be prescribed.

7. **Receipt of grants by the Government of Gilgit-Baltistan.**—(1) Grants made to the Government of Gilgit-Baltistan by a Foreign Government or by any other person shall be received by the Economic Affairs Division and Finance Division on behalf of the Government of Gilgit-Baltistan.

(2) The Finance Department, Gilgit-Baltistan shall, in collaboration with representatives of donors, reach agreements and issue instructions concerning the management of such grants in coordination with Federal Finance Division and Economic Affairs Division of Pakistan.

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8. **Performance based budget.** — (1) The Government of Gilgit-Baltistan shall, in respect of every financial year, cause to be laid before the Gilgit-Baltistan Assembly a medium-term performance cum activity based budget along with the Annual Budget Statement.

(2) For each Principal Accounting Officer, the medium-term performance cum activity-based budget may include policy and goals, past and future expenditure, outputs and outcomes and related key performance indicators and targets.

9. **Changes in schedule of authorized expenditure.**—If in respect of any financial year, it is found—

(a) that the amount authorized to be expended for a particular service for the current financial year is insufficient, or that a need has arisen for expenditure upon some new service not included in the Annual Budget Statement for that year; or

(b) that any money has been spent on any service during a financial year in excess of the amount granted for that service for that year, the Government of Gilgit-Baltistan shall have power, as prescribed, to authorize expenditure from the Gilgit-Baltistan Consolidated Fund, whether the expenditure is charged by the Gilgit-Baltistan Order, 2018 upon that Fund or not, and shall cause to be laid before the Gilgit-Baltistan Assembly, Supplementary Budget Statement or, as the case may be, an Excess Budget Statement, setting out the amount of that expenditure, and the provisions of Articles-71 to 73 of Gilgit-Baltistan Order 2018 shall apply to those statements as they apply to the Annual Budget Statement.

(c) The Secretary Finance, Gilgit-Baltistan shall be empowered to release Technical Supplementary Grant (TSG) and Supplementary Grant (SG) with the approval Gilgit-Baltistan Cabinet as and when required.

10. **Re-appropriation of funds.** —Principal accounting officers may sanction, at any time before the close of the financial year, re-appropriation of funds from one expenditure item to another within a budget grant in the manner as may be prescribed, except restricted heads.

11. **Surrender of savings.** — (1) All Departments, Authorities, SOEs, Special Institutions, their attached departments and sub-ordinate offices and autonomous organizations shall surrender the savings, to the Finance Department twice in the FY. In first phase in 1st March and in 2nd phase 30th April of the Current Financial Year, all anticipated savings in the grants or assignment accounts or grant-in-aid controlled by them.

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(2) The Finance Department, Gilgit-Baltistan shall communicate the acceptance of such surrenders, before close of the financial year and where requirement is justified, shall provide for equivalent amount in the next financial year budget.

CHAPTER III

DEVELOPMENT PROJECTS AND MAINTENANCE AND USE OF PUBLIC ASSETS

12. **Classification of development projects.** —Projects defined in Annual development Program shall be classified as: —

(a) Core projects in provincial infrastructure requiring complex planning, design and implementation procedures. The Planning and Development Department shall designate projects as such in accordance with the criteria notified in official Gazette; and

(b) Sectoral projects, projects undertaken by specific sectors, Departments, authorities, SOEs and special institutions, which are required to enhance the development of that sector and do not fall under the above category of core projects.

13. **Preparation of development projects.**—(1) All development projects shall be prepared in conformity with procedures, processes and templates defined by the Planning Commission / Planning & Development Department, Gilgit-Baltistan.

(2) Cost and benefit analysis and risk assessment of all development project proposals, in excess of a threshold size prescribed by the Planning Commission / Planning & Development Department Gilgit-Baltistan shall be undertaken.

14. **Quality assurance.**—Development project proposals which exceed in their total cost thresholds defined by the Planning Commission / Planning & Development Department Gilgit-Baltistan shall be subject to quality assurance. Such quality assurance shall be undertaken by an individual/body which is independent of the sector/Departments/authorities that has initiated the preparation of the development project proposal.

