

NIGERIA INDEPENDENT WAREHOUSE REGULATORY AGENCY

(ESTABLISHMENT, ETC.) BILL, 2018

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SCHEDULE

A BILL

FOR

AN ACT TO ESTABLISH THE NIGERIA INDEPENDENT WAREHOUSE REGULATORY AGENCY TO REGULATE THE OPERATIONS OF LICENSED WAREHOUSES AND TO PROVIDE A REGULATORY FRAMEWORK FOR TRADING IN WAREHOUSE RECEIPTS AND FOR RELATED MATTERS

Sponsored Hon. Jones Chukwudi Onyerer

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

1 PART I - OBJECTIVE AND APPLICATION

2 1. The objective of this Act is to: Objective

3 (a) establish the Nigerian Independent Warehouse Regulatory
4 Agency to regulate the operations of licensed warehouses in Nigeria;

5 (b) provide a regulatory framework for trading in warehouse
6 receipts;

7 (c) institutionalize best practices in commercial warehousing in
8 Nigeria;

9 (d) enable depositors store and retrieve agricultural and other
10 commodities in commercial warehouses; and

11 (e) enhance the issuance and use of negotiable warehouse receipts
12 as valid negotiable instruments and acceptable collateral by financial
13 institutions in Nigeria.

14 2. This Act shall apply throughout the Federal Republic of Application
15 Nigeria.

16 PART II - ESTABLISHMENT OF THE NIGERIAN INDEPENDENT

17 WAREHOUSE REGULATORY AGENCY

18 3.-(1) There is established a body to be known as the Nigeria Establishment of
the Nigeria
Independent
Warehouse
Regulatory Agency

1 Independent Warehouse Regulatory Agency (in this Act referred to as "the
2 Agency").

3 (2) The Agency:

4 (a) shall be a body corporate with perpetual succession and a common
5 seal;

6 (b) may sue or be sued in its corporate name; and

7 (c) may acquire, hold or dispose of any property, movable or
8 immovable, for the purpose of carrying out any of its functions under this Act
9 subject to the provisions of the Land Use Act.

10 (3) The Agency shall be independent in the discharge of its duties
11 under this Act.

Establishment
and composition
of the Governing
Board for the
Agency

12 4.-(1) There is established for the Agency, a Governing Board (in this
13 Act referred to as 'the Board') which shall consist of:

14 (a) a part time Chairman;

15 (b) the Director-General of the Agency;

16 (c) a representative each of the following Ministries, Departments or
17 Agencies not below the rank of a director, the:

18 (i) Federal Ministry of Industry, Trade and Investment,

19 (ii) Federal Ministry of Agriculture and Rural Development,

20 (iii) Federal Ministry of Finance,

21 (iv) Federal Ministry of Justice,

22 (v) Central Bank of Nigeria,

23 (vi) Securities and Exchange Commission, and

24 (vii) National insurance Commission;

25 (d) a representative of the Foods and Beverages Sector of the
26 Manufacturers Association of Nigeria;

27 (e) a representative of the Bankers Committee of Nigeria;

28 (f) two representatives of the Federation of Commodities Association
29 of Nigeria; and

30 (g) a representative of the Warehouse Operators of Nigeria.

1 (2) The Board may co-opt any person to attend and participate at
2 any of its meetings provided that the person so co-opted shall only be in
3 attendance and shall not count towards the quorum or votes at the meeting.

4 (3) The provisions of the Schedule to this Act shall have effect with
5 respect to the proceedings of the Board and other matters mentioned therein.

6 5.-(1) The Chairman and other members of the Board shall:

7 (a) be appointed by the President on the recommendation of the
8 Minister and shall be persons of proven integrity;

9 (b) hold office for a term of four years; and

10 (c) be eligible for re-appointment for another term of four years and
11 no more.

12 (2) The chairman shall be a holder of a university degree or its
13 equivalent with not less than 15 years minimum experience in Commodities
14 Exchange Trading or Warehousing.

15 6.-(1) Notwithstanding the provisions of section 5 of this Act, a
16 member of the Board shall cease to hold office as a member if:

17 (a) he resigns his appointment as a member of the Board by notice
18 under his hand addressed to the President through the Minister;

19 (b) he becomes bankrupt or makes a compromise with his
20 creditors;

21 (c) he is convicted of a felony or of an offence involving dishonesty
22 or corruption;

23 (d) he becomes incapable of carrying on the functions of his office
24 either arising from an infirmity of mind or body;

25 (e) he has been found guilty of contravening the Code of Conduct
26 for public officers or of gross misconduct in relation to his duties;

27 (f) in the case of a person possessing a professional qualification, is
28 disqualified by a competent authority;

29 (g) in the case of a person who becomes a member by a virtue of the
30 office he occupies, he ceases to hold such office; and

Appointment
and tenure of
office of the
chairman and
members of the
Board

Cessation of
membership

1 (3) Notwithstanding the provisions of subsection (1) of this section,
2 the President may remove or suspend a member from the Board if he is satisfied
3 that it is not in the interest of the Agency or of the public for the person
4 appointed to continue in office.

5 (4) Where a vacancy occurs in the membership of the Board, it shall
6 be filled by the appointment of a successor to hold office for the remainder of
7 the term of office of his predecessor, so as to represent the same interest as his
8 predecessor.

Emolument of
members

9 7. Members of the Board shall be paid such remuneration and
10 allowances as the Federal Government may, from time to time, approve.

11 PART III - FUNCTIONS AND POWERS OF THE BOARD AND THE AGENCY

Functions and
powers of the
Board

12 8.-(1) The Board shall:

13 (a) formulate and provide general policy guidelines for the discharge
14 of the functions of the Agency;

15 (b) lay down standards for the operations of the Agency and issue
16 operational guidelines for the administrative structure of the Agency;

17 (c) supervise the management of the property, funds and income of
18 the Agency and other concerns and affairs of the Agency;

19 (d) ensure the implementation of the Performance Management
20 System in the Agency;

21 (e) monitor and ensure the implementation of the policies and
22 programmes of the agency; and

23 (f) carry out such other functions as are necessary or expedient to
24 ensure the efficient performance of the functions of the Agency under this Act.

