



KREDCOR

After the Judgment

The South African Creditor's Guide to Actually Collecting on a Court Order

The definitive guide for South African business owners, CFOs and credit managers who need to turn a judgment into cash — not just a certificate.

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Kredcor Commercial Debt Recovery Partners

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Executive Summary

Most South African creditors treat a judgment as the finish line. It isn't. A judgment is a licence to collect — not the collection itself — and the gap between the two is where recoverable money quietly turns into a write-off. Stats SA's most recent liquidation data shows compulsory liquidations — the ones a court had to order because a creditor forced the issue — up 31% year-on-year in May 2026, even as the overall liquidation count eased (Stats SA, Statistics of Liquidations, 2026). Businesses are not paying any more willingly than before; creditors are simply being forced to escalate more often to get paid at all.

This paper sets out the seven-stage enforcement ladder that sits between a court order and money in your bank account, and the specific decision at each rung that determines whether the next step is worth its cost.

It covers:

- The seven stages from judgment to cash, and where each one commonly wastes money
- Warrant of execution versus Section 72 garnishee order — what each actually attaches, and when to use which
- What a nulla bona return means in law, and the three defensible responses to it
- Why a judgment debt gets a 30-year enforceable life under the Prescription Act 68 of 1969 — and why a surety's liability doesn't automatically inherit it
- The red flags that mean an appointed collector or attorney is spending your money on enforcement that was never going to work
- A set of benchmarks for treating enforcement as an ongoing discipline, not a once-off event after judgment

“A judgment is the easiest part of debt recovery to get right, and the easiest part to waste. The paperwork ends when the court signs it. The actual collecting only starts there.”

— Landi Maritz, Operations Manager, Kredcor

The Stakes

For a South African business, an unenforced judgment is not a neutral position — it is an active, worsening one. Every month a judgment debt sits uncollected is a month closer to one of two outcomes: the debtor recovers and quietly pays a supplier who chased harder, or the debtor's position deteriorates until there is genuinely nothing left to collect.

The macro picture bears this out. Stats SA's revised liquidation and insolvency statistics for the first half of 2026 recorded 1,361 company liquidations — only marginally down on the 1,373 recorded in the same period of 2025. Individual and partnership insolvencies, the route that follows when a personal surety can't pay either, fell more sharply, from 847 to 753 over the same period (Stats SA, Statistics of Liquidations and Statistics of Insolvencies, 2026). Read together, the numbers describe the same environment persisting: financial distress a business could arguably survive if creditors moved early, but which becomes terminal if enforcement is left to drift.