15. **Technical approval.**—(1) All development project proposals shall be subject to a technical approval process. Technical approval shall only be granted to projects which are compliant with the standards and procedures set by the Planning Commission / Planning & Development Department Gilgit-Baltistan.

(2) Findings and recommendations of the independent quality assurance reports and cost and benefit analysis and risk assessment, where required as per sub-section (2) section-14, shall be taken into account by these forums while considering the development project proposals.

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16. **Inclusion of development projects in demands for grants.** —(1) No development project shall be considered for inclusion in demands for grants that has not been granted technical approval.

(2) No development project shall be considered for inclusion in demands for grants unless it is provided with a budget allocation for the coming year which fully reflects the proposed project cost for each year.

(3) **Methodology of release of development funds.**—All executing agencies and sponsoring agencies shall take up the proposals with Planning & Development Department, through concerned Principal Accounting Officers for the arrangement of required funds after taking into account the need assessment. Planning & Development, Department after necessary scrutiny, and evaluation, the eligible proposals shall be submitted to Finance Department well in time (before 30th May). Considering fiscal space, budget allocations and public interest, the Finance Department, Gilgit-Baltistan shall consider allocation and release of funds accordingly. The Secretary Finance shall be competent to approve or revisit the release proposals submitted by Planning Department.

17. **Monitoring and evaluation of development projects.**—(1) Development Projects shall be subject to the following forms of monitoring and evaluation, namely: —

(a) monitoring of progress during implementation;

(b) evaluation of the project on completion; and

(c) In case of projects with a total cost exceeding a threshold (PKR.200.000 Million) an independent impact assessment within five years after completion of the projects.

(d) As outlined in the planning Commission's framework, PC-IVs for all completed projects shall be submitted by the departments concerned within six months of project completion. These reports must confirm the achievement of approved outcomes and include detailed proposals for operations and maintenance (O&M) requirements, including staffing, recurrent budget needs, and other sustainability measures to ensure the continued functionality and long-term impact of the completed projects.

(2) Timelines, forms and formats and guidance on conducting monitoring and evaluation and reporting shall be as may be prescribed by Planning Commission / Planning & Development department in consultation with all stakeholders.

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18. **Budgetary provision for maintenance of assets.**—

(1) Every Department/Authority/Special Institution/Autonomous bodies/ SOEs shall include in its demands for grants adequate funds dedicated for operation and maintenance of the physical infrastructure assets under its supervision.

(2) The Planning & Development Department Gilgit-Baltistan in consultation with Finance Department Gilgit-Baltistan shall define adequacy requirements for different categories of physical infrastructure expressed as the ratio of the annual provision for maintenance and the current market value of the asset.

19. Utilization of public assets.— (1) Principal Accounting Officers shall ensure that the maximum possible returns are achieved on each and every asset falling under the oversight of the concerned Department/Authority / Special Institution/SOE.

(2) The returns on a public asset may include utilization of the asset for delivery of one or more public services or a financial return accruing to the Government from utilization of the potential of the asset.

(3) With a view to achieving the maximization of returns on public assets, Government of Gilgit-Baltistan may establish Retained / Surplus wealth funds through an Act of Gilgit-Baltistan Assembly. The objective of a these wealth funds are to act as a holding institution for public assets, which is capable of bringing to bear sound management and exploitation of opportunities for the maximization of returns from the public assets.

CHAPTER IV

CONTROL OF PUBLIC FINANCE
CONSOLIDATED FUND AND PUBLIC ACCOUNT

20. **Gilgit-Baltistan Consolidated Fund.**—(1) All Departments, Authorities, Special Institutions, SOEs and attached departments and subordinate offices and all public entities, if so required by their statutes, shall arrange remittance in the Gilgit-Baltistan Consolidated Fund, without delay, of all revenues including all grants received from the Federal Government, all loans raised by the Government of Gilgit-Baltistan and all moneys received by it in repayment of any loan and all other moneys into the Public Account of the Gilgit-Baltistan as required under Article-70 of Gilgit-Baltistan Order 2018. Preferably, all transactions should be made through electronic/digital platforms.

