

# Prescription and Limitation (Scotland) Act 1973

# **1973 CHAPTER 52**

#### PART I

#### **PRESCRIPTION**

#### Negative Prescription

# **Extinction of obligations by prescriptive periods of five years.**

- (1) If, after the appropriate date, an obligation to which this section applies has subsisted for a continuous period of five years—
  - (a) without any relevant claim having been made in relation to the obligation, and
  - (b) without the subsistence of the obligation having been relevantly acknowledged,

then as from the expiration of that period the obligation shall be extinguished: Provided that in its application to an obligation under a bill of exchange or a promissory note this subsection shall have effect as if paragraph (b) thereof were omitted.

- (2) Schedule 1 to this Act shall have effect for defining the obligations to which this section applies.
- (3) In subsection (1) above the reference to the appropriate date, in relation to an obligation of any kind specified in Schedule 2 to this Act is a reference to the date specified in that Schedule in relation to obligations of that kind, and in relation to an obligation of any other kind is a reference to the date when the obligation became enforceable.
- (4) In the computation of a prescriptive period in relation to any obligation for the purposes of this section—
  - (a) any period during which by reason of—
    - (i) fraud on the part of the debtor or any person acting on his behalf, or

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(ii) error induced by words or conduct of the debtor or any person acting on his behalf,

the creditor was induced to refrain from making a relevant claim in relation to the obligation, and

(b) any period during which the original creditor (while he is the creditor) was under legal disability,

shall not be reckoned as, or as part of, the prescriptive period:

Provided that any period such as is mentioned in paragraph (a) of this subsection shall not include any time occurring after the creditor could with reasonable diligence have discovered the fraud or error, as the case may be, referred to in that paragraph.

(5) Any period such as is mentioned in paragraph (a) or (b) of subsection (4) of this section shall not be regarded as separating the time immediately before it from the time immediately after it.

#### **Modifications etc. (not altering text)**

- C1 S. 6 extended by Local Government, Planning and Land Act 1980 (c. 65, SIF 123:2), s. 113(11)
- C2 S. 6 modified (25.9.1991) by Age of Legal Capacity Act 1991 (c. 50, SIF 49:8), ss.8, 11(2). S. 6 applied (with modifications) (*prosp.*) by 2000 asp 5, ss. 57, 77(2) (with ss. 58, 62, 75)
- C3 S. 6 applied (with modifications) by 1974 c. 38, s. 5 and 6 (as modified (28.11.2004) by Abolition of Feudal Tenure etc. (Scotland) Act 2000 (asp 5), ss. 57, 71, 77(2) (with ss. 58, 62, 75)); S.S.I. 2003/456, art. 2
- C4 S. 6 excluded by 1998 c. 41, Sch. 8A para. 17(3) (as inserted (9.3.2017) by The Claims in respect of Loss or Damage arising from Competition Infringements (Competition Act 1998 and Other Enactments (Amendment)) Regulations 2017 (S.I. 2017/385), reg. 1(2), Sch. 1 para. 4 (with Sch. 1 para. 5))
- C5 S. 6 excluded (9.6.2018) by The Trade Secrets (Enforcement, etc.) Regulations 2018 (S.I. 2018/597), regs. 1(1), 4(5) (with reg. 19)
- C6 S. 6(4) extended by Merchant Shipping (Liner Conferences) Act 1982 (c. 37, SIF 111), s. 8(3)
- C7 S. 6(4)(a)(ii) excluded (with effect in accordance with s. 321(2) of the commencing Act) by Finance Act 2004 (c. 12), s. 321

# 7 Extinction of obligations by prescriptive periods of twenty years.

- (1) If, after the date when any obligation to which this section applies has become enforceable, the obligation has subsisted for a continuous period of twenty years—
  - (a) without any relevant claim having been made in relation to the obligation, and
  - (b) without the subsistence of the obligation having been relevantly acknowledged,

then as from the expiration of that period the obligation shall be extinguished: Provided that in its application to an obligation under a bill of exchange or a promissory note this subsection shall have effect as if paragraph (b) thereof were omitted.