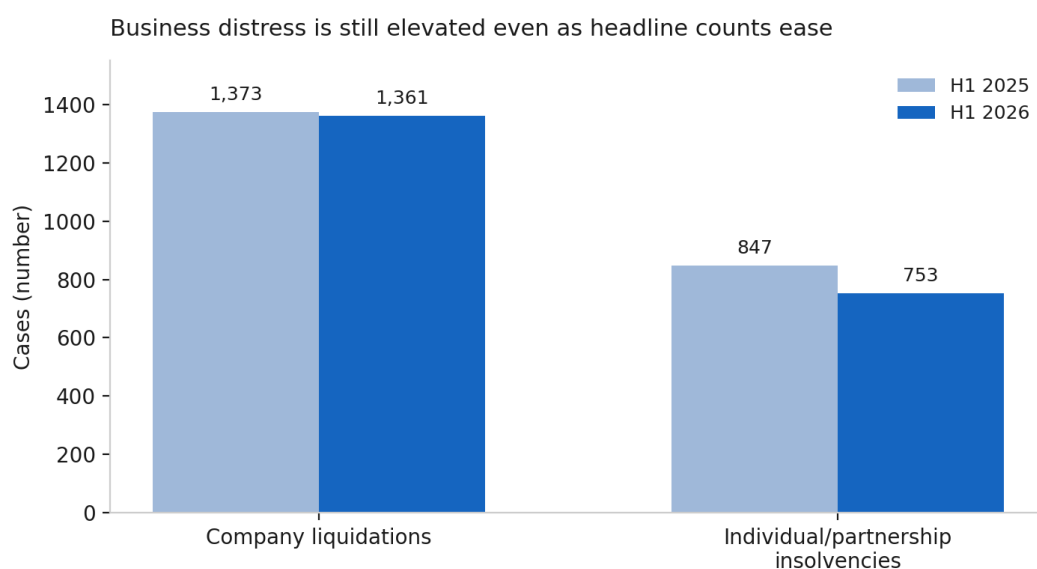


Figure 1: Company liquidations and individual/partnership insolvencies, H1 2025 vs H1 2026 | Stats SA, 2026

The second figure tells the more specific story for creditors relying on the courts. Compulsory liquidations — where a creditor had to actually apply to wind up a company because ordinary demand didn't work — rose from 29 to 38 cases in May 2026 alone, a year-on-year increase of 31% (Stats SA, Statistics of Liquidations, 2026). Voluntary liquidations still make up the large majority of closures — Stats SA put this at roughly 83% of the total in the same release — but the compulsory share, the part creditors actually have to force, is the part that is growing.

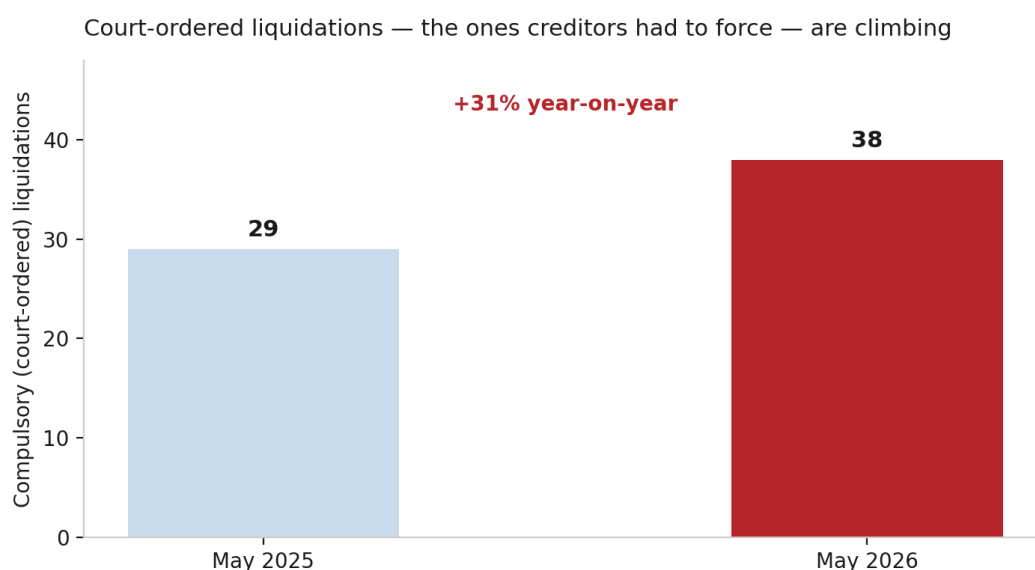


Figure 2: Compulsory (court-ordered) company liquidations, May 2025 vs May 2026 | Stats SA, 2026

Three consequences follow directly for a South African B2B creditor:

Legal: a judgment that is never executed sits as a static number while your actual leverage over the debtor — its bank balance, its stock, its receivables from its own customers — keeps moving. By the time you act, the asset you were counting on may belong to someone else's judgment, or may no longer exist.

Financial: every stage of enforcement (sheriff's fees, attorney's fees for the warrant, disbursements for a Section 72 notice) is a cost you incur before you know whether it will be recovered. Skipping the diagnostic step — knowing what the debtor actually has — turns enforcement from a calculated bet into a blind one.

Reputational: for a commercial creditor, how you enforce matters almost as much as whether you do. A creditor known for chasing every judgment with the same blunt instrument, regardless of what a debtor actually has, damages relationships with genuinely viable customers who hit a rough patch. A creditor known for enforcing precisely, and only where the numbers justify it, keeps both its recovery rate and its reputation intact.