(2) All loans or grants made to the Government of Gilgit-Baltistan by a foreign government or otherwise shall be remitted to the Gilgit-Baltistan Consolidated Fund and the Accountant General, Gilgit-Baltistan shall be responsible for its proper accounting.

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21. **Custody of the Gilgit-Baltistan, Consolidated Fund Account, Food Account and Public Fund Account of Gilgit-Baltistan.**—The operation of the Gilgit-Baltistan Non-food Consolidated Fund Account, Gilgit-Baltistan Food Consolidated Fund Account, and the Public Account of the Gilgit-Baltistan shall vest in the Finance Department, Gilgit-Baltistan under the overall supervision of the Government of Gilgit-Baltistan.

22. **Expenditure from Gilgit-Baltistan Consolidated Fund.**—(1) No authority shall incur or commit any expenditure or enter into any liability involving expenditure from the Gilgit-Baltistan Consolidated Fund and Public Account of Gilgit-Baltistan until the same has been sanctioned by a competent authority duly empowered and the expenditure has been provided for the financial year through—

a. Schedule of authorized expenditure; or

b. Supplementary grant and technical supplementary grant as per Articles-70 to 73 of Gilgit-Baltistan Order 2018; or

c. Re-appropriation as per Section-10 of this Act.

d. Newly / Fresh received Technical Grants during the Current Financial Year shall be vetted from Gilgit-Baltistan Assembly for taking into account of the budgeting process.

(2) No authority shall transfer public moneys for investment or deposit from government account to other bank account without prior approval from the Government of Gilgit-Baltistan through Finance Department Gilgit-Baltistan.

(3) Every grant approved by the Gilgit-Baltistan Assembly for a financial year and every other authority or sanction issued under this Act in respect of a financial year, shall lapse and cease to have any effect at the close of that financial year.

(4) Every year, the Government of Gilgit-Baltistan is allowed to keep aside up to 1% of the total volume of annual budget as a reserve called the Emergency Fund. This amount is used only for urgent and unforeseen expenditures with the approval of the Government of Gilgit-Baltistan.

23. **Withholding of authorized appropriations.**—The Finance Department, Gilgit-Baltistan may, with the prior approval of the Government of Gilgit-Baltistan, suspend, withdraw, limit or place conditions on any budget appropriation or other authority issued by it if the Finance Department is satisfied that such action is required by reason of a financial exigency or is in the public interest.

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24. **Excess expenditure.** — (1) The expenditure in excess of the amount of budget grant as well as the expenditure not falling within the scope or intention of any budget grant, unless regularized by a supplementary grant, shall be treated as excess expenditure.

(2) Excess expenditure shall not become charge against the Gilgit-Baltistan Consolidated Fund except when—

a. The Gilgit-Baltistan Assembly approves an additional amount equivalent to overspending as a direct charge against the Gilgit-Baltistan Consolidated Fund as voted or charged expenditure; or

b. it decides—

(i) to recover the excess expenditure from the public servants who are found to be involved to incur such an expenditure. In this case, the Finance Department may take appropriate measures; or

(ii) to take disciplinary proceedings against the Principal Accounting Officer.

(3) If the Public Accounts Committee (PAC) recommends the excess expenditure to stand as a charge to Gilgit-Baltistan Consolidated Fund, then it shall be included in the statement of excess expenditure required under Article 70-71 of Gilgit-Baltistan Order 2018.

25. **Commitment control system.** —The Finance Department in consultation with the Auditor General of Gilgit-Baltistan, shall approve and issue guidelines related to annual and multi-annual commitment control systems.

