

## REPUBLIC OF ZAMBIA

### GUIDE TO LEGAL DEBT RECOVERY

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**Jurisdiction:** Republic of Zambia

**Legal Basis:** Pursuant to the Judgments Act, Cap. 81; Small Claims Courts Act No. 15 of 2016; Subordinate Courts Act, Cap. 28; and Civil Procedure Rules

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## 1. INTRODUCTION

This guide is intended to assist individuals, companies, and legal practitioners in understanding the lawful process of debt recovery in Zambia. It outlines the available legal options, timelines, documentation requirements, and the rights of both creditors and debtors.

## 2. DEFINITIONS

- **Creditor:** A person or entity to whom money is owed.
  - **Debtor:** A person or entity who owes money.
  - **Demand Letter:** A formal notice requiring the debtor to settle the outstanding debt.
  - **Acknowledgement of Debt:** A signed document confirming the debt exists and is payable.
  - **Judgment Debt:** A debt confirmed by a court order.
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## 3. STAGES OF LEGAL DEBT RECOVERY

### A. PRE-ACTION STAGE

1. **Demand Letter**
  - Issue a formal letter demanding payment within 7 to 14 days.
  - Must include debt amount, basis of the debt, repayment terms, and notice of intended legal action if unpaid.
2. **Acknowledgement of Debt (optional)**

- Secures admission of liability.
  - May include repayment plan or security for debt.
3. **Payment Plan Agreement (if agreed)**
- Details instalments, dates, and consequences of default.

## B. LITIGATION STAGE

1. **Filing in the Appropriate Court**
    - **Small Claims Court** (up to K20,000) or
    - **Subordinate Court** or **High Court** depending on the amount and complexity.
  2. **Service of Summons**
    - Defendant (debtor) must be served with legal documents.
  3. **Hearing & Judgment**
    - Evidence presented.
    - If the claim is uncontested or proved, court grants a judgment.
  4. **Execution of Judgment**
    - **Writ of Fieri Facias** (property seizure)
    - **Garnishee Order** (bank account funds)
    - **Charging Order** (over land or shares)
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## 4. TIME LIMITATIONS

Pursuant to the **Limitation Act, Cap. 89**, an ordinary contract debt must be recovered within **6 years** from the date the cause of action arose.

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## 5. RIGHTS OF CREDITORS AND DEBTORS

### CREDITOR RIGHTS

- Right to be paid under lawful contract
- Right to pursue legal recovery
- Right to charge interest (if agreed or by law)

### DEBTOR RIGHTS

- Right to dispute the claim
  - Right to receive fair treatment and lawful enforcement
  - Right to privacy of financial details
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## 6. LEGAL PROTECTION AGAINST FRAUDULENT CLAIMS

Any false, exaggerated, or malicious debt recovery attempts may be actionable under **Section 316 of the Penal Code, Cap. 87** for false pretenses or fraud.

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## 7. DOCUMENTS TO PREPARE FOR RECOVERY

- Contract or agreement
  - Proof of payment default
  - Invoices or delivery notes
  - Demand letter
  - Acknowledgment of debt (if available)
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## 8. GOVERNING LAW

This guide is governed by the laws of Zambia, including but not limited to:

- **Judgments Act, Cap. 81**
  - **Small Claims Court Act No. 15 of 2016**
  - **Companies Act No. 10 of 2017**
  - **Limitation Act, Cap. 89**
  - **Penal Code, Cap. 87**
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## 9. DISPUTE RESOLUTION OPTIONS

- Negotiation / Mediation

- Arbitration (if agreed)
  - Court action (as a last resort)
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## **10. PROFESSIONAL LEGAL ADVICE**

It is advisable to consult a qualified legal practitioner before initiating any formal debt recovery procedures.