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GOVERNMENT GAZETTE

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DEPARTMENT OF THE PRIME MINISTER

DEPARTEMENT VAN DIE EERSTE MINISTER

No. 1203.

18 June 1975.

No. 1203.

18 Junie 1975.

It is hereby notified that the State President has assented to the following Act which is hereby published for general information:—

Hierby word bekend gemaak dat die Staatspresident sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 55 of 1975: Prescribed Rate of Interest Act, 1975.

No. 55 van 1975: Wet op die Voorgeskrewe Rentekoers, 1975.

Act No. 55, 1975

PRESCRIBED RATE OF INTEREST ACT, 1975.

ACT

To provide for the calculation of interest on a debt, in certain circumstances, at a prescribed rate; for the payment of interest on certain judgment debts; and for matters connected therewith.

(Afrikaans text signed by the State President.)
(Assented to 12 June 1975.)

BE IT ENACTED by the State President, the Senate and the House of Assembly of the Republic of South Africa, as follows:—

Interest on a debt to be calculated at a prescribed rate in certain circumstances.

1. (1) If a debt bears interest and the rate at which the interest is to be calculated is not governed by any other law or by an agreement or a trade custom or in any other manner, such interest shall be calculated at the rate prescribed under subsection (2) as at the time when such interest begins to run, unless a court of law, on the ground of special circumstances relating to that debt, orders otherwise.

(2) The Minister of Justice may from time to time prescribe a rate of interest for the purposes of subsection (1) by notice in the *Gazette*.

(3) No rate of interest shall be prescribed under subsection (2) except after consultation with the Minister of Finance.

Interest on a judgment debt.

2. (1) Every judgment debt which, but for the provisions of this subsection, would not bear any interest after the date of the judgment or order by virtue of which it is due, shall bear interest from the day on which such judgment debt is payable, unless that judgment or order provides otherwise.

(2) Any interest payable in terms of subsection (1) may be recovered as if it formed part of the judgment debt on which it is due.

(3) In this section "judgment debt" means a sum of money due in terms of a judgment or an order, including an order as to costs, of a court of law, and includes any part of such a sum of money, but does not include any interest not forming part of the principal sum of a judgment debt.

Transitional provisions.

3. (1) In the application of subsection (1) of section 1 to interest which had begun to run before any rate of interest was prescribed under subsection (2) of that section, the rate of interest prescribed in the first notice published in the *Gazette* under the last-mentioned subsection shall be deemed to have been prescribed thereunder at the time when such interest began to run.

(2) Section 2 shall not apply to a judgment debt as defined therein which became payable before the commencement of this Act.

Application in South West Africa.

4. This Act and any amendment thereof shall apply also in the territory of South West Africa, including the Eastern Caprivi Zipfel.

Short title and commencement.

5. This Act shall be called the Prescribed Rate of Interest Act, 1975, and shall come into operation on a date to be fixed by the State President by proclamation in the *Gazette*.