26. **Delegation of financial powers.**— The Finance Department Gilgit-Baltistan shall approve regulations for the delegation of financial powers based on the following principles, namely:—

a. financial powers accorded to the Principal Accounting Officers to balance financial authority with responsibility for financial propriety as per the applicable financial rules and regulations;

b. financial powers are accorded with the view to enhance public service delivery; and

c. allowing the Principal Accounting Officers to delegate financial powers to sub-ordinate officials. The delegation shall not diminish the responsibility and accountability of the Principal Accounting Officers.

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27. **Budget & Accounts Officer/Account Officer/Finance and Accounts Officer.** —To assist Principal Accounting Officers in financial management, there shall be Budget & Accounts Officer/Account Officer/Finance and Accounts Officer positioned in Departments/Attached Departments/ Authorities/SOEs.

28. **Chief Internal Auditor.** —Within a period not exceeding twelve months from the date of commencement of this Act, the position of Chief Internal Auditor in Finance Department Gilgit-Baltistan shall be created who shall work under Secretary Finance. Appointment, roles and responsibilities of Chief Internal Auditor shall be as may be prescribed under the Gilgit-Baltistan Civil Servant Act, 2011.

CHAPTER V

TREASURY MANAGEMENT

29. **Cash management.**—(1) The Finance Department, Gilgit-Baltistan with the approval of the Government of Gilgit-Baltistan, shall notify policy and rules under this Act to prescribe an effective Cash Management System for all public entities and special purpose funds leading to treasury single account. Fundamental principles and objectives of such policy and rules shall be—

(a) to anticipate cash needs of Government of Gilgit-Baltistan;

(b) to ensure availability of cash when it is required;

(c) to manage cash balance in the Government bank accounts effectively; and

(d) to neutralize impact of the Government's cash flows on the domestic banking sector.

(2) The policy and rules under this section, inter alia, shall provide for—

(a) establishing institutional and administrative arrangements needed to manage an effective cash management system;

(b) availability of funds in accordance with schedule of authorized expenditure or supplementary grant;

(c) placement of all public moneys into the treasury single account;

(d) quarterly revenue, expenditure, cash requirement and debt plan within sanctioned budget;

(e) gradual expansion of budgetary and accounting framework to all autonomous entities/SOEs declared as such by Government of Gilgit-Baltistan.

(f) usage of idle cash of the autonomous entities/SOEs.

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(g) require all Principal Accounting Officers to provide the information deemed necessary for effective operation of the cash management and treasury single account system.

30. **Government banking arrangements.**—(1) The Government of Gilgit-Baltistan shall maintain Gilgit-Baltistan Consolidated Fund Account in the State Bank of Pakistan or authorized bank and it may open its such other bank accounts as may be required by the Finance Department, from time to time, in accordance with the State Bank of Pakistan Act, 1956 (XXXIII of 1956).

(2) These accounts shall be operated by such authorized signatories as may be prescribed by the Finance Department Gilgit-Baltistan.

(3) For the purpose of effective financial management and taking corrective measures to ensure financial discipline, all Banks in Territorial jurisdiction of Gilgit-Baltistan shall provide such information of all accounts maintained by Departments/Attached Departments/SOEs, subordinate offices and public entities as shall be required by the Finance Department Gilgit-Baltistan, from time to time, through State Bank of Pakistan or authorized Bank.

31. **Authorization for the Opening of Bank Accounts:-** All the PAOs shall seek prior approval from Finance Department Gilgit-Baltistan for the opening of all kinds of bank accounts according to need, purpose and nature of the available funds. Finance Department Gilgit-Baltistan may authorize to open bank accounts only NBP, subject to open the savings account with offering highest return rates and accumulated interest earned shall be deposited into Gilgit-Baltistan Consolidated account on 15th June of every financial year without fail. The relevant condition may be imposed on these bank accounts from time to time. All existing unauthorized bank accounts shall be wound up by retaining bank statement, since the inception of bank accounts for future need and audit purposes. Any kind of non-compliance, the concerned DDO and PAO shall be held accountable. The movement of funds out the consolidated fund account shall be not allowed except the permissible arrangement under any law mentioned in this Act.

