

# Understanding the Interruption of Prescription in South African Law

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## INTRODUCTION

In South African law, prescription denotes the time period after which a debt or legal claim can no longer be enforced due to the passage of time. In certain circumstances, the running of prescription can be interrupted, which effectively resets the clock and affords the creditor with an additional opportunity to enforce its claim. An acknowledgment of debt by the debtor is one of the main mechanisms which interrupt the running of prescription. This article examines the interruption of prescription as defined by the Prescription Act 68 of 1969, citing pertinent legal provisions and judicial interpretation.

## STATUTORY BASIS FOR INTERRUPTION OF PRESCRIPTION

It is stated in Section 14(1) of the Prescription Act that an acknowledgment of debt by the debtor (either express or implied/tacit) interrupts the running of prescription. This implies that the prescription period is interrupted when the debtor acknowledges the debt regardless of the form of acknowledgment (e.g. in writing or verbally). When the period of prescription is interrupted, it recommences from the date of the acknowledgment of debt.

Accordingly, a formal written statement is not necessarily required. Acknowledgment can be deduced from the debtor's behaviour, provided that such behaviour demonstrates a clear recognition of the debt and an intention to pay.

## CASE OVERVIEW: *ANGLO AMERICAN PROPERTIES v COJ*

In the unreported judgment of the South Gauteng High Court in *Anglo American Properties Limited v City of Johannesburg Metropolitan Municipality* (Case No. 35043/12) the court was requested to determine whether Anglo's claim had prescribed or whether an oral acknowledgment of the debt by an employee of the City of Johannesburg Metropolitan Municipality ("COJ") had interrupted the running of prescription under Section 14 of the Prescription Act.

Anglo argued that an oral acknowledgment made during a conversation between a COJ employee and a representative of Anglo, interrupted the running of prescription. By virtue of the acknowledgment, it was confirmed that the debt existed and could be enforced. In support of their argument, Anglo's legal team made reference to the case of *Adams v SA Motor Industry Employers' Association* 1981 (3) SA 1189 (SCA), which established that in order for an acknowledgment to be valid, it must demonstrate both awareness of the debt and an intention to pay, either explicitly or through contextual inference.

Acting Justice Mokopo issued a ruling in favour of Anglo, confirming that the oral acknowledgment was a valid interruption of prescription. The court highlighted the lack of contradictory evidence and accepted the testimony by Anglo's representative that the acknowledgment by the COJ employee implied a commitment to pay. Consequently, the court concluded that, in terms of Section 14 of the Prescription Act prescription was interrupted.

## CONCLUSION

The interruption of prescription, by virtue of an acknowledgment of debt, constitutes an important exception to the general legal principles regulating the prescription of claims. The Anglo-American case illustrates that even a verbal acknowledgement of liability can be regarded as sufficient to interrupt prescription, when combined with surrounding circumstances that suggest an intention to settle the debt. Accordingly, creditors should be aware of the necessity of documenting any acknowledgments of liability in order to protect and enforce their rights.



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8. Copy of City Power Account/ Prepaid meter account for the property;
9. Johannesburg Water Account/ prepaid meter number for the property.

According to the City's ESP rebate policy, applicants who wish to receive the continued ESP benefit must reapply every 6 months and are encouraged to apply between the 1st and 15th of the month to receive benefits in the following month. Applications made between the 15th and 30/31st day of the month will benefit in the subsequent month. It is doubtful whether the City has the capacity to process these applications with this speed, but this is the City's official stance on the matter.

## **FREE WATER AND ELECTRICITY**

Resident who qualify for an ESP benefit will also be able to obtain a certain allocation of free water and electricity to their households.

Subject to an applicant being scored against the COJ's poverty index (0-100), an household may be entitled to receive up to 15kl of free water per month if they apply for an ESP.

A household receiving ESP benefits may also qualify for a 150 kWh allocation of electricity per month, again dependent on the household's level of poverty. This would reflect as a credit on accountholder's municipal invoice.

## **CONCLUSION**

In the midst of increased tariffs and rates being imposed for the new financial year starting 1 July 2025, residents and owners who qualify for the ESP benefits are encouraged to apply for their benefits timeously to ensure that they are not unduly financially pressured by the imposition of property-based charges that they cannot afford.