

CHAPTER 11:05
PRESCRIBED RATE OF INTEREST
ARRANGEMENT OF SECTIONS

SECTION

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Act 20, 1978,
S.I. 117, 1978.

An 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.

[Date of Commencement: 25th August, 1978]

1. Short title

This Act may be cited as the Prescribed Rate of Interest Act.

2. Interpretation

In this Act, unless the context otherwise requires, "**judgment debt**" means a sum of money due in terms of a judgment or any order, including an order as to costs of a court and includes any part of such a sum of money but does not include any interest not forming part of the principal sum of the judgment debt.

3. Interest on a debt to be calculated at prescribed rate

(1) If a debt bears interest and the rate at which the interest is to be calculated is not governed by any other written 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, on the ground of special circumstances relating to that debt, orders otherwise.

(2) The Minister may, by order published in the *Gazette*, prescribe a rate of interest for the purposes of subsection (1).

4. Interest on judgment debt

(1) Every judgment debt which but for the provisions of this subsection would not bear interest after the date of the judgment or order by virtue of which it is due shall bear interest at the rate prescribed under section 3 from the day on which such judgment debt is payable, unless that judgment or order provides otherwise.

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