25 (2) The Board shall have power to:

26 (a) employ and determine the terms and conditions of the employees
27 of the Agency;

28 (b) approve rules and regulations relating to the appointment,
29 promotion and disciplinary measures for the employees of the Agency;

30 (c) fix the remuneration, allowances and benefits of the employees of

- 1 the Agency subject to the approval of the Salaries and Wages Commission;
- 2 (d) create such departments as may be necessary for the operations
- 3 of the Agency;
- 4 (e) regulate its proceedings and make standing orders with respect
- 5 to the holding of its meetings, notices to be given, the keeping of minutes of
- 6 its proceedings and such other matters as the Board may, from time to time
- 7 determine; and
- 8 (f) do such other things as are necessary in the carrying out of its
- 9 responsibilities under this Act.

10 9.-(1) The Agency shall:

Functions and
powers of the
Agency

- 11 (a) enforce and administer the provisions of this Act;
- 12 (b) license Warehouses in accordance with the provision of this
- 13 Act;
- 14 (c) regulate the operations of a licensed Warehouse Keepers under
- 15 this Act;
- 16 (d) certify licensed Warehouses operators as well as Warehouse
- 17 Inspectors, Samplers, Graders and Weightiers;
- 18 (e) ensure that licensed Warehouses conform with and maintain
- 19 internationally acceptable minimum standards for storage and operations;
- 20 (f) promote the tradability of Warehouse Receipts;
- 21 (g) establish and maintain linkages between the Warehouse
- 22 Receipts Registry and existing commodity exchanges;
- 23 (h) advise the Government on all matters relating to the warehouse
- 24 regulation and matters appertaining to the Agency generally; and
- 25 (i) carry out such other activities as are necessary for the effective
- 26 discharge of all or any of the functions of the Agency under this Act.

27 (2) The Agency shall:

- 28 (a) enter into and investigate activities and operations in licensed
- 29 Warehouses;
- 30 (b) examine directly or through licensed Agents the operations,

1 books and accounts of licensed Warehouses to ensure that their operations are
2 in conformity with prescribed minimum standards generally and in particular,
3 with respect to weighing and codification of commodities;

4 (c) suspend, revoke or terminate, as the case may be, the operations of
5 any licensed Warehouse Operator following an investigation into the
6 operations of a Warehouse Operator after affording the licensed holder the
7 opportunity of being heard; and

8 (d) ensure that services of warehouse operators are provided on an
9 equitable, reasonable, non-preferential and non-discriminatory basis; and in
10 strict adherence to licence conditions as may be stipulated by the Agency.

11 (e) do such other things or activities as are necessary for the effective
12 discharge of all or any of the functions of the Agency under this Act

13 **PART IV - DIRECTOR - GENERAL AND OTHER STAFF OF THE AGENCY**

Appointment
and responsibilities
of the Director-
General

14 **10.**-(1) The Director-General of the Agency shall be appointed by the
15 President on the recommendation of the Minister.

16 (2) The Director-General shall be the chief executive and accounting
17 officer of the Agency.

18 (3) The Director-General shall be responsible for the execution of
19 policies of the Agency, the day-to-day administration of the Agency, the
20 management of the funds, property and business of the Agency and for the
21 organization and control of the staff of the Agency.

22 (4) The Director-General shall keep the Board informed of the
23 businesses, programmes and activities of the Agency at such intervals as the
24 Board may determine.

Qualifications
of the Director-
General

25 **11.** The person to be appointed Director-General shall possess a first
26 degree from a recognised University and possess 15 years minimum
27 experience in Commodities Exchange trading or Warehousing.

Tenure of Office
of the Director-
General

28 **12.**-(1) The Director - General of the Agency shall hold office:

29 (a) for a term of four years in the first instance subject to renewal for
30 another term of four years and no more; and

1 (b) on such other terms and conditions as may be specified in his
2 letter of appointment.

3 (2) The office of the Director - General shall become vacant where:

4 (a) his term of office expires;

5 (b) he resigns his appointment as Director - General; or

6 (c) he has been absent from the Board meetings for four
7 consecutive times without the permission of the Board;

8 (d) he is incapable of carrying out his duties due to mental or
9 physical infirmity.

10 (e) he has been declared bankrupt or he makes compromise with
11 his creditors;

12 (f) he has been convicted of a felony or any offence involving fraud
13 or dishonesty;

14 (g) he is guilty of gross misconduct relating to his duties;

15 (h) he dies; or

16 (i) the President is satisfied that it is not in the interest of the Agency
17 or of the public for the person to continue in office.

18 13.-(1) The Board shall appoint a Secretary on such terms and
19 conditions as the Board may determine, who shall:

Appointment and
responsibilities
of the Secretary
to the Board

20 (a) be a legal practitioners with not less than 10 years post call
21 experience, four of which shall be in Commodities Exchange Trading or
22 Warehousing;

23 (b) have power to conduct the correspondence of the Board, issue
24 notices of meetings of the Board, keep records of proceedings of the Board
25 and keep the records of all the activities of the Agency; and

26 (c) perform such other functions as the Board or the Director -
27 General, may assign to him, from time to time.

28 (2) The Secretary of the Board shall be the Legal Adviser of the
29 Agency and shall act as the Deputy Registrar of the Central Registry
30 established under Part X of this Act.

Other staff of
the Agency

1 **14.**-(1) The Board shall appoint from time to time such other staff as
2 may be required for the purpose of the efficient performance of the functions of
3 the Agency.

4 (2) The conditions of service of the staff of the Agency with respect to
5 remuneration, pension, or other benefits on retirement or termination of the
6 officers shall be as determined by the Board.

7 (3) The Board may, on inception, take staff on secondment from other
8 departments of government that possess related skills and experience needed to
9 achieve the objectives of the Agency.

10 (4) The Board may delegate any of its powers of appointment under
11 this section to the Director-General, subject to such terms and conditions as the
12 Board may determine.