CHAPTER VI

SPECIAL PURPOSE FUNDS

32. Special purpose funds. — (1) If monies have been appropriated by the Gilgit-Baltistan Assembly to establish a fund, the Finance Department shall notify rules or regulations and issue directives for the management and control of such a fund. Any statutory instrument shall—

(a) state the purposes for which the special fund has been established;

(b) identify the principal accounting officer responsible for its operations; and

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(c) specify that the cash balances of such funds shall form part of Public Account of Gilgit-Baltistan.

(d) Investment policy shall be devised for investment of dividends

(2) Such funds shall be subject to audit by the Auditor General of Gilgit-Baltistan and Finance Department Gilgit-Baltistan.

(3) Where the Government of Gilgit-Baltistan is satisfied that either—

(a) the purposes for which any special fund was established have been fully served; or

(b) it is in the public interest to wind up a special fund, It shall notify dissolution of the said special fund and any credit balances in such fund shall be transferred to the Gilgit-Baltistan Consolidated Fund. An evaluation report and regulation of such funds shall be notified by the Finance Department Gilgit-Baltistan.

CHAPTER VII

ACCOUNTING AND REPORTING

33. Controller General of Accounts. —the Controller General of Accounts shall perform his functions in accordance with the provisions of the controller of Accounts (Appointment, functions and Powers) Act, 2012 through Accountant General Gilgit-Baltistan.

34. Mid-year reporting of budget developments.—(1) By twenty- eighth February of each year, the Government of Gilgit-Baltistan shall place mid-year review report before the Gilgit-Baltistan Assembly. The report shall provide budget and actual comparison of revenues, expenditure and financing.

(2) After placing the mid-year review report in the Gilgit-Baltistan Assembly, the Finance Department shall publish the report on its official website.

35. Year-end government performance monitoring report.— Starting from the Financial Year 2025-26, the Government of Gilgit-Baltistan shall place, within six months of close of financial year, before Gilgit-Baltistan Assembly, a government performance monitoring report detailing—

(a) budget and expenditure by outputs; and

(b) planned and delivered key performance targets.

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CHAPTER VIII

PUBLIC ENTITIES

36. Public entities.—(1) Where—

(a) any board, commission, company, corporation, trust or other fund or account is established by or under any law which is fully or substantially funded either from the Gilgit-Baltistan Consolidated Fund or by way of taxes, levies, duties or other public monies accruing to it in terms of any laws; or

(b) any entity other than a state enterprise is established by or under any law, the activities of which may result in a financial commitment or other liability being incurred by the Government of Gilgit-Baltistan, the Government of Gilgit-Baltistan may declare such entity to be a public entity for the purposes of this Act.

(2) The Government of Gilgit-Baltistan shall, by notification in the official Gazette, classify public entities as—

(a) Government's business enterprises, including public limited companies or registered companies under the law regulating companies or banking; or

(b) autonomous entities, which include all public entities that are not Government's business enterprises, which have been established to provide regulatory, research, development and training or are producing goods or services on non-commercial basis.

(3) The Finance Department, Gilgit-Baltistan shall be responsible for notifying the policy framework and guidelines for financial management of Government's business enterprises and autonomous entities, including those related to internal controls, borrowing, cash management, accounting, reporting and external audit.

(4) The Finance Department, Gilgit-Baltistan may exempt any public entity from certain provisions of the Act, subject to such conditions as it may specify, particularly regarding accounting, budgeting, cash management and reporting procedures.

37. **Self-generated revenues.** — (1) Revenues collected by an autonomous entity and SOEs, which arise from any Act or statutory instruments of the Government of Gilgit-Baltistan shall be deposited into the treasury single account i.e. Gilgit-Baltistan Consolidated Fund Account.

