

Prescription Act, 1969

13. Completion of prescription delayed in certain circumstances

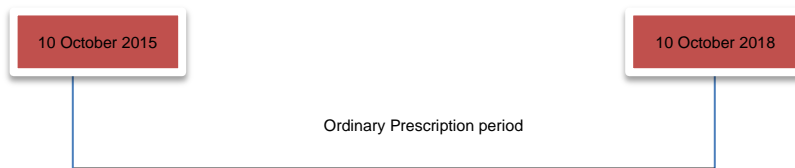
(1) If -

...
(f) the debt is the object of a dispute subjected to arbitration... and

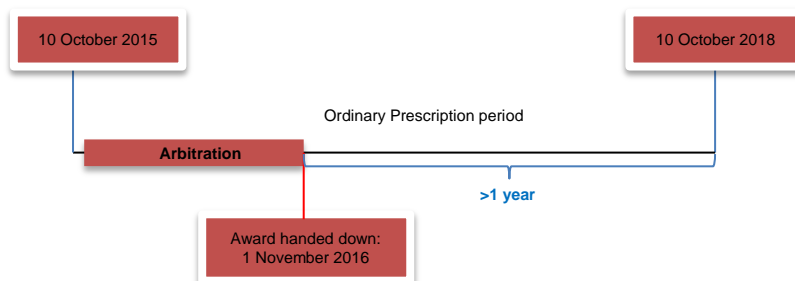
...
(i) the relevant period of prescription would, but for the provisions of this subsection, be completed before or on, or within one year after, the day on which the relevant impediment referred to in paragraph (a), (b), (c), (d), (e), (f), (g) or (h) has ceased to exist,

the period of prescription shall not be completed before a year has elapsed after the day referred to in paragraph (i).

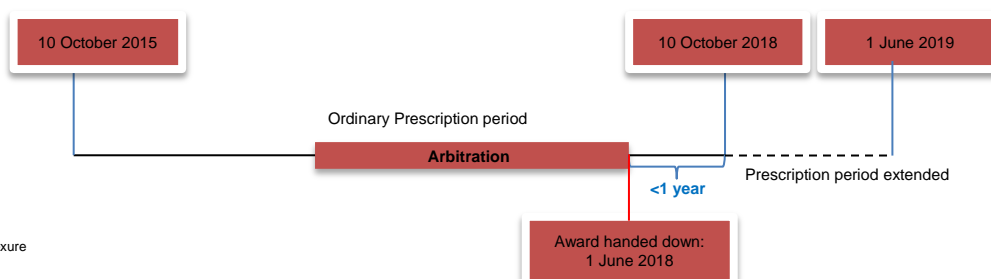
Example: A debt arises on 10 October 2015 and will ordinarily prescribe on 10 October 2018.



Scenario A: Arbitration proceedings commence on 1 November 2015 and are concluded on 1 November 2016. The debt (and the award) prescribes on 10 October 2018. In this case, section 13(1) is not triggered because the debt does not prescribe before or within one year of the arbitration award.



Scenario B: Arbitration proceedings commence on 1 December 2017 and the award is handed down on 1 June 2018. The award is within 1 year of the date on which the debt would ordinarily have prescribed. By virtue of section 13(1), the completion of prescription in respect of the debt is delayed for one year and the debt (and the award) prescribes on 1 June 2019.



Scenario C: Arbitration proceedings commence on 1 December 2017 and the award is handed down 1 May 2019. But for section 13(1), the debt would have prescribed whilst the arbitration was ongoing on 11 October 2018. By virtue of section 13(1), the completion of prescription in respect of the debt is delayed for one year and the debt (and the award) prescribes on 1 May 2020.