13 (5) The members of staff of the Agency shall be public officers as
14 defined in the Constitution of the Federal Republic of Nigeria, 1999 (as
15 amended).

Service in the
Agency to be
Pensionable

16 **15.**-(1) Service in the Agency shall be public service for the purpose
17 of the Pension Reform Act and accordingly the staff of the Agency shall in
18 respect of their service in the Agency, be entitled to such pension and
19 retirement benefits as are prescribed in the Pension Reform Act.

20 (2) Notwithstanding the provisions of subsection (1) of this section,
21 nothing in this Act shall prevent the appointment of a person to any office on
22 terms which preclude the grant of pension and retirement benefits in respect of
23 that office.

24 (3) For the purpose of the application of the provisions of the Pension
25 Reform Act, any powers exercisable by a Minister or other authority of the
26 Government of the Federation, not being the power to make regulations, are
27 hereby vested in and shall be exercisable by the Board.

Experts and
consultants

28 **16.**-(1) In exercising and performing the powers, functions and duties
29 conferred on it under this Act, the Agency may appoint, contract, liaise or co-
30 operate with experts, including specialized agencies, resource persons,

1 academic and technical institutes, advisory committees, etc, in order to
2 assist it in carrying out its functions or duties under this Act.

3 (2) Experts or consultants engaged by virtue of the provision of this
4 section may be paid such fees and allowances and afforded such facilities as
5 the Agency, with the approval of the Board, may determine.

6 17.-(1) The Agency shall have powers to:

Establishment
of Directorates,
Departments and
Special Units

7 (a) set up Directorates, Departments, Special Units, technical
8 committees, working groups and task forces to assist the Agency in the
9 performance of its duties and functions under this Act; and

10 (b) make changes to or vary its structure with the approval of the
11 Board.

12 (2) There shall be appointed for each of the Directorates,
13 Departments and Special Units a principal officer who shall be known by
14 such designation as the Agency may determine.

15 18. The Agency shall have the power to establish Zonal and State
16 Offices to enhance its operations and the performance of its functions under
17 this Act.

Zonal and State
Offices

18 19. The Agency may cooperate with relevant organisations and
19 authorities involved in Warehousing related issues in the performance of its
20 functions under this Act.

Co-operation with
other Bodies

21 PART V - FINANCIAL PROVISIONS

22 20.-(1) The fund of the Agency shall consist of:

Fund of the
Agency

23 (a) the take-off grant and other monies as may be appropriated by
24 the National Assembly;

25 (b) moneys received by the Agency from licensing, inspection or
26 supervision of Warehouses;

27 (c) moneys borrowed by the Agency;

28 (d) moneys derived from the sale of Warehouse Receipt booklets;

29 (e) income earned from investing its operating surplus in eligible
30 securities;

1 (f) commission from Warehouse Receipts traded on the Commodities
2 Exchange; or

3 (g) any other monies donated or made available to the Agency for the
4 purpose of performing its functions under this Act provided that the Agency
5 shall not accept gifts or donations where the conditions for such gifts or
6 donations are inconsistent with the aims and objectives of this Act.

7 (2) The Agency may apply the fund established under subsection (1)
8 of this section:

9 (a) to pay the costs of administration, charges and expenses of the
10 Agency;

11 (b) to discharge the cost of maintaining the Head Office and other
12 offices of the Agency;

13 (c) for the development and maintenance of any property vested in or
14 owned by the Agency;

15 (d) for the payment of the allowances and other benefits of members
16 of the Board or any committee set up by it;

17 (e) for payment of emoluments, allowances, benefits and other
18 entitlements of the Director - General and other staff of the Agency;

19 (f) for payment for all purchases made by the Agency and the training
20 of members of its staff;

21 (g) for payment to publicize and promote the activities of the Agency;

22 (h) for payment to various stakeholders involved in regulatory
23 activities of the Agency;

24 (i) for maintaining general financial reserves subject to general or
25 specific directives that may be given by the President;

26 (j) for payments of annual and other subscriptions and contributions
27 to national and international professional organizations;

28 (k) for the payment of all consultancies, legal fees and costs of
29 contracts awarded by the Agency; and

30 (l) for any other expenditure as may be approved by the Agency, from

1 time to time, in connection with all or any of its functions and powers under
2 this Act.

3 (2) The fund established pursuant to subsection (1) of this section
4 shall be managed in accordance with extant Financial Regulations
5 applicable in the Public Service of the Federation.

6 21.-(1) The Agency may invest any or all monies in its fund, not Investment of
the Fund of the
Agency
7 immediately required for its current expenditure in:

8 (a) any securities created or issued by or on behalf of the Federal
9 Government, as may be approved by the Board, from time to time;

10 (b) the purchase or improvement of any land in any part of the
11 Federation; or

12 (c) any venture in Nigeria as may be approved by Minister,
13 including investment in stocks quoted at the Nigerian Stock Exchange.

14 (2) In the exercise of its powers of investment under subsection (1)
15 of this section, the Agency may from time to time vary any such investments
16 and may deposit any monies for the time being un-invested with any bank
17 approved by the Board in line with Government Regulations.

18 22. The Agency shall perform its functions in accordance with Sound financial
principles
19 sound and internationally accepted financial principles as may be
20 established by the Financial Reporting Council of Nigeria.

21 23. The Agency shall open and maintain such bank accounts as are Bank accounts
22 necessary for the performance of its functions in accordance with extant
23 rules and regulations of the Federal Government.

24 24. The Agency may with the approval of the Board and in line with Power to Borrow
25 applicable laws, policies and regulations, borrow such sums by way of loan,
26 overdraft or from any other source, as may be required for the performance
27 of its functions and meeting its obligations under this Act; and any interest
28 payable on monies so borrowed shall be paid out of the fund of the Agency.

29 25.-(1) The Agency may accept gifts of land, money or other Power to accept
Gifts
30 property on such terms and conditions, if any, as may be specified by the

1 persons or organisation making the gift.

