



REPUBLIC OF KENYA
IN THE HIGH COURT
AT NAIROBI
MILIMANI LAW COURTS

Civil Case 581 of 2007

PERMINUS NJOROGE MUIRURI t/a

PESANET INVESTMENTS PLAINTIFF

VERSUS

EQUITY BANK LIMITED DEFENDANT

R U L I N G

On 12/6/09 parties approached the court for approval of decree which was filed and marked “for settlement”. The prayer item (B) was for interest at court rates or market rates whichever is higher. It was ordered:-

1. That judgment be and is hereby entered for the plaintiff for the credit balance on Account Number 0250290710113 at the close of business on 8/10/2008 amounting to Kshs.4,939,200/=. TOGETHER with INTEREST at commercial rates from 9/2/2007 until payment in full.”

Authorities relied upon is (1) Halsbury Laws of England, Volume 27

where it is headed “rate and recovery of interest.” Paragraph 11 – “No limit to agreed rate.” Paragraph 12 “amount usually allowed by courts.”

“Amount usually allowed by court. Where the rate of interest is not fixed by Statute agreement or usage there is no hard and fast rule as to amount that will be allowed and the rate may vary according to the practice of particular court, the value of money for the time being, and the circumstances of a particular case.”

In Commercial and speculative transactions interest rate is different. The rate of interest is governed by the proper law of the contract so that in practice the rate current at the place of payment will be allowed.

In our jurisdiction the rate of interest in money decree the court may order interest at such rate as court deems reasonable. But interest is now paid at court rates at the rate of 14%.

I have considered the submissions and authorities now quoted. The decree shall be corrected by inserting “together with interest at the rate of 16% from 9/2/2007 to the date of judgment and thereafter at the rate of 14% until full payment considering this deposit was kept in the bank.

It is so ordered.

DATED, SIGNED and DELIVERED at Nairobi this 3rd day of November, 2009.

JOYCE N. KHAMINWA

JUDGE