The rest of this paper sets out how to make that calculation at each of the seven stages between judgment and cash.



The Enforcement Ladder

A judgment is not self-executing. Once the court has ruled in your favour, South African law hands you a specific, sequential toolkit — not a single lever — and the tools differ depending on whether your debtor is a company, a close corporation, a sole proprietor, or an individual surety who signed a personal guarantee.

The seven stages below run in the order most enforcement actually follows, from getting the judgment itself right through to the point where you decide whether an unresponsive debtor's business is over. Skipping a stage doesn't just risk failure — it usually means paying twice: once for the enforcement step that didn't work, and again for the step you should have taken first.

Each stage states what it is, what happens when a creditor gets it wrong, what to verify before authorising the spend, and Kredcor's own standing position on it.

01 Get the Judgment Right

The cheapest stage to get right is also the one everyone rushes.

A judgment is only as useful as the paperwork behind it. For enforcement purposes, South African courts and sheriffs work off the judgment itself — the amount, the correct legal name and registration details of the defendant, and the court that granted it. A default judgment against “ABC Trading” when the actual contracting party was “ABC Trading (Pty) Ltd” is not a technicality; it can make the judgment unenforceable against the entity that actually owes you money. The forum matters too: a Magistrates' Court judgment and a High Court judgment are enforced under different provisions — the Magistrates' Courts Act 32 of 1944 in the first case, the Superior Courts Act 10 of 2013 and the Uniform Rules of Court in the second — with different monetary limits and slightly different mechanics at every later stage.

Get the defendant's details wrong, and every later stage — the warrant, the garnishee, the sequestration application — inherits the defect. Attorneys sometimes only catch this at the sheriff's return stage, months after judgment, by which point the debtor has had ample warning and time to move assets.

- Confirm the judgment reflects the debtor's correct registered name, registration number, and address for service
- Confirm which court granted judgment, and which Act and rules therefore govern enforcement
- Confirm the judgment amount includes interest (state the rate and the date it runs from) and costs
- Where the debtor is a close corporation or company, confirm you also have its registered office for service of the warrant
- Keep the original judgment and every warrant return on a single file — you'll need the full paper trail for any later insolvency application

✓ KREDCOR: We check the defendant's registered details against CIPC records before instructing a warrant — not after a sheriff's return comes back against the wrong entity.

02 The Section 65 Enquiry

Enforcement without information is a bet, not a strategy.

Before spending on a warrant, the Magistrates' Courts Act gives a judgment creditor the right to summon the judgment debtor to a hearing to disclose their financial position — assets, income, and the ability to pay (sections 65A to 65M of the Magistrates' Courts Act 32 of 1944). Used properly, this turns enforcement from guesswork into a decision based on what the debtor can actually be shown to have.

Many creditors skip straight to a warrant because it feels more decisive. Against a debtor with no disclosed or discoverable assets, that decisiveness is expensive: sheriff's fees, attorney's fees, and disbursements are spent to confirm what a financial enquiry — or even basic due diligence such as a CIPC search, a deeds office search, or a trade reference check — would have told you for a fraction of the cost.

- Request a financial disclosure or enquiry before authorising a warrant against an unfamiliar debtor
- Run a basic asset check in parallel — CIPC filings, deeds office records, any registered security you can see
- Ask your attorney or collector to quantify, in Rand terms, what a warrant is likely to actually recover before you approve the spend
- Treat a debtor's refusal or failure to attend a summoned enquiry as useful information in itself, not just a delay

✓ KREDCOR: We don't authorise sheriff's costs on a matter until we can show you, in writing, what we expect the warrant to actually recover.

03 Warrant of Execution — Movable Property

The default tool — and the one most often used on debtors who have nothing left to attach.