2 (2) The Agency shall not accept any gift if the conditions attached by
3 the persons or organisation offering the gift are inconsistent with the functions
4 of the Agency under this Act.

Annual financial estimates

5 26.-(1) The Agency shall, not later than 30th day of September in each
6 year, prepare and submit to the Board for approval, estimates of income and
7 expenditure of the Agency for the next following financial year and may, at any
8 time before the end of each financial year, prepare and submit to the Board for
9 approval any estimate supplementary to the estimates of the current year.

10 (2) No expenditure shall be made out of the funds of the Agency
11 unless that expenditure is part of the expenditure approved by the Board under
12 the estimates for the financial year in which that expenditure is to be made or in
13 estimates supplementary to that year's estimates.

14 (3) The estimates as approved under subsection 1 of this section shall
15 be submitted to the Minister and the National Assembly.

Accounts, Records and Audit

16 27.-(1) The Board shall ensure that:

17 (a) the Agency keeps proper accounts and records of its transactions
18 and affairs;

19 (b) all monies received by the Agency are properly accounted for;

20 (c) all payments of monies are correctly made and properly
21 authorized; and

22 (d) adequate control is maintained over the Agency's property and its
23 expenditure.

24 (2) The Board shall cause to be prepared for each financial year, and
25 not later than three months after the close of the financial year, a statement of
26 accounts which shall include a report on the performance of the Agency during
27 that financial year, comprising of a balance sheet, a profit and loss account and
28 application of funds statement.

29 (3) The accounts of the Agency shall, in respect of each financial year,
30 be audited by an auditor appointed by the Board from the list of auditors

approved by the Auditor-General of the Federation.

(4) The Board shall ensure that within four months after the close of each financial year, the statement of accounts referred to in subsection (2) of this section is submitted for auditing.

(5) The auditor appointed by the Board under this section shall have access to all books of accounts, vouchers and other financial records of the Agency and is entitled to any information and explanation required in connection with such books, vouchers or records.

(6) The Board, shall as soon as possible upon receiving the audited account deliver to the Minister a copy of the audited accounts together with the auditor's report.

28. The financial year of the Agency shall be in accordance with any legislation passed by the National Assembly for that purpose. Financial year

29. The Agency shall, not later than 30th June of each year, prepare and submit to the Minister and the Auditor-General of the Federation, a report on the activities and administration of the Agency during the preceding year and shall include in the report a copy of the audited accounts of the Agency for the year and the auditor's report thereon. Annual report

PART VI - WAREHOUSE RECEIPTS

30. A Warehouse Receipt shall only be issued by a Warehouse Operator duly authorized and licensed to do so under this Act. Issuance of a Warehouse Receipt

31.-(1) A Warehouse Receipt drawn and issued by a Warehouse Operator shall be prima facie proof of the holder having proprietary rights in the goods. Warehouse Receipt as evidence of proprietary rights

(2) A person acquires proprietary rights in the goods, in relation to a Warehouse Receipt, if that person is entitled to the ownership of the goods:

(a) in return for a binding commitment to extend credit or for extension of an immediately available credit, whether or not drawn;

(b) as security for or in total or partial satisfaction of a pre-existing claim;

1 (c) by accepting delivery under a pre - existing contract for purchase;
2 (d) in return for any consideration sufficient to support a pre - existing
3 contract.

Form of
Warehouse
Receipt

4 **32.**-(1) A Warehouse Receipt shall be supplied exclusively to licensed
5 Warehouse Operators by the Agency.

6 (2) A Warehouse Receipt shall bear such security features as may be
7 prescribed in regulations made by the Agency.

Contents of a
Warehouse
Receipt

8 **33.**-(1) The Warehouse Receipt shall contain the following
9 information to be provided by the Warehouse Operator:

10 (a) the name of the Warehouse Operator;

11 (b) the location of the Warehouse;

12 (c) the date of issue of the receipt;

13 (d) the serial number of the receipt;

14 (f) a description of goods and packages containing the goods,
15 showing the quantity, numbers or weights of the goods inside their packages or
16 any other fuller description as the Agency may, from time to time, prescribe in
17 regulations;

18 (g) the grade or class of commodity received and the standard
19 description according to the official classification of the commodity made
20 pursuant to any subsisting law and rules in force, except where the receipt
21 conspicuously embodies a bold imprint that it is not negotiable;

22 (h) provision for endorsement of transfer by negotiation or charges on
23 value of goods;

24 (i) signature of the Warehouse Operator; and

25 (j) any other information as the Agency may, from time to time,
26 prescribe in regulations.

27 (2) A Warehouse Operator shall be liable to the person injured by
28 information contained in a Warehouse Receipt, for damages caused by the
29 omission of any term required to be included in the Warehouse Receipt under
30 this Act.

1 (3) A Warehouse Operator may insert in receipts any other terms
2 and conditions which are not contrary to the provisions of this Act or its
3 regulations or which are not ordinarily void.

4 34.-(1) A Warehouse Receipt marked on its face as negotiable and
5 issued to the bearer or to the order of a named person shall be known as a
6 "Negotiable Warehouse Receipt" and be transferable by endorsement and
7 delivery. Negotiable
Warehouse
Receipts

8 (2) Words capable of rendering any negotiable Warehouse
9 Receipts non-negotiable shall not be inserted into such Warehouse Receipts.

10 (3) The Agency may prescribe in the regulations the procedure and
11 limits of negotiation of a Negotiable Warehouse Receipt.

12 35. A Warehouse Receipt marked on its face as "Non-Negotiable"
13 and issued to a named person shall be treated as a "Non-Negotiable
14 Warehouse Receipt" and be transferable only by assignment and delivery. Non-Negotiable
Warehouse
Receipts

15 36. An alteration to a Warehouse Receipt shall be regarded as: Altered Warehouse
Receipts

16 (a) immaterial, if the alteration does not affect the prior proprietary
17 rights of the holder or convey a false information or misrepresentation;

18 (b) authorized, when made with an implied or direct permission or
19 connivance of the Warehouse Operator and which renders a Warehouse
20 Operator and the perpetrator liable under the provisions of this Act; or

21 (c) unauthorized, when made without fraudulent intent, and made
22 without an implied or direct permission or connivance of the Warehouse
23 Operator and which renders the Warehouse Operator liable according to the
24 terms of the receipt.