(2) This section applies to an obligation of any kind (including an obligation to which section 6 of this Act applies), not being an obligation [F1 to which section 22A of this Act applies or an obligation] specified in Schedule 3 to this Act as an imprescriptible obligation [F2 or an obligation to make reparation in respect of personal injuries within the meaning of Part II of this Act or in respect of the death of any person as a result of such injuries [F3 or any obligation to pay damages arising from liability under

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section 148 or section 149 of the Building Safety Act 2022 (see section 18ZD of this Act).]

#### **Textual Amendments**

- F1 Words inserted by Consumer Protection Act 1987 (c. 43, SIF 109:1), ss. 6, 41(2), 47(1)(2), Sch. 1 para. 8
- F2 Words added by Prescription and Limitation (Scotland) Act 1984 (c. 45, SIF 97), ss. 5(3), 6(1), Sch. 1 para. 2
- F3 Words in s. 7(2) inserted (28.6.2022) by Building Safety Act 2022 (c. 30), ss. 151(3), 170(3)

# 8 Extinction of other rights relating to property by prescriptive periods of twenty years.

- (1) If, after the date when any right to which this section applies has become exercisable or enforceable, the right has subsisted for a continuous period of twenty years unexercised or unenforced, and without any relevant claim in relation to it having been made, then as from the expiration of that period the right shall be extinguished.
- (2) This section applies to any right relating to property, whether heritable or moveable, not being a right specified in Schedule 3 to this Act as an imprescriptible right or falling within section 6 or 7 of this Act as being a right correlative to an obligation to which either of those sections applies.

#### **Modifications etc. (not altering text)**

C8 S. 8(1) explained (22.4.2009) by Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), ss. 161, 227(3) (with s. 223); S.S.I. 2009/67, art. 3(1)(a) (with arts. 4-6) (as amended (31.1.2011) by S.S.I. 2011/31, art. 5(b))

# [F48A Extinction of obligations to make contributions between wrongdoers.

- (1) If any obligation to make a contribution by virtue of section 3(2) of the MI Law Reform (Miscellaneous Provisions) (Scotland) Act 1940 in respect of any damages or expenses has subsisted for a continuous period of 2 years after the date on which the right to recover the contribution became enforceable by the creditor in the obligation—
  - (a) without any relevant claim having been made in relation to the obligation; and
  - (b) without the subsistence of the obligation having been relevantly acknowledged;

then as from the expiration of that period the obligation shall be extinguished.

(2) Subsections (4) and (5) of section 6 of this Act shall apply for the purposes of this section as they apply for the purposes of that section.]

#### **Textual Amendments**

F4 S. 8A inserted by Prescription and Limitation (Scotland) Act 1984 (c. 45, SIF 97), s. 1

# **Marginal Citations**

M1 1940 c. 42(122:3).

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# 9 †Definition of "relevant claim" for purposes of sections 6, 7 and 8.

- (1) In sections 6 [F57 and 8A] of this Act the expression "relevant claim", in relation to an obligation, means a claim made by or on behalf of the creditor for implement or partimplement of the obligation, being a claim made—
  - (a) in appropriate proceedings, or
  - [F6(b)] by the presentation of, or the concurring in, a petition for sequestration or by the submission of a claim under section [F746 or 122 of the Bankruptcy (Scotland) Act 2016] . . . F8; or
    - (c) by a creditor to the trustee acting under a trust deed as defined in section [F9228(1) of the Bankruptcy (Scotland) Act 2016]; [F10] or
    - (d) by the presentation of, or the concurring in, a petition for the winding up of a company or by the submission of a claim in a liquidation in accordance with rules made under section 411 of the Insolvency Act M2 1986;]

and for the purposes of the said sections 6 [F57 and 8A] the execution by or on behalf of the creditor in an obligation of any form of diligence directed to the enforcement of the obligation shall be deemed to be a relevant claim in relation to the obligation.