A warrant of execution against movable property instructs the sheriff to attach and, if unpaid, sell the judgment debtor's movable assets — stock, equipment, vehicles, furniture — to satisfy the debt (Magistrates' Courts Act 32 of 1944; Uniform Rules of Court Rule 45 for High Court judgments). It is the most commonly issued enforcement instrument, because it is the cheapest to start and doesn't require proving anything beyond the unpaid judgment.

The warrant only works if there is something to attach that is worth more than the cost of attaching and selling it. Second-hand equipment and stale stock rarely fetch book value at a sale in execution; the sheriff's commission, charged on the proceeds, and storage costs come off the top before you see a cent.

- Confirm what's actually at the debtor's registered address before instructing the warrant — a site visit or trade reference beats guessing
- Ask whether any attached items are already subject to finance agreements or a registered security — those items are not the debtor's to lose
- Get a realistic view of resale value, not book value, before deciding the warrant is worth pursuing
- If the first attempt returns nulla bona (see Point 06), don't simply re-issue the same warrant at the same address

✓ KREDCOR: We verify what a warrant is likely to attach before we recommend one — not after the sheriff's van has already made the trip.

04 Warrant of Execution — Immovable Property

Slower and more expensive — and usually only worth it against a debtor with real property.

When movable property is insufficient, a creditor can proceed against the debtor's immovable property — land and buildings — under the Magistrates' Courts Act, or the Uniform Rules of Court Rule 46 for High Court judgments. This route involves additional formalities, including a valuation and, in many cases, a court-set reserve price before a sale in execution of registered property can proceed.

This is a slower, costlier route than movable execution, and it is frequently pursued against debtors whose property is already bonded to a bank for more than it's worth — in which case a creditor ranked behind the bondholder recovers little or nothing.

- Run a deeds office search before instructing this route — confirm the debtor actually owns unencumbered or under-bonded property
- Check the ranking of existing bonds and other registered creditors ahead of you
- Budget for valuation costs and a longer timeline — often many months — before this route returns cash
- Consider whether this is the point at which liquidation or sequestration (Points 06–07) is actually the more efficient route

✓ KREDCOR: We only recommend immovable execution once a deeds office search shows real, realistically recoverable equity above existing bonds.

05 The Section 72 Garnishee

The commercial equivalent of a garnishee — attaching what someone else owes your debtor.

Section 72 of the Magistrates' Courts Act 32 of 1944 allows a judgment creditor to attach a debt owed to the judgment debtor by a third party — most usefully, the debtor's own bank account, or money a customer of the debtor's still owes them. This is a distinct legal mechanism from an emoluments attachment order (EAO), which attaches an individual's salary under section 65J of the same Act and is tied to consumer credit agreements under the National Credit Act 34 of 2005 — a mechanism the Western Cape High Court tightened further in 2025 (*In re: Vortex Solutions & Another v Van der Westhuizen Attorneys & Others*). For a B2B creditor chasing a company or a sole proprietor, the section 72 route against a bank account or a trade debtor is almost always the more relevant tool.

A garnishee order is only as good as your knowledge of who actually owes your debtor money, and it can be defeated by a third party who disputes the debt, or by a debtor who has already moved banking relationships once litigation started.

- Identify the debtor's bank, or a specific customer who owes them money, before applying — a garnishee order needs a named third party
- Move quickly once judgment is granted; debtors who anticipate a garnishee often change bank accounts first
- Be ready for a third party to dispute the debt — know in advance whether an interpleader process will be needed
- Don't confuse this with an EAO against an individual's salary — different section, different Act, different debtor

✓ KREDCOR: Before applying for a section 72 order, we identify the specific bank or trade debtor to target — we don't file blind and hope.

06 Nulla Bona — Next Steps

An empty sheriff's return is not the end of the file — it's a fork in the road.

When the sheriff cannot find sufficient disposable property to satisfy a warrant, the return is endorsed nulla bona — Latin for “no goods.” This is not simply disappointing news. In law, a nulla bona return against an individual (including a sole proprietor or a personal surety) constitutes an act of insolvency under section 8(b) of the Insolvency Act 24 of 1936, opening the door to a sequestration application. Against a company or close corporation, an unsatisfied warrant is one of the statutory grounds on which the entity is deemed unable to pay its debts under section 345(1)(b) of the Companies Act 61 of 1973 (retained for winding-up purposes under the Companies Act 71 of 2008), supporting an application to wind it up — the process covered in full in Kredcor White Paper 8, Business Rescue vs Liquidation.