25 37.-(1) A purchaser of a Warehouse Receipt for value without
26 notice of alteration shall acquire the same proprietary rights against the
27 Warehouse Operator which the purchaser would have acquired if the receipt
28 had not been altered at the time of purchase. Rights of
purchasers of
altered receipts
against Warehouse
Operator

29 (2) A purchaser of a Warehouse Receipt shall be regarded to have
30 had notice of alteration, if before the purchase of the Warehouse receipt, the

1 purchaser or his agent took part or influenced the alteration of the Warehouse
2 Receipt.

3 (3) A purchaser of an altered Warehouse Receipt who has been found
4 or could reasonably be imputed with possession of notice of alteration commits
5 an offence under this Act and liable to be proceeded against under this Act in the
6 same way and manner as the Warehouse Operator.

Lost or missing
Warehouse
Receipts

7 38.-(1) Any loss, theft or destruction of the Warehouse Receipt shall
8 be reported by the holder of the warehouse Receipt to the Warehouse Operator
9 who shall immediately report the loss to the Agency through the Central
10 Registry.

11 (2) Where a negotiable Warehouse Receipt is lost, stolen or destroyed,
12 a duplicate may be issued by the Warehouse Operator provided that the request
13 of the holder is accompanied by:

14 (a) a police report of the loss, theft or destruction of the receipt;

15 (b) an affidavit of loss, theft or destruction duly sworn to in a court of
16 law;

17 (c) notice of loss, theft or destruction filed at the Central Registry in
18 the format stipulated by regulations; and

19 (d) proper and reliable identification of the owner of the Warehouse
20 Receipt.

21 (3) The Board may, by order published in the Gazette, prescribe other
22 requirements for the issuance of duplicate Negotiable and Non-Negotiable
23 Receipts.

24 (4) An appeal relating to the issuance or otherwise of a duplicate
25 receipt shall be made to the Agency, if it is denied by the Warehouse Operator.

26 (5) A Warehouse Operator shall not deliver goods which are subject of
27 a loss or missing Warehouse Receipt except with prior notification to the
28 Central Registry and issuance of a duplicate receipt in respect of the goods
29 concerned.

30 (6) A person who fraudulently obtained goods using an original

1 Warehouse Receipt which has been reported missing or a Warehouse
2 Receipt in respect of which a duplicate receipt has been issued commits an
3 offence and liable on conviction to five years imprisonment without an
4 option of fine.

5 (7) A person who after endorsing and delivering a Warehouse
6 Receipt to another fraudulently reports it missing and obtains a duplicate
7 Receipt commits an offence and liable on conviction to five year without an
8 option of fine.

9 39.-(1) A Warehouse Receipt upon the face of which the word
10 'duplicate' is plainly placed shall be a representation and warranty by the
11 Warehouse Operator that such Warehouse Receipt:

Duplicate
Warehouse
Receipts

12 (a) is an accurate copy of the original receipt; and

13 (b) has the same rights as the original receipt issued and
14 outstanding at the date of issue of the duplicate.

15 (2) A duplicate receipt issued shall have the same standing as the
16 original and shall not impose upon the Warehouse Operator any less or
17 additional liability.

18 40.-(1) All Warehouse Receipts on commodities financed by banks
19 shall be traded on a commodity exchange where such commodities are listed
20 on the Exchange for trading.

Trading Warehouse
Receipts on
commodity
exchanges

21 (2) Warehouse Receipts on commodities that are not financed by
22 banks may also be traded on the commodities exchange where the
23 commodities are listed on the Exchange.

24 PART VII - RIGHTS AND OBLIGATIONS OF A WAREHOUSE OPERATOR

25 41.-(1) Except as provided under this Act or any regulations made
26 from time to time by the Agency, a Warehouse Operator shall deliver stored
27 goods upon demand made by the holder of the Warehouse Receipt or
28 depositor, if the holder or depositor:

Obligation of a
Warehouse
Operator to deliver

29 (a) makes full payments for the Warehouse Operator's charges for
30 storage and other services relating to the goods either through the clearing

1 house if the stored commodities are traded on the exchange or directly through
2 the medium prescribed by the operator if the commodities are not traded on the
3 exchange;

4 (b) signs relevant documents proving the delivery of the goods; and

5 (c) satisfies the Warehouse Operator of the identity of the individual
6 taking possession of goods; or

7 (d) where payment in lieu of lien has not been made, after deducting
8 the exact quantity of the goods, value of which at open market value as at that
9 date, is equal to accrued lien due to the Warehouse Operator, plus ancillary
10 costs if any.

11 (2) A Warehouse Operator shall not issue negotiable Warehouse
12 Receipts for goods in respect of which the Warehouse Operator, its directors or
13 its staff has interest except.

14 (3) A Warehouse Operator shall not trade in goods which it is licensed
15 to store, except as may be permitted by regulations made by the Agency.

16 (4) Where a Warehouse Operator by regulation is permitted to trade in
17 its own goods, and in fulfilling any additional condition for grant of the licence,
18 the Warehouse Operator must ensure that:

19 (a) there is a clear separation of the goods owned by it from other
20 goods it is licensed to store;

21 (b) there are clear and transparent records available to show the
22 demarcation of the goods;

23 (c) it issues receipt in respect of its goods indicating that the goods
24 belong to it;

25 (d) it adheres to such other conditions as the Agency may from time to
26 time impose by regulations.

Obligation to
deliver in
accordance to
the demand of
the holder

27 42.-(1) Subject to the provisions of section 46 of this Act, a
28 Warehouse Operator shall deliver the goods in accordance with the demand by
29 a Warehouse Receipt holder or, as the case may be, the depositor.

30 (2) Where a Warehouse Operator refuses to deliver the goods as

1 demanded by the holder or depositor of a Warehouse Receipt the burden
2 shall be upon the Warehouse Operator to establish the existence of any
3 lawful excuse for the refusal.

