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# ACKNOWLEDGMENT OF DEBT

Entered into between:

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*(insert creditor's full name)*

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*(insert creditor's identity number or registration number)*  
(Hereinafter referred to as the "creditor")

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*(insert creditor's physical address)*  
(the address acts as the *domicilium citandi et executandi*)

and

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*(insert debtor's name)*

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*(insert debtor's identity number or registration number)*  
(Hereinafter referred to as the "debtor")

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*(insert debtor's address)*  
(the address acts as the *domicilium citandi et executandi*)

## 1. The Acknowledgment

1.1 The facts giving rise to the debt are:

\_\_\_\_\_

\_\_\_\_\_

*(insert facts giving rise to the debt)*

1.2 The debtor acknowledges indebtedness to the creditor in the sum of R \_\_\_\_\_ *(value)*  
\_\_\_\_\_ *value in words (add if the NCA applies)*

plus interest at a rate of \_\_\_\_\_, *(insert interest rate) (add per month or annum) per month a tempora morae/per annum a tempora morae)*

(hereinafter referred to as the "outstanding amount").

## 2. Payment

2.1 The debtor agrees to pay the outstanding amount in instalments of R \_\_\_\_\_ *(insert amount of instalment)* over \_\_\_\_\_ *(insert number of months)* months.

2.2 The first monthly instalment will commence on the \_\_\_\_\_ *(insert date of commencement of instalments)*. After payment of the 1st monthly instalment, the remainder of the instalments must be paid every consecutive month on that day of the month until the outstanding amount is paid in full.

2.3. The payment/s must be paid directly to the creditor into the following bank account:

Bank: \_\_\_\_\_ *(insert creditor's name of bank)*

Account number: \_\_\_\_\_ *(insert creditor's account number)*

Branch code: \_\_\_\_\_ *(insert creditor's branch code)*

Account type: \_\_\_\_\_ *(insert creditor's account type)*

Name of Creditor: \_\_\_\_\_ *(insert creditor's full name)*

Reference: \_\_\_\_\_ *(insert creditor's reference)*

## 3. Default

3.1 Should the debtor fail to make payment on the due date/s, the full balance of the outstanding amount becomes due and payable by the debtor to the creditor together with legal costs.

3.2 The creditor shall demand the outstanding amount from the debtor together with legal costs; should the debtor fail to satisfy the full balance of the outstanding amount immediately, the creditor, without further notice, shall be entitled to apply to the relevant Magistrate's Court for judgment against the debtor for the outstanding amount including legal costs – the debtor consents to judgment in favour of the creditor, in terms of section 57 or 58 of the Magistrate's Court Act 32 of 1944.

## 4. General

4.1 This acknowledgment constitutes the entire agreement and no variation in terms of this agreement, novation or cancellation shall be of any force or effect unless reduced to writing and signed by both the creditor and debtor.

4.2 The creditor and the debtor select their respective addresses as their domicilia cetandi et executandi which shall be the address to which all correspondence and legal notices may be served.

4.3 The debtor renounces the benefits of legal exceptions of no value received, revision of account, errors in calculation of the outstanding account, and no reason for obligation to pay outstanding amount *(remove this paragraph if the NCA applies)*.

4.4 The debtor agrees that, at the inception of the contract, s/he is fully conversant with the terms and conditions as set out in this acknowledgment.

## 5. Signatories

Signed at \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_

As witnesses for the debtor:

1. \_\_\_\_\_  
Signature Full name

2. \_\_\_\_\_  
Signature Full name

The debtor:

\_\_\_\_\_  
Signature Full name

Signed at \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_

As witnesses for the creditor:

1. \_\_\_\_\_  
Signature Full name

2. \_\_\_\_\_  
Signature Full name

The creditor:

\_\_\_\_\_  
Signature Full name