(2) The Finance Department, Gilgit-Baltistan shall, with approval of the Government of Gilgit-Baltistan notify policy and guidelines and may issue regulations on the utilization of revenues generated by autonomous entities.

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(3) Revenues of Local Government, Gilgit-Baltistan shall be deposited into Gilgit-Baltistan Consolidated Fund Account for improving revenue base and bringing them under budgeting process.

38. Preparation of accounts.—(1) Accounts of Government's business enterprises shall be prepared in accordance with the provisions of the relevant law. Copy of the audited financial statements shall be made available to the Finance Department, within three months of their certification.

(2) The accounts of autonomous entities/SOEs shall be prepared in accordance with instructions issued by the Controller General of Accounts with approval of the Auditor General, Gilgit-Baltistan. Copy of annual accounts shall be made available to the Finance Department, Gilgit-Baltistan within three months of their finalization.

(3) Audited financial statements and annual accounts referred to in sub-section (1) and sub-section (2) shall be laid before Gilgit-Baltistan Assembly by Governor Gilgit-Baltistan, along with other accounts of Government of Gilgit-Baltistan, not later than one month after the same are submitted by Auditor-General, Gilgit-Baltistan, except that, if Gilgit-Baltistan Assembly is not in session, then the accounts shall be laid before it on the first day of the following session.

(4) Any reports laid before Gilgit-Baltistan Assembly under sub-section (3) shall be referred to the Public Accounts Committee of Gilgit-Baltistan Assembly.

39. **Audit.** — (1) The audit of all public business enterprises shall be in accordance with the provisions of the relevant laws.

(2) The audit of autonomous entities classified shall be in accordance with instructions issued by the Auditor-General.

40. **Dissolution of public entity**.- Where the public entity established under any law or legal instrument stands dissolved or has been wound up, any monies or other resources standing to the credit of the public entity at the time of dissolution or winding up shall be paid into the Gilgit-Baltistan Consolidated Fund.

CHAPTER IX

MISCELLANEOUS

41. **Digitization of Receipts and Payments.**—Ensure the transformation of manual processes related to receipts and payments through digitization to enhance accountability and promote the swift delivery of public services. In the broader public interest and to advance the digitalization of the economy, all Government entities shall notify and mandate the availability of one or more modes of electronic funds transfer (EFT) for Government-to-Person (G2P) and Person-to-Government (P2G) payments. Likewise, all business

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entities shall be required to facilitate the acceptance of electronic payments from their customers.

42. **Special Sectors and Priority Areas.**—The Government of Gilgit-Baltistan shall pay special attention on hydropower potential, environmental sustainability, climate resilience and disaster preparedness by taking special initiatives with Federal Finance Division to ensure long term sustainability and planning.

43. **Capacity Building Programs.**—For the effective implementation of Public Financial Management (PFM), the concerned officers of the Government of Gilgit-Baltistan shall provide wide platform for training and nurturing in the field of public finance.

44. **Budget manual.**—Within a period of six months from commencement of this Act, the Finance Department Gilgit-Baltistan shall approve a budget manual, to be published as well as placed on the Finance Department's website.

45. **Debt arrangement/Borrowings and Investment.**–The Government of Gilgit-Baltistan may borrow the funds from any authorized source but limited to schedule banks, including KCBL to 1.5 Billion through prior approval of Gilgit-Baltistan Cabinet on recoupment basis within a fiscal year in order to improve the liquidity position to meet any urgency. And the Government of Gilgit-Baltistan may inject the surplus funds into any secure mode of investment plan (national savings, NBP, or any other lucrative product of schedule bank having AAA rating) to maximize the revenues without effecting the smooth operations under Gilgit-Baltistan Investment Policy 2018.

46. **Fiscal Autonomy and Revenue Generation.**— Government of Gilgit-Baltistan heavily depends on federal grants; this Financial Management Act must set a realistic and progressive framework for own-source revenue, possibly but not limited to:

i. Mining and mineral rights

ii. Tourism levies

iii. Local cess and sales tax on services etc.