- (2) In section 8 of this Act the expression "relevant claim", in relation to a right, means a claim made in appropriate proceedings by or on behalf of the creditor to establish the right or to contest any claim to a right inconsistent therewith.
- (3) Where a claim which, in accordance with the foregoing provisions of this section, is a relevant claim for the purposes of section 6, 7 [FII8 or 8A] of this Act is made in an arbitration, [FII2 the date when the arbitration begins] shall be taken for those purposes to be the date of the making of the claim.
- (4) In this section the expression "appropriate proceedings" and, in relation to an arbitration, the expression "[F13the date when the arbitration begins]" have the same meanings as in section 4 of this Act.

#### **Textual Amendments**

- F5 Words substituted by Prescription and Limitation (Scotland) Act 1984 (c. 45, SIF 97), s. 6(1), Sch. 1 para. 3 (a)
- **F6** S. 9 paras. (b)(c) substituted for para. (b) by Bankruptcy (Scotland) Act 1985 (c. 66, SIF 66:2), s. 75(1), **Sch. 7 para. 11**
- F7 Words in s. 9(1)(b) substituted (30.11.2016) by Bankruptcy (Scotland) Act 2016 (asp 21), s. 237(2), sch. 8 para. 6(2)(a) (with ss. 232, 234(3), 235, 236); S.S.I. 2016/294, reg. 2
- F8 Words repealed by Prescription (Scotland) Act 1987 (c. 36, SIF 97), s. 1(2)(3)
- F9 Words in s. 9(1)(c) substituted (30.11.2016) by Bankruptcy (Scotland) Act 2016 (asp 21), s. 237(2), sch. 8 para. 6(2)(b) (with ss. 232, 234(3), 235, 236); S.S.I. 2016/294, reg. 2
- F10 S. 9(1)(d) and word "or" immediately preceding it inserted by Prescription (Scotland) Act 1987 (c. 36, SIF 97), s. 1(1)(3), with effect as regards any claim (whenever submitted) in a liquidation in respect of which the winding up commenced on or after 29 December 1986
- F11 Words substituted by Prescription and Limitation (Scotland) Act 1984 (c. 45, SIF 97), s. 6(1), Sch. 1 para. 3(b)
- F12 Words in s. 9(3) substituted (7.6.2010 for specified purposes) by Arbitration (Scotland) Act 2010 (asp 1), ss. 23(3)(a), 35(2) (with ss. 30, 34, 36); S.S.I. 2010/195, art. 2 (with art. 3)
- F13 Words in s. 9(4) substituted (7.6.2010 for specified purposes) by Arbitration (Scotland) Act 2010 (asp 1), ss. 23(3)(b), 35(2) (with ss. 30, 34, 36); S.S.I. 2010/195, art. 2 (with art. 3)

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#### Modifications etc. (not altering text)

**C9** Unreliable margin note

C10 S. 9 applied (with modifications) (4.4.2003 for specified purposes, 28.11.2004 in so far as not already in force) by Title Conditions (Scotland) Act 2003 (asp 9), ss. 18(3), 122(1), 129(2), 129(5)(d) (with ss. 119, 121) (see S.S.I. 2003/456, art. 2)

# **Marginal Citations**

M2 1986 c. 45 (66).

# †Relevant acknowledgment for purposes of sections 6 and 7.

- (1) The subsistence of an obligation shall be regarded for the purposes of sections 6 [F147 and 8A] of this Act as having been relevantly acknowledged if, and only if, either of the following conditions is satisfied, namely—
  - (a) that there has been such performance by or on behalf of the debtor towards implement of the obligation as clearly indicates that the obligation still subsists;
  - (b) that there has been made by or on behalf of the debtor to the creditor or his agent an unequivocal written admission clearly acknowledging that the obligation still subsists.
- (2) Subject to subsection (3) below, where two or more persons are bound jointly by an obligation so that each is liable for the whole, and the subsistence of the obligation has been relevantly acknowledged by or on behalf of one of those persons then—
  - (a) if the acknowledgment is made in the manner specified in paragraph (a) of the foregoing subsection it shall have effect for the purposes of the said sections 6 [F147] and 8A] as respects the liability of each of those persons, and
  - (b) if it is made in the manner specified in paragraph (b) of that subsection it shall have effect for those purposes only as respects the liability of the person who makes it.
- (3) Where the subsistence of an obligation affecting a trust estate has been relevantly acknowledged by or on behalf of one of two or more co-trustees in the manner specified in paragraph (a) or (b) of subsection (1) of this section, the acknowledgment shall have effect for the purposes of the said sections 6 [F147] and 8A] as respects the liability of the trust estate and any liability of each of the trustees.
- (4) In this section references to performance in relation to an obligation include, where the nature of the obligation so requires, references to refraining from doing something and to permitting or suffering something to be done or maintained.

