

Section	Subsection	Clause	Amendments of the Fiscal Responsibility and Debt Limitation Act, 2005 (VI of 2005).-	Amended Bill 2016-17 NEW / inserted Deletion or Omitted Substituted
			<p>An Act to provide for elimination of revenue deficit and reduction of public debt to a prudent level by effective public debt management.</p> <p>An Act to provide for reduction of Federal fiscal deficit and ratio of public debt to gross domestic product to a prudent level by effective public debt management</p>	
			<p>Whereas it is expedient to provide for elimination of revenue deficit and reduction of public debt to a prudent level by effective debt management and for matters connected therewith and incidental thereto;</p> <p>WHEREAS it is expedient to provide for reduction of Federal fiscal deficit and ratio of public debt to gross domestic product to a prudent level by effective debt management and for matters connected therewith and incidental thereto;</p> <p>It is hereby enacted as follows:-";</p>	
2			Definitions	
		a	"Annual budget statement" means the annual statement of the estimated receipts and expenditures of the Federal Government laid before the National Assembly under Article 80 of the Constitution of the Islamic Republic of Pakistan";	
		B	"Constitution" means the Constitution of the Islamic Republic of Pakistan.	
		C	"debt reduction path" means the report on the debt reduction path prepared by Debt Policy Co-ordination Office established under clause (b) of sub-section (2) of section 13;	
		K	<p>"revenue deficit" means the difference between total current expenditure and total revenue of the Government which indicates increase in liabilities of the Government without corresponding increase in assets of the Government;</p> <p>"Federal fiscal deficit" means the difference between total net revenue receipts and total expenditure of the Federal Government;</p>	
		L	"social and poverty related expenditure" means Government expenditure under the heads of -	
		M	<p>"total expenditure" means a sum of total recurrent and development expenditure of the Government;</p> <p>"total expenditure" means a sum of total recurrent expenditure, development expenditure and net lending of the Federal Government;</p>	
		N	"total current expenditure" means a sum of total recurrent expenditure of the Government.	

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		O	"total public debt" means a sum of the total outstanding borrowings of the Government; and	
			"total public debt" means the debt of the Government (including the Federal Government and the Provincial Governments) serviced out of the Consolidated Fund and debts owed to the International Monetary Fund;" and	
		Q	"total net revenue of Federal Government" means a sum of tax revenues, non-tax revenues and surcharges of the Government minus transfer of provincial share.	
3			Principles of sound fiscal and debt management;	
	2		The Federal Government shall take all appropriate measures to eliminate the revenue deficit, reduce total Public' debt and, maintain it within prudent limits thereof.	
			The Federal Government shall take all appropriate measures to reduce the Federal fiscal deficit excluding foreign grants and ratio of total public debt to gross domestic product and maintain it within prudent limits thereof.	
	3		In particular and without prejudice to the generality of the foregoing provisions, the following shall be the principles of sound fiscal and debt management, namely:	
		A	reducing the revenue deficit to nil not later than the thirtieth June, 2008, and thereafter maintaining a revenue. surplus;	
			limiting the Federal fiscal deficit excluding foreign grants to four percent of gross domestic product during the three years, beginning from the financial year 2017-18 and maintaining it at a maximum of three and a half percent of the gross domestic product thereafter;	
		B	ensuring that within a period of ten financial years, beginning from the first July, 2003 and ending on the thirtieth June, 2013, the total public debt at the end of the tenth financial year does not exceed' sixty per cent of the estimated gross domestic product for that year and thereafter maintaining the total public debt below sixty per cent of gross domestic product for any given year;	
			ensuring that within a period of two financial years, beginning from the financial year 2016-17, the total public debt shall be reduced to sixty percent of the estimated gross domestic product;	

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3	3	c	<p>ensuring that in every financial year, beginning from the first July, 2003, and ending on the thirtieth June, 2013, ,the total public debt is reduced by not less than two and a half per cent of the estimated gross domestic product for any given year:</p> <p>ensuring that within a period of five financial years, beginning from the financial year 2018-19 total public debt shall be reduced by 0.5 percent every year and from 2023-24 and going up to financial year 2032-33 a reduction of 0.75 percent every year to reduce the total public debt to fifty percent of the estimated gross domestic product and thereafter maintaining it to fifty percent or less of the estimated gross domestic product; and</p>	
4			Economic policy statements to be laid before the National Assembly. -	
	1		The Federal Government shall, in each year, cause to be laid before the National Assembly, the following statements of economic fiscal and debt policy, namely	
		a	the medium term budgetary statement;	
		b	the fiscal policy statement; and	
		c	<p>the debt policy statement:</p> <p>Provided that if the National Assembly is not in session, the statements may not be laid until it next sits or as soon as practicable after that even if that is after the end of the period specified in sub-section (2).</p> <p>Provided that where the National Assembly is not in session, the statements may be laid in the next session even if it occurs after the end of the period specified in sub-section (2).</p>	
6			The fiscal policy statement.	
	2		The fiscal policy statement shall; inter alia, ,analyze the following key macroeconomic indicators, namely:-	
		a	total expenditure;	
		b	total revenue; total net revenue receipts; and	
		c	total fiscal deficit;	
		d	revenue deficit; and total Federal fiscal deficit excluding foreign grants; and"	
		e	total public debt.	
		f	debt per capita.	

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7			The debt policy statement. -	
	3		In particular and without prejudice to the provisions of sub-section (2) the debt policy statement shall, inter alia, contain-	
		c	evaluations of the nominal and real costs of external and domestic borrowing and suggest ways to contain these cost;	
		e	consistent and authenticated information ,on public and external debt and guarantees issued by the Government with ex post Facto budgetary out-turns of all guarantees and those of other such claims and commitments;	
			consistent and authenticated information on public and external debt and guarantees issued by the Federal Government;	
9			Measures to enforce compliance. -	
			Provided that nothing in this section shall apply to- ' <ul style="list-style-type: none"> (a) the expenditure charge upon the Federal Consolidated Fund under Article 51 of the Constitution; and (b) the social and poverty alleviation related expenditures specified in the proviso to clause (c) of sub-section (3) of section 3. 	
			Provided that nothing in this section shall apply to the expenditure charged upon the Federal Consolidated Fund.	
10			Statement of responsibility. -	
	1		Every statement prepared under sections 5, 6 and 7 shall be accompanied by a statement of responsibility signed by the Minister and the Secretary of Finance and comprising	
			Every statement prepared under sections 5, 6 and 7 shall include-"; and	
	2		A statement of the Minister's responsibility shall, inter alia. Provide for -	
			The statement under clause (a) of sub-section (1) shall additionally provide for-";	
13			Functions of the Office -	
	2	a	prepare a debt reduction path "in consultation with 'the Federal Government to achieve the principles of sound fiscal and debt management;	
			prepare a debt reduction path to achieve the principles of sound fiscal and debt management;"; and	
	3		The Federal Government shall cause to be laid before the National Assembly the debt reduction path as soon as may be after its preparation under sub section (2).	

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14			Publication and access of statements.	
	1		The Minister Federal Government shall, in respect of every economic policy statement referred to in section 4, arrange for publication in the Official Gazette a notice-	
	2		<p>The Secretary of Finance shall, in respect of every statement published under sub-section (1) within fifteen days of the publication of the statement arrange for its publication on the website of the Ministry of Finance.</p> <p>The statement published under sub-section (1) shall, within fifteen days of the publication, be posted on website of the Federal Government.</p>	