

Chapter 52.

Judicial Proceedings (Interest on Debts and Damages) Act 1962.

Certified on: / /20 .

INDEPENDENT STATE OF PAPUA NEW GUINEA.



Chapter 52.

Judicial Proceedings (Interest on Debts and Damages) Act 1962.

ARRANGEMENT OF SECTIONS.

1. Interest on certain debts and damages.
2. Interest on interest, etc.
3. Interest on debt under judgement or order.

INDEPENDENT STATE OF PAPUA NEW GUINEA.



AN ACT

entitled

Judicial Proceedings (Interest on Debts and Damages) Act 1962,

Being an Act to make provision for interest on certain judgements.

1. INTEREST ON CERTAIN DEBTS AND DAMAGES.

(1) Subject to Section 2, in proceedings in a court for the recovery of a debt or damages the court may order that there be included in the sum for which judgement is given interest, at such rate as it thinks proper, on the whole or part of the debt or damages for the whole or part of the period between the date on which the cause of action arose and the date of the judgement.

(2)¹ ²Where the proceedings referred to in Subsection (1) are taken against the State, the rate of any interest under that subsection shall not exceed 8% yearly.

2. INTEREST ON INTEREST, ETC.

Nothing in Section 1—

- (a) authorizes the awarding of interest on interest; or
- (b) applies in relation to a debt on which interest is payable as of right, whether under an agreement or otherwise; or
- (c) affects the damages recoverable for the dishonour of a bill of exchange.

3. INTEREST ON DEBT UNDER JUDGEMENT OR ORDER.

(1) Subject to Subsections (2) and (3), where judgement is given or an order is made for the payment of money, interest shall, unless the court otherwise orders, be

¹ Section 1(2) added by the *Judicial Proceedings (Interest on Debts and Damages) (Amendment) Act 1996* (No 44 of 1996), s1.

² Section 1(2) added by the *Judicial Proceedings (Interest on Debts and Damages) (Amendment) Act 1996* (No 44 of 1996), s1.

payable at the prescribed rate from the date when the judgement or order takes effect on such of the money as is from time to time unpaid.

(2)³ ⁴Where, in proceedings on a common law claim, the court directs the entry of judgement for damages and the damages are paid within 30 days after the date of the direction, interest on the judgement debt shall not be payable under Subsection (1) unless the court otherwise orders.

(3)⁵ ⁶Where, in proceedings for damages on a common law claim, the court makes an order for the payment of costs and the costs are paid within 30 days after the ascertainment of the amount of the costs by taxation or otherwise, interest on the costs shall not be payable under Subsection (1) unless the court otherwise orders.

(4)⁷ ⁸Notwithstanding anything in this section, where the judgement given or the order made is given or made against the State—

- (a) the rate of interest payable under Subsection (1) shall not exceed 8% yearly; and
- (b) any payment under Subsections (2) and (3) shall be deemed to have been made on the date of the drawing of the cheque for payment; and
- (c) where the sum awarded is increased on appeal—interest shall only be payable on the increase in accordance with this Section from the date when the appellate judgement or order takes effect.

Office of Legislative Counsel, PNG

³ Section 3(2) amended by the *Judicial Proceedings (Interest on Debts and Damages) (Amendment) Act 1996* (No. 44 of 1996), s2(a).

⁴ Section 3(2) amended by the *Judicial Proceedings (Interest on Debts and Damages) (Amendment) Act 1996* (No. 44 of 1996), s2(a).

⁵ Section 3(3) added by No. 4 of 1983; amended by the *Judicial Proceedings (Interest on Debts and Damages) (Amendment) Act 1996* (No 44 of 1996), s2(b).

⁶ Section 3(3) added by No. 4 of 1983; amended by the *Judicial Proceedings (Interest on Debts and Damages) (Amendment) Act 1996* (No 44 of 1996), s2(b).

⁷ Section 3(4) added by the *Judicial Proceedings (Interest on Debts and Damages) (Amendment) Act 1996* (No. 44 of 1996), s2(c).

⁸ Section 3(4) added by the *Judicial Proceedings (Interest on Debts and Damages) (Amendment) Act 1996* (No. 44 of 1996), s2(c).