#### **Textual Amendments**

F14 Words substituted by Prescription and Limitation (Scotland) Act 1984 (c. 45, SIF 97), s. 6(1), Sch. 1 para. 4

#### Modifications etc. (not altering text)

C11 Unreliable margin note

C12 S. 10 applied (with modifications) (4.4.2003 for specified purposes, 28.11.2004 in so far as not already in force) by Title Conditions (Scotland) Act 2003 (asp 9), ss. 18(3), 122(1), 129(2), 129(5)(d) (with ss. 119, 121) (see S.S.I. 2003/456, art. 2)

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- C13 S. 10 applied by 1998 c. 41, Sch. 8A para. 17(4) (as inserted (9.3.2017) by The Claims in respect of Loss or Damage arising from Competition Infringements (Competition Act 1998 and Other Enactments (Amendment)) Regulations 2017 (S.I. 2017/385), reg. 1(2), Sch. 1 para. 4 (with Sch. 1 para. 5))
- C14 S. 10 applied (9.6.2018) by The Trade Secrets (Enforcement, etc.) Regulations 2018 (S.I. 2018/597), regs. 1(1), 6406)(a) (with reg. 19)

# 11 Obligations to make reparation.

- (1) Subject to subsections (2) and (3) below; any obligation (whether arising from any enactment, or from any rule of law or from, or by reason of any breach of, a contract or promise) to make reparation for loss, injury or damage caused by an [F15 act or omission] shall be regarded for the purposes of section 6 of this Act as having become enforceable on the date when the loss, injury or damage occurred.
- (2) Where as a result of a continuing [F16act or omission] loss, injury or damage has occurred before the cessation of the [F16act or omission] the loss, injury or damage shall be deemed for the purposes of subsection (1) above to have occurred on the date when the [F16act or omission] ceased.
- (3) In relation to a case where on the date referred to in subsection (1) above (or, as the case may be, that subsection as modified by subsection (2) above) the creditor was not aware, and could not with reasonable diligence have been aware, [F17] of each of the facts mentioned in subsection (3A)], the said subsection (1) shall have effect as if for the reference therein to that date there were substituted a reference to the date when the creditor first became, or could with reasonable diligence have become, so aware.

# [F18(3A) The facts referred to in subsection (3) are—

- (a) that loss, injury or damage has occurred,
- (b) that the loss, injury or damage was caused by a person's act or omission, and
- (c) the identity of that person.
- (3B) It does not matter for the purposes of subsections (3) and (3A) whether the creditor is aware that the act or omission that caused the loss, injury or damage is actionable in law.]
  - (4) Subsections (1) and (2) above (with the omission of any reference therein to subsection (3) above) shall have effect for the purposes of section 7 of this Act as they have effect for the purposes of section 6 of this Act; . . . F19

#### **Textual Amendments**

- **F15** Words in s. 11(1) substituted (1.6.2022) by Prescription (Scotland) Act 2018 (asp 15), **ss. 5(2)**, 17(2); S.S.I. 2022/78, reg. 2(2) (with reg. 3(2))
- **F16** Words in s. 11(2) substituted (1.6.2022) by Prescription (Scotland) Act 2018 (asp 15), **ss. 5(3)**, 17(2); S.S.I. 2022/78, reg. 2(2) (with reg. 3(2))
- F17 Words in s. 11(3) substituted (1.6.2022) by Prescription (Scotland) Act 2018 (asp 15), ss. 5(4), 17(2); S.S.I. 2022/78, reg. 2(2) (with reg. 3(2))
- **F18** S. 11(3A)(3B) inserted (1.6.2022) by Prescription (Scotland) Act 2018 (asp 15), **ss. 5(5)**, 17(2); S.S.I. 2022/78, reg. 2(2) (with reg. 3(2))
- F19 Words repealed by Prescription and Limitation (Scotland) Act 1984 (c. 45, SIF 97), s. 6(2), Sch. 2

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# 12 Savings.

