When, in 1969, countrywide agitation rendered the situation out of control, Ayub Khan decided to hand over power to the Army Chief, General Yahya Khan. Immediately after coming to power, Yahya Khan declared Martial Law in the country on March 25, 1969, and assumed the title of Chief Martial Law Administrator. He terminated the Constitution and dissolved the National and Provincial Assemblies. On March 31, he also became President of the Islamic Republic of Pakistan.

Unlike Pakistan's other military rulers, Yahya Khan was not interested in prolonging his rule. Immediately after taking charge of the country, he started looking for options through which he could hand over power to the elected representatives. On March 29, 1970, through an Ordinance, he presented an interim Constitution, the Legal Framework Order. It was actually a formula according to which the forthcoming elections were to be organized. It goes to the credit of Yahya Khan that the first general elections in the history of Pakistan were held during his regime in December 1970.

The trouble started when the results of the elections were announced. The Awami League, under the leadership of Sheikh Mujib-ur-Rahman, swept 160 out of 162 seats allocated to East Pakistan. However, the party failed to get even a single seat from any province of the Western Wing. On the other hand, Zulfiqar Ali Bhutto's Pakistan Peoples Party emerged as the single largest party from Punjab and Sindh and managed to win 81 National Assembly seats, all from the Western Wing. This split mandate resulted in political chaos where neither Bhutto nor Mujib was ready to accept his opponent as the Prime Minister of Pakistan. When Bhutto and Mujib failed to reach an understanding about convening a session of the newly elected National Assembly, the ball fell in Yahya Khan's court. He handled the situation badly. He used army and paramilitary forces in East Pakistan to crush the political agitation. This resulted in the beginning of the war between Pakistan and India in the winter of 1971.

Yahya Khan, as President as well as the Commander-in-Chief of Pakistan Army, failed to plan the war. This ultimately resulted in the defeat of Pakistan, dismemberment of the country and imprisonment of more than 90,000 Pakistanis. Surrender of Pakistani forces without any resistance and the fall of Dhaka made Yahya Khan the greatest villain in the country. People from all walks of life started criticizing him and thus he was left with no other option but to hand over the power to the leader of the most popular party of the remaining part of Pakistan, Zulfiqar Ali Bhutto, on December 20, 1971. Later Bhutto placed Yahya Khan under house arrest in 1972.

Yahya Khan died on August 10, 1980, in Rawalpindi.