Creditors who treat nulla bona as a dead end either write off recoverable debt too early, or keep re-issuing the same warrant at the same address without changing the underlying facts. Neither protects the claim or improves the odds.

- Confirm the nulla bona return was genuine — a documented, diligent search, not a formality
- Decide within a fixed internal timeframe: pursue sequestration/liquidation, pursue a different asset (Points 04–05), or write off
- If sequestration or liquidation is worth pursuing, move before the debtor's position deteriorates further — advantage to creditors is a real legal requirement, not a formality
- Keep the nulla bona return itself — it is evidence you will need for any insolvency application

✓ KREDCOR: A nulla bona return triggers a specific internal decision on your file within days — not a default parking in the ‘unrecoverable’ pile.

07 Enforcing Against a Personal Surety

A guarantee is only as strong as the judgment standing behind it.

Many B2B credit agreements are backed by a director's or member's personal suretyship. If the company can't pay, the surety can be pursued — but only effectively if you have, or obtain, a judgment against the surety personally, not just against the company. This matters for prescription specifically: a judgment debt prescribes after 30 years under section 11(a)(ii) of the Prescription Act 68 of 1969, instead of the usual three years under section 11(d) — but that 30-year period attaches to the judgment, and a judgment against the company does not automatically extend it to an un-joined surety.

Creditors who obtain judgment only against the company, intending to “deal with the surety later,” can find the surety's separate liability has continued to run on the ordinary three-year clock the whole time — exactly the trap covered in more depth in Kredcor White Paper 7, The B2B Creditor's Guide to Prescription.

- Join the surety in the original action wherever possible, so judgment is granted against both
- If a surety was not joined, treat obtaining judgment against them as its own urgent, separate step — not an afterthought
- Confirm the suretyship itself is valid and enforceable — in writing, properly signed, correctly identifying the principal debt — before relying on it
- Once judgment against the surety exists, the same seven-stage ladder above applies to their personal assets

✓ KREDCOR: We check whether a personal surety was properly joined at the judgment stage — before, not after, the company's own assets run out.

Immediate Red Flags

Walk away if you see any of these.

IMMEDIATE RED FLAGS

- A collector or attorney who promises a guaranteed recovery rate through a warrant or garnishee — no enforcement mechanism in South African law can be guaranteed in advance
- Warrants issued repeatedly at the same address with no updated information, after a prior attempt already returned nulla bona
- No section 65 enquiry or basic asset check ever offered before a warrant is instructed
- Enforcement action taken against a personal surety with no separate judgment against that surety
- A nulla bona return sitting on file for months with no documented decision on next steps
- A sheriff or process server used who cannot confirm registration with the South African Board of Sheriffs for that jurisdiction

Yellow Flags

Proceed with caution and clarify.

YELLOW FLAGS

- The sheriff could not gain access on the first attempt — ask for the specific follow-up plan before authorising a second attempt
- The debtor disputes the judgment amount after the fact — check rescission risk before spending further on execution
- A third party subject to a section 72 garnishee disputes owing the debt — confirm whether an interpleader is needed and what that adds in time and cost
- The likely sale value of attachable assets is close to the combined cost of the sheriff's fees and disbursements — ask for the net recovery estimate, not just the gross
- The judgment is old enough that you're not certain it's still within its enforceable life, or that it hasn't already been settled or rescinded — confirm file status before instructing anything further

Frequently Asked Questions

How long does it typically take to enforce a judgment in South Africa?

It varies by stage and by debtor. A warrant of execution against movable property can be instructed almost immediately after judgment and executed within weeks, provided the debtor's address and assets are known. A section 72 garnishee can move faster still if the target bank or debtor is identified quickly. Immovable property execution, and any escalation to sequestration or liquidation, typically takes months rather than weeks, because of the additional formalities involved.