- (1) Where by virtue of any enactment passed or made before the passing of this Act a claim to establish a right or enforce implement of an obligation may be made only within a period of limitation specified in or determined under the enactment, and, by the expiration of a prescriptive period determined under section 6, 7 or 8 of this Act the right or obligation would, apart from this subsection, be extinguished before the expiration of the period of limitation, the said section shall have effect as if the relevant prescriptive period were extended so that it expires—
  - (a) on the date when the period of limitation expires, or
  - (b) if on that date any such claim made within that period has not been finally disposed of, on the date when the claim is so disposed of.
- (2) Nothing in section 6, 7 or 8 of this Act shall be construed so as to exempt any deed from challenge at any time on the ground that it is invalidex *facie*or was forged.

# [F2013 Restrictions on contracting out

- (1) The creditor and debtor in an obligation to which a prescriptive period under section 6 or 8A applies may agree to extend the prescriptive period under section 6 or, as the case may be, 8A in relation to the obligation.
- (2) A prescriptive period may be extended by agreement under subsection (1) only—
  - (a) after the period has commenced (and before it would, but for this section, expire),
  - (b) by a period of no more than one year, and
  - (c) once in relation to the same obligation.
- (3) Where there is an agreement under subsection (1) in relation to an obligation—
  - (a) the prescriptive period which is the subject of the agreement expires, in relation to the parties to the agreement, on the date specified in or determined in accordance with the agreement, but
  - (b) that does not otherwise affect the operation of this Act in relation to the obligation or the prescriptive period.
- (4) Except as provided for in subsections (1) to (3), a provision in an agreement is of no effect so far as the provision would (apart from this subsection) have the effect, in relation to a right or obligation to which section 6, 7, 8 or 8A (the "section in question") applies, of—
  - (a) disapplying the section in question in relation to the right or obligation, or
  - (b) otherwise altering the operation of the section in question in relation to the right or obligation.]

# **Textual Amendments**

**F20** S. 13 substituted (1.6.2022) by Prescription (Scotland) Act 2018 (asp 15), **ss. 13**, 17(2); S.S.I. 2022/78, reg. 2(2) (with reg. 1(2))

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters: Whole provisions yet to be inserted into this Act (including any effects on those
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Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 6(4A) inserted by 2018 asp 15 s. 4(3)
- s. 7(3)-(5) inserted by 2018 asp 15 s. 6(2)(b)
- s. 7A inserted by 2018 asp 15 s. 9(2)
- s. 8(1A)-(1C) inserted by 2018 asp 15 s. 7(3)
- s. 9(1)(e)-(h) inserted by 2018 asp 15 s. 10(2)(b)
- s. 9(2A) inserted by 2018 asp 15 s. 11(2)
- s. 9A inserted by 2018 asp 15 s. 12
- s. 13A inserted by 2018 asp 15 s. 14(2)
- s. 22A(3)(d)-(g) inserted by 2018 asp 15 s. 10(3)(b)
- s. 22A(7A) inserted by 2018 asp 15 s. 14(3)
- s. 32(2) applied (with modifications) by 2021 asp 9 s. 69(8)
- Sch. 1 para. 1(fa)(fb) inserted by 2018 asp 15 s. 2(2)
- Sch. 1 para. 1(h) inserted by 2018 asp 15 s. 3(2)(b)
- Sch. 1 para. 2(fa)-(fd) inserted by 2018 asp 15 s. 3(3)(b)
- Sch. 1 para. 1(d)(da) substituted for Sch. 1 para. 1(d) by 2018 asp 15 s. 1(2)
- Sch. 1 para. 2(e)(ea) substituted for Sch. 1 para. 2(e) by 2018 asp 15 s. 3(3)(a)