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ACKNOWLEDGEMENT OF DEBT

I, the person signing this document, (insert name) (“Debtor”), in my personal capacity (or, in my capacity as (state position of authority) of (insert company or close corporation name and number if applicable) who is authorised to do so agree to and admit the following:

- I am liable to (insert name of creditor) (“the Creditor”) for payment of R (amount in words) (“Principle Debt”)
- The address I choose as the address for all correspondence and legal notices (domicilium citandi et executandi) is (insert address).

The reason why I am liable to the Creditor is because (insert reason for debt).

I also agree that I am bound by the conditions set out in the annexure. I have initialled this agreement to show that I have read it and to identify myself.

DONE AND SIGNED at (place) on this (day, month, year) in the presence of the following witnesses.

Debtor

Names of Witnesses:

Signature Witnesses:

1

2

Creditor

Names of Witnesses:

Signature Witnesses:

1

2

(Signature of debtor)

(Signature of creditor)





ANNEXURE

1 Calculation of the Principal Debt

The Principal Debt is calculated as follows:

- 1.1 the cash amount due to the Creditor in terms of the reason set out above of this agreement is R
- 1.2 (here list all other charges separately and show the total of the cash amount and all other charges separately).

2 Calculation of interest

The Principal Debt will bear interest at the rate of % per annum (per year).

- 2.1 The interest amount will be calculated monthly in advance (or arrear) on the outstanding balance due on the first (or last) day of each calendar month. [amend as necessary]
- 2.2 The interest must be calculated and added to the Principal Debt on the same day of each month until the total amount due (Principal Debt plus interest) has been paid in full.

(Alternative clause)

Interest will be calculated at an annual finance charge rate of % and the total which is R will be payable in (insert how many instalments) equal monthly instalments on the last day of every calendar month. This amount must be paid together with the payment to pay off the Principal Debt as set out below.

3 Payment in instalments

The Principal Debt, together with interest calculated as set out in clause 2 above, must be paid in (if the interest has been calculated in terms of the second alternative above, fill in the number of instalments) instalments of R each.

- 3.1 The first instalment must be made on the last day of the month during which this acknowledgement is signed.
- 3.2 After paying the first instalment, the rest of the instalments must be paid on the last day of every succeeding month until the principal debt together with interest is paid in full.

4 Default by the Debtor

If the Debtor fails to pay any instalment or payment due, the Creditor may regard the unpaid balance of the Principal Debt and interest owing on it as immediately due and payable. The Creditor may issue summons for the entire outstanding amount in any competent court without further notice or demand to the Debtor.

5 Renouncing of benefits of defences

The Debtor expressly renounces the benefits of:

- 5.1 the non causa debiti (Defence used by a Debtor that there is no reason for the obligation to pay the Principle Debt);
- 5.2 the errore calculi (Defence which can be taken by the Debtor relating to errors in calculation of the Principal Debt or interest);





- 5.3 the revision of accounts (Defence which can be taken by the Debtor relating to an amendment of an account. This is relevant where the obligation relates to the settlement of account);
- 5.4 no value recorded; and
- 5.5 if there is more than one debtor:
- the de duobus vel pluribus reis debendi (Benefit by a co-debtor or surety that entitles the Creditor to recover the Principal Debt from the co-debtor's surety, before requiring the Debtor to pay); or
 - the ordinis seu excussionis (Benefit of order or of excussion. Defence raised by a surety when sued by the Creditor that the principal debtor must be claimed from first); or
 - beneficium divisionis (Benefit of division. Defence raised by two or more sureties of the same debt that they each be liable only for their proportionate share).

6 Jurisdiction

The Debtor agrees to the jurisdiction of the Magistrate's Court in terms of section 45 of Magistrates' Court Act 32 of 1944 for the recovery of any amount due in terms of this agreement.

7 Act of insolvency

If the Debtor becomes insolvent or commits an act of insolvency (or if the Debtor is a company or close corporation, is liquidation) the entire amount still outstanding in terms of this Agreement will become due and payable immediately.

8 Legal Costs

The Debtor must pay the costs of this Agreement.

- 8.1 Costs include the costs of drawing and registering any security required by the Creditor for the payment of the Principal Debt and interest on all amounts.
- 8.2 The Debtor will also be liable for costs for collection of the Principal Debt. Attorney costs will be calculated on the attorney-and-client scale and collection costs are calculated at (insert) % of each and every payment made in reduction of the Principal Debt, interest and costs.

9 Cession or pledge

The Creditor may cede or pledge his interests and rights in terms of this Agreement to another party and may also trade with them.

- 9.1 The Creditor can do this without the Debtor's consent, unless it would be to the Debtor's detriment.
- 9.2 The Creditor may discharge or release any security partly or in full in his own interest without the consent of the Debtor.
- 9.3 He or she may also consent to any alteration, release, relaxation or postponement of the terms of the Agreement.
- 9.4 All the above actions will not be binding on the Creditor unless he or she has indicated in writing that the action will be binding.



10 Allocation of payments

The Creditor may allocate any payment to capital, interest, costs or any other item as he deems fit despite any allocation made or deemed to be made by the Debtor.

11 Certificate of amount owing

Any certificate issued under the signature of the Creditor or his or her authorised agent that serves to certify the amount due for this Agreement will be accepted as prima facie (at face value) proof of the indebtedness.

- 11.1 This certificate will be sufficient to allow the Creditor to obtain summary judgment or provisional sentence against the Debtor in any competent court for the amount stated in the certificate.
- 11.2 The Debtor accepts that he or she must disprove that the amount on the certificate is not the amount he or she owes.

12 Withholding and deferral of payment

The Debtor may not withhold or defer payment stipulated in this acknowledgement of debt.

13 More than one Debtor

If there is more than one Debtor, each Debtor accepts that he or she is jointly and severally liable for payment of the amount owing in terms of this Agreement. This means that the Creditor may at all times proceed with collection and excussion proceedings against the debtor of his or her choice.

14 Security for payment

The Debtor must give the Creditor the following securities for payment of the owed amount:
R

15 Early settlement

The Debtor may pay any portion of the Principal Debt and interest before the due date without negatively impacting on any right he or she may have in terms of this Agreement.