4 (3) Where a Warehouse Operator refuses to deliver the goods as
5 demanded by the depositor or holder of a Warehouse Receipt because of the
6 reason that the Warehouse Receipt was altered, the holder or depositor who
7 had notice of alteration shall be prevented from making further demands
8 based on any proprietary rights in the Warehouse Receipt than those
9 provided on the altered Warehouse Receipt.

10 43. Subject to the provisions of sections 45 and 46 of this Act, a Justification for
delivery of goods
11 Warehouse Operator shall deliver goods only after being satisfied that:

12 (a) the person receiving the goods is lawfully entitled to the
13 possession of the goods; and

14 (a) by the terms indicated in the Warehouse Receipt issued for
15 particular goods, that person is entitled to delivery, either by himself or on
16 his written authorization, to another person.

17 44.-(1) A Warehouse Operator shall not deliver the goods if, prior Liability for
wrongful delivery
of goods
18 to delivery, he receives information or otherwise becomes aware that a
19 person to whom delivery is about to be made is not legally entitled to the
20 delivery.

21 (2) A Warehouse Operator who:

22 (a) is informed that the person who claims delivery of the goods is
23 not in fact lawfully entitled to the possession of the goods;

24 (b) ignores the information not to make delivery of the goods,
25 under paragraph (a) of this subsection; and

26 (c) had information or knowledge that the delivery about to be
27 made was to a person not lawfully entitled to the possession of the goods,
28 and proceed to deliver the goods; shall be liable for conversion to all persons
29 having proprietary rights in or in the possession of the goods in the exact
30 market value of the goods wrongfully delivered and on conviction to a term

1 of five years imprisonment.

Exception to
obligation to
deliver

2 45. The Warehouse Operator shall not be liable for failure to deliver
3 the goods to the depositor, or owner of the goods, or to a holder of a Warehouse
4 Receipt given for the goods at the time of the deposit of the goods, even if such
5 receipt is negotiable, in a situation where the goods have been lawfully sold or
6 disposed of:

7 (a) because of their perishable or hazardous nature; or

8 (b) to satisfy the Warehouse Operator's lien, provided that in each case
9 the Warehouse Operator shall have given prior notice of sale to the owner or
10 holder of the Warehouse Receipt and shall pay over to the owner sale proceeds
11 in excess of his due lien.

Liability for
failure to cancel
Warehouse
Receipt after the
delivery of goods

12 46.-(1) Except as otherwise provided in this Act, where a Warehouse
13 Operator delivers goods for which he had issued a negotiable receipt, he shall
14 retrieve and cancel the receipt.

15 (2) Where a Warehouse Operator fails to retrieve or cancel the receipt
16 as provided for under subsection (1) of this section, and a third party purchaser
17 without notice acquires title to the receipt, the Warehouse Operator shall
18 remain liable for the market value of the goods.

19 (3) A Warehouse Operator who delivers goods for which he had
20 issued a negotiable receipt, but fraudulently failed to retrieve and cancel the
21 receipt, commits an offence and liable on conviction to imprisonment for a
22 term of two years and in addition shall pay the prevailing market value of the
23 goods.

Liability for
failure to cancel
or mark Warehouse
Receipt after
delivery in parts
of goods

24 47.-(1) Except as otherwise provided in this Act, where a Warehouse
25 Operator delivers part of the goods for which he had issued a negotiable
26 Warehouse Receipt he shall:

27 (a) retrieve and cancel that receipt and issue a new receipt for the
28 remaining goods; or

29 (b) endorse conspicuously on the receipt the number or quantity of the
30 goods and packages delivered.

1 (2) Upon cancellation or endorsement of a Warehouse Receipt as
2 provided in subsection (1) of this section, a Warehouse Operator shall
3 immediately register the cancellation or endorsement with the Central
4 Registry.

5 (3) A Warehouse Operator who fails to comply with the provisions
6 of subsection (1) of this section commits an offence and is liable on
7 conviction to imprisonment for a term of three years and in addition liable to
8 pay the market value of the goods not delivered.

9 (4) Where a receipt is not retrieved or cancelled as provided under
10 subsection (1) of this section and the purchaser acquires title to the receipt
11 before or after the delivery of any portion of the goods, the Warehouse
12 Operator shall remain liable.

13 48. A Warehouse Operator who fails to comply with the provisions
14 of section 39 of this Act is liable for failure to deliver goods to a person who
15 acquires in good faith, a lost, stolen or destroyed Warehouse Receipt without
16 notice that a duplicate receipt has been issued or goods already delivered;
17 and liable on conviction to imprisonment for a term of not less than one year.

Liability for loss
or theft of a
Warehouse
Receipt

18 49.-(1) A Warehouse Operator shall take all necessary precautions
19 to ensure that the delivery of goods is made to a person who has lawfully
20 obtained a Warehouse Receipt.

Delivery of goods
to persons with
valid titles or
right

21 (2) A Warehouse Operator's title or right to the possession of goods
22 shall only be derived:

23 (a) directly or indirectly from a transfer made by a depositor at the
24 time of or subsequent to deposit of goods; or

25 (b) by a Warehouse Operator's lien on the goods.

26 (3) Unless the title or right to possession of the goods by a
27 Warehouse Operator is obtained in accordance with provisions of
28 subsection (2) of this section no title or right to possession of goods shall
29 exonerate the Warehouse Operator from liability for refusing to deliver the
30 goods according to the terms indicated on the Warehouse Receipt.

Liability for wrongful description of goods 1 **50.** Subject to the provision of subsection (2) of section 49 of this Act,
2 a Warehouse Operator shall be liable to the holder of a Warehouse Receipt for
3 the goods named in the Receipt not being in existence or by failure of the goods
4 delivered not corresponding with the description in the Warehouse Receipt
5 subject only to changes that may occur in the goods, over time when stored in
6 accordance with the conditions specified in this Act or by regulations made
7 pursuant to this Act.