What does it mean when the sheriff's return says nulla bona?

It means the sheriff attended and could not find sufficient movable property to satisfy the warrant. It does not mean the debt is uncollectable — it means the enforcement route needs to change: to a different asset, to a garnishee order, or in some cases to a sequestration or liquidation application, for which a nulla bona return is itself important supporting evidence.

Can a creditor attach a company's bank account directly?

Yes, through a section 72 garnishee order under the Magistrates' Courts Act, provided you can identify the specific bank holding the account. This is different from an emoluments attachment order, which attaches an individual's salary under a separate section of the Act and applies to consumer credit relationships, not commercial bank accounts.

Is a company director personally liable for the company's judgment debt?

Not automatically. A director is only personally liable if they signed a personal suretyship for the debt, or in narrow circumstances involving reckless trading or a breach of fiduciary duty. Where a suretyship exists, a separate judgment against the director as surety is usually needed before the same enforcement toolkit can be used against their personal assets.

The Questions to Ask

Regulatory & Compliance

1. Which court granted the judgment, and does our attorney or collector know which Act and rules govern its enforcement?
2. Is our appointed sheriff registered with the South African Board of Sheriffs for the debtor's jurisdiction?
3. If a personal surety is involved, has judgment actually been granted against that individual, separately from the company?

Commercial & Performance

4. What is the realistic, net-of-costs recovery estimate before we authorise a warrant or garnishee?
5. Has a section 65 financial enquiry, or an equivalent asset check, been done before any enforcement spend is approved?
6. What is our internal timeframe for deciding next steps after a nulla bona return?

Operational

- 7. Who is tracking which stage of the enforcement ladder each open judgment is currently on?
- 8. Is there a single file per judgment containing the judgment itself, all warrant returns, and any correspondence — ready to support an insolvency application if needed?
- 9. How quickly can we move to a section 72 garnishee once we identify a debtor's bank or a paying customer?

Legal Escalation

- 10. At what recovery threshold does sequestration or liquidation become worth pursuing over continued piecemeal execution?
- 11. Are we confirming, before relying on it, that a judgment debt is still within its 30-year enforceable life and hasn't been settled or rescinded?
- 12. Do we have a documented, defensible basis for writing off a judgment we've decided not to pursue further?

Provision-to-Checklist Reference

Provision / Concept	Why It Matters	What to Look For
Warrant of Execution — movable property (MCA 32 of 1944; Rule 45)	The default, fastest-starting enforcement tool	Confirmed assets at the debtor's address worth more than the cost of attaching and selling them
Warrant of Execution — immovable property (Rule 46, Uniform Rules)	Slower and costlier, but reaches property movables can't	Unencumbered or under-bonded property, confirmed by a deeds office search
Section 65 financial enquiry (MCA ss65A–65M)	Turns enforcement from guesswork into an evidence-based decision	A summoned disclosure of the debtor's actual financial position before you spend
Section 72 garnishee order (MCA 32 of 1944)	Attaches what a named third party owes your debtor	A specific bank or trade debtor identified before you apply
Nulla bona return / act of insolvency (s8(b) Insolvency Act 24 of 1936)	Opens the door to sequestration against an individual or surety	A genuine, diligent sheriff's search, properly documented
Deemed unable to pay debts (s345(1), Companies Act 61 of 1973)	Supports a winding-up application against a company	An unsatisfied statutory demand or an unsatisfied warrant of execution
Judgment debt prescription (s11(a)(ii), Prescription Act 68 of 1969)	Gives you 30 years to enforce, instead of 3	A judgment obtained against every party you intend to hold liable, including any surety

Managing It Ongoing

Enforcement isn't a single event after judgment — it's an ongoing discipline that needs the same operational rigour as your credit control function. The benchmarks below are a starting point for managing a judgment book, not a claim about what any specific firm achieves.