47. **Inter Government Adjustments of loans and advances** :- The Finance Department Gilgit-Baltistan shall take all measures and actions for the smooth inter / intra government adjustment in order to maintain better public finance management and fiscal discipline.

48. **Bridge Finance:-** On approval of Chief Secretary, Gilgit-Baltistan, Finance Department may allow bridge financing from one grant to another grant, i.e. from development to non-development and vice versa/Federal funded PSDP to ADP and vice versa or any other source to development/non-development on recoupment basis within the same financial year;

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Provided that:

i. Sufficient funds are available in the relevant grant from which such funds are to be bridge financed.

ii. The amount of such bridge finance shall be recouped within the same Financial Year i.e. on or before 20th June.

iii. No bridge finance shall be allowed in last quarter of the financial year.

49. **Climate and gender budget tagging:** Considering the Government's strong commitment to achieving the Sustainable Development Goals (SDGs), each development intervention will be tagged against relevant SDG targets. This approach will ensure that provincial investments are strategically aligned with SDG indicators, particularly those related to climate resilience and environmental sustainability under "Climate Action". Climate and gender budget tagging shall be ensured to identify, classify, and track public expenditures for their relevance to climate action and gender equality, ensuring transparent, accountable, and efficient allocation of resources in line with national and international commitments and development goals.

50. Any activity, proposal, or decision entailing financial implications beyond the approved budgetary allocation shall require the prior concurrence of the Finance Department, Gilgit-Baltistan. This provision shall be binding on all public sector entities, including autonomous bodies, special institutions, and organizations receiving public funds.

51. The Finance Department shall effect releases on a quarterly basis; however, in cases of genuine need, where proper justification is furnished by the concerned Principal Accounting Officer (PAO), the Finance Department may, at its discretion, authorize the release of funds on a quarterly, partial, or full basis.

CHAPTER X

REMOVAL OF DIFFICULTY AND POWER TO MAKE RULES

52. **Removal of difficulty.** —If any difficulty arises in giving effect to the provisions of this Act, Government of Gilgit-Baltistan may make such order, not inconsistent with the provisions of this Act, as it may consider necessary for removal of such difficulty.

53. **Power to make rules.** — (1) The Government of Gilgit-Baltistan may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

(2) All existing instruments shall continue in force until altered, amended or repealed by such authority competent to alter, amend or repeal the same.

(3) The existing instruments shall include—

(a) The General Financial Rules;

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(b) Federal Treasury Rules;

(c) Fundamental Rules and Supplementary Rules;

(d) Civil Service Regulations;

(e) Provident Fund Rules;

(f) Civil Pension Rules;

(g) Methods and procedures prescribed by the Auditor-General of Pakistan with reference to deposit and withdrawal of public money;

(h) Public Works Department Code;

(i) the New System of Financial Control and Budgeting, 2018;

(j) the Central Public Works Account Code;

(k) the Accounting Policies and Procedures Manual;

(l) other Financial Regulations consistent with the above rules; and

(m) all amendments, schedules, manuals, notifications, forms, appendixes, orders, circulars, codes, instructions, directives, guidelines, clarifications and any other supplementary legal instruments relating to any of those rules, in each case as in force in the Federal Government before commencement of this Act.

(4) All the existing public finance management and administration including the rules, regulations and all amendments, schedules, manuals, notifications, forms, appendixes, orders, circulars, codes, instructions, directives, guidelines, clarifications and any other supplementary legal instruments relating to any of those rules, in each case as in force in the Gilgit-Baltistan Government before commencement of this Act shall be made consistent with this Act through appropriate amendments where required.

54. **Overriding effect.**—This Act shall have over-riding effect over all other laws and any law inconsistent with this Act in contradiction with this Act shall be amended to the extent of the inconsistency.

NAZIR AHMAD,
Speaker.
Gilgit-Baltistan Assembly.

SYED MEHDI SHAH,
Governor.
Gilgit-Baltistan.

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