Registration of Warehouse Receipts 8 **51.** A Warehouse Operator shall register in favour of a depositor of
9 goods in the Central Registry every Warehouse Receipt issued by the
10 Warehouse Operator at a fee to be approved by the Agency.

Liability for loss or injury to goods 11 **52.**-(1) Except for unavoidable damages or deterioration associated
12 with the nature and type of the goods and mode of storage provided under this
13 Act and regulations made pursuant to this Act, a Warehouse Operator is liable
14 for damages for loss of, or injury to the goods caused by the Warehouse
15 Operator's failure to exercise due and reasonable care as circumstances may
16 demand.

17 (2) The provision of subsection (1) of this section notwithstanding,
18 the owner of the goods is required to disclose to the Warehouse Operator any
19 peculiarity as they relate quality parameters associated with the goods to be
20 stored. Where there is a failure to disclose by the owner of the goods, the
21 liability for non-disclosure under (1) shall shift to the owner of the goods.

22 (3) The depositor shall complete a disclosure form for the goods
23 deposited in line with the format provided by the Agency.

Separation or mixing of fungible goods 24 **53.**-(1) Unless as may otherwise be prescribed in regulations issued
25 by the Agency, a Warehouse Operator shall keep separate the goods covered by
26 each receipt for ease of identification and delivery of the goods.

27 (2) Where packing, processing, substitution or other transformation
28 of goods is authorized by the depositor, the transformed products of those
29 goods shall at all times be kept separate.

30 (3) Fungible goods mixed together under subsection (2) of this

1 section, are owned in common by the persons entitled to them and the
2 Warehouse Operator is severally liable to each owner for that owner's share.

3 54.-(1) Subject to regulations made from time to time by the Warehouse
4 Agency, a Warehouse Operator's lien on goods deposited or the proceed of Operator's right
5 such goods shall derive from all: to lien

6 (a) lawful charges for storage and preservation of goods;

7 (b) lawful claims for money advanced, interest, insurance,
8 transportation, labour, weighing, and other charges and expenses in relation
9 to such goods;

10 (c) reasonable charges and expenses incurred for notice and
11 advertisements of sale; and

12 (d) sale of the goods where there is default in satisfying the
13 Warehouse Operator's lien.

14 (2) The term "Warehouse Operator's Lien" used in subsection (1)
15 of this section is the right of a Warehouse Operator to recoup fees and
16 charges for services rendered or supplied or repayment of sums advanced in
17 accordance with the provisions of subsection (1) of this section and the term
18 "right of lien" shall be construed accordingly.

19 55. A Warehouse Operator's Lien may be enforced subject to the Enforcement of
20 provisions of section 54 of this Act: lien

21 (a) against all goods, whenever deposited, belonging to the person
22 who is liable as debtor for the claims in regard to which the lien is asserted;
23 and

24 (b) against the established interest of the depositor in any other
25 goods deposited with the Warehouse Operator, whether or not deposited by
26 the debtor himself, provided that such exercise of lien shall only be to the
27 extent and value of the established debtors interest in these other goods.

28 56. A Warehouse Operator shall lose the right to the lien upon the Loss of right of
29 goods by: lien

30 (a) surrendering possession of the goods; or

1 (b) refusing to deliver the goods upon demand made in accordance
2 with the provisions of this Act.

Statement of
charges under
lien

3 **57.** Where a negotiable receipt is issued for goods, the Warehouse
4 Operator shall have no lien on goods except for charges for storage, processing
5 or such other endorsements on the face of the receipt as may be prescribed by
6 regulations made under this Act provided that no lien shall be exercised against
7 a third party purchaser for value over any sums or liabilities incurred by the
8 depositor of the good.

Enforcement
of lien

9 **58.**-(1) A Warehouse Operator's lien may be satisfied by:

10 (a) the sale of a portion of the deposited goods in satisfaction of the
11 lien and any costs associated with the sale at the prevailing market price;

12 (b) other remedies allowed by law for the enforcement of a lien
13 against personal property; or

14 (c) any other action for recovery of the Warehouse Operator's claim.

15 (2) A Warehouse Operator who has a valid lien against the person
16 demanding the goods may refuse to deliver the goods until the lien is satisfied.

17 (3) Other remedies available under the law that a creditor may have
18 against a debtor for the collection from a depositor of all charges and advances
19 which the depositor has expressly or impliedly contracted with a creditor, shall
20 also be available to a Warehouse Operator notwithstanding the Warehouse
21 Operator's Lien on the goods.

Perishable and
hazardous goods

22 **59.**-(1) Where the goods are:

23 (i) perishable in nature;

24 (ii) likely to deteriorate in value;

25 (iii) in a state of foul odour;

26 (iv) corrosive and leaking;

27 (v) highly inflammable or explosive; and

28 (vi) likely to cause injury to life and other property, the Warehouse

29 Operator shall give notice to the owner or to the person in whose name the
30 goods are stored seeking for approval to deal with the goods as is reasonable

1 and possible under the circumstances including the removal of the goods
2 from the warehouse.

3 (2) Where a notice under subsection (1) of this section is for the
4 removal of the goods and the person fails to comply with the notice to
5 remove the goods from the Warehouse, within the time so specified, the
6 Warehouse Operator may sell the goods with or without advertising in order
7 to satisfy any lien he may have on the goods.

8 (3) Where after reasonable efforts have been made, the Warehouse
9 Operator is unable to sell the goods, the Warehouse Operator may dispose of
10 the goods in any lawful manner, and shall incur no liability by reason of such
11 disposal.

12 PART VIII - NEGOTIATION AND TRANSFER OF WAREHOUSE RECEIPTS

13 60.-(1) A negotiable Warehouse Receipt is negotiated by its
14 endorsement by the transferor and delivery to the transferee and registration
15 of the interest transferred at the Central Registry, provided that the non
16 registration of the transferred interest shall not at any time give any
17 advantage to the transferor of the interest except otherwise expressly
18 provided by regulations.

Requirements of
negotiation of a
Warehouse Receipt

19 (2) Registration of a notice of transfer of interest shall be a notice to
20 the whole world of the transfer.