KPI	Target Benchmark	Action if Missed
Time from judgment to first enforcement instruction	Within 10 business days	Establish why — and whether the delay has already cost you leverage
Section 65 enquiry or equivalent asset check completed before a warrant is instructed	100% of matters above your internal materiality threshold	Don't authorise sheriff's costs until this is done
Decision recorded within a fixed period of a nulla bona return	Within 15 business days	Escalate the file for a sequestration / liquidation / write-off decision
Judgment register reviewed for parties not yet joined (e.g. an un-joined surety)	Quarterly	Instruct a separate action against the surety before the ordinary 3-year clock runs out
Open judgments reviewed against their enforceable life	Annually	Confirm each is still within its 30-year window and hasn't been settled, rescinded, or paid

Why Kredcor Passes Every Point

Checklist Point	Kredcor's Position
01 — Get the judgment right	We verify the defendant's registered details before instructing enforcement
02 — The Section 65 enquiry	We don't authorise sheriff's costs without first showing you an expected recovery
03 — Warrant, movable property	We verify what's actually attachable before recommending the warrant
04 — Warrant, immovable property	We run a deeds office search before recommending this route
05 — Section 72 garnishee	We identify a specific bank or trade debtor before applying
06 — Nulla bona	Every nulla bona return gets a documented decision within days
07 — Enforcing a surety	We check whether the surety was properly joined at the judgment stage

“Hold us to every point on this list the same way we'd expect you to vet any firm you trust with a judgment. If we can't show you the working behind a recommendation, don't pay for it.”

— Landi Maritz, Operations MAnager, Kredcor

Conclusion

A judgment is proof that you were right. It is not, on its own, proof that you will be paid. The seven stages between the two — getting the judgment itself right, knowing what the debtor actually has, choosing the correct instrument, and knowing when to escalate or stop — are where recoverable debt is actually won or quietly lost.

None of this requires guesswork. Every stage above has a specific legal basis, a specific piece of information you need before you spend money on it, and a specific, defensible decision point. The businesses that recover the most after judgment aren't the ones who litigate hardest — they're the ones who treat enforcement with the same discipline they'd apply to any other capital allocation decision.

Apply the same standard to whoever is enforcing your judgments that this paper has just set out. Ask them to show their working at every rung of the ladder. If they can, you have a partner. If they can't, you have a cost centre wearing a law firm's letterhead.

Take the Next Step

Do this before you close this file

- Ask your current attorney or collector for a written recovery estimate on your three oldest open judgments
- Request confirmation that a section 65 enquiry or equivalent asset check was done before any warrant was instructed
- Review your judgment register for any un-joined sureties before the three-year clock runs out on them
- Get a second opinion on any judgment currently sitting after a nulla bona return with no documented next step
- Talk to Kredcor about auditing your open judgment book, at no obligation

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Resources & Further Reading

Regulators & Courts

- Council for Debt Collectors (CFDC) — cfdc.org.za
- South African Board of Sheriffs — complaints and registration enquiries
- Department of Justice and Constitutional Development — justice.gov.za

Legislation

- Magistrates' Courts Act 32 of 1944
- Superior Courts Act 10 of 2013 and the Uniform Rules of Court
- Sheriffs Act 90 of 1986
- Insolvency Act 24 of 1936
- Companies Act 71 of 2008 (read with the retained winding-up provisions of the Companies Act 61 of 1973)
- Prescription Act 68 of 1969
- National Credit Act 34 of 2005

Kredcor White Paper Series

- WP6 — How to Vet and Appoint Debt Collectors in South Africa
- WP7 — The B2B Creditor's Guide to Prescription
- WP8 — Business Rescue vs Liquidation: A Creditor's Survival Manual
- WP9 — POPIA and Debt Collection in South Africa

Related Kredcor Articles

- Liquid Document vs Illiquid Claim
- Your Debtor is About to Go into Liquidation
- Powerful Bundle of Evidence for Your Debt Collector

This paper is for general educational purposes and does not constitute legal advice. Enforcement strategy should be confirmed with a qualified attorney based on the specific facts of each matter.