21 (3) A negotiable Warehouse Receipt is duly negotiated when
22 negotiated as provided in subsection (1) of this section to another person in
23 good faith and for value.

24 61.-(1) A Warehouse Receipt holder acquires after negotiation as
25 provided under this Act:

Rights derived
from negotiation

26 (a) title to the Warehouse Receipt;

27 (b) title to the goods, including, to the extent that such activities are
28 authorized by the depositor and noted on the Warehouse Receipt, the
29 packed, processed, substituted or otherwise transformed goods of the
30 depositor;

1 (c) all rights accruing under the law of agency or estoppel, including
2 rights to goods delivered to the Warehouse Operator after the Warehouse
3 Receipt was issued;

4 (d) the obligation of the Warehouse Operator to hold or deliver the
5 goods according to the terms of the Warehouse Receipt and any related storage
6 agreement fee; and

7 (e) liability to pay outstanding storage charges, advances and other
8 fees endorsed on the Warehouse Receipt.

9 (2) Title and rights acquired under subsection (1) of this section are
10 not defeated by the surrender of the goods by the Warehouse Operator.

11 (3) No lien shall attach by virtue of any judicial process to goods in the
12 possession of a Warehouse Operator for which the Warehouse Receipt is
13 negotiable except where:

14 (a) a Warehouse Receipt is originally issued upon delivery of the
15 goods by a person who had no power to dispose of the goods

16 (b) the receipt is first surrendered to the Warehouse Operator or its
17 negotiation is enjoined by court order, and the Warehouse Operator shall not be
18 compelled to deliver the goods in accordance with any judicial process until

19 (c) the receipt is surrendered to the Warehouse Operator or made a
20 subject of litigation before a court of competent jurisdiction or arbitral tribunal.

21 (4) A person who purchases a Warehouse Receipt for value without
22 notice of the judicial or arbitral process takes the goods free of the lien imposed
23 by the judicial or arbitral process without removing the liability of the transfer
24 or to any claim against him in that respect.

Loss of rights
to goods

25 **62.**-(1) A Warehouse Receipt once issued creates a charge on the
26 goods deposited at the Warehouse.

27 (2) A Warehouse Receipt does not confer any right in goods against a
28 person who:

29 (a) before the issue of the receipt had a legal interest or perfected
30 security interest in such goods; and

1 (b) neither delivered or entrusted the goods or any bill of lading,
2 Warehouse Receipt delivery order or other document of title covering the
3 goods to the depositor with actual or apparent authority to ship, store, pack,
4 process, transform or sell the goods; nor acquiesced in the procurement by
5 the depositor or his or her nominee of any Warehouse Receipt or other
6 document of title covering the goods.

7 (3) A buyer of fungible goods sold and delivered by a Warehouse
8 operator who is also in the business of buying and selling such goods shall
9 take such goods free of any claim under a Warehouse Receipt even though it
10 has been duly negotiated.

11 63.-(1) A transferee of a negotiable Warehouse Receipt who has
12 taken the Warehouse Receipt by purchase, delivery and or registration
13 acquires the title and rights which the transferor had or had actual authority
14 to convey.

Rights acquired
without due
negotiation

15 (2) In the case of a non-negotiable Warehouse Receipt, it shall not
16 be registrable or tradable on a commodity exchange and is only transferable
17 with prior notice in writing to the Warehouse Operator that issued it, the
18 endorsement of both the transferor and the Warehouse Operator on the face
19 of it and delivery to the transferee.

20 (3) A Warehouse Operator shall not issue a negotiable Warehouse
21 Receipt in respect of goods already covered by a non-negotiable receipt
22 except the non-negotiable receipt has been retrieved and cancelled.

23 64.-(1) A transferee of a duly negotiated Warehouse Receipt, shall
24 acquire against the transferor, the title to the goods.

Rights of a
transferee of a
Warehouse Receipt

25 (2) The title acquired by the transferee shall be subject to the terms
26 of the agreement with the transferor.

27 (3) The court may order a Warehouse Receipt to be transferred
28 where it is proved that there was an agreement to that effect between the
29 transferor and the transferee.

Rights and obligations of a transferor and a transferee of a negotiable Warehouse Receipt

1 65.-(1) The transferee of a negotiable Warehouse Receipt for value
2 and in good faith, shall have the right to compel the transferor of such receipt to
3 endorse the receipt in a case where the endorsement is essential for registration
4 of the transferred interest.

5 (2) All negotiable Warehouse Receipts transferred shall be endorsed
6 and the endorsed interest registered at the Central Registry.

7 (3) The endorsement, delivery or registration of a Warehouse Receipt
8 in good faith, shall not make the transferee liable for any default or fraudulent
9 acts on the receipt occasioned by the Warehouse Operator or previous
10 endorsers.

Warranties on negotiation of the Warehouse Receipt

11 66.-(1) The negotiation of transfer by delivery, endorsement and
12 registration of new interest in the Warehouse Receipt for value, shall be an
13 adequate proof or warranty for a third party purchaser for value without notice
14 that the person who negotiates, transfers, delivers and in the case of non
15 negotiable warehouse receipts assigns that Warehouse Receipt does so
16 because:

- 17 (a) the receipt is genuine; and
- 18 (b) has a legal right to negotiate, transfer or deliver the Warehouse
19 Receipt.

20 (2) The transfer of goods in a contract between the parties relating to a
21 Warehouse Receipt implies that the goods involved are merchantable and fit
22 for that particular purpose.

23 PART IX - LICENSING PROCEDURE

Issuance of licences

24 67.-(1) A person shall not operate a commercial Warehouse without a
25 valid license issued by the Agency.

26 (2) The Agency may, upon application in the prescribed form, issue to
27 a Warehouse keeper a license for the operation of a commercial Warehouse in
28 accordance with the provisions of this Act.

29 (3) In issuing a license under subsection (2) of this section, the
30 Agency shall satisfy itself that:

1 (a) the Warehouse is suitable for the proper storage of the particular
2 goods for which a license is required;

3 (b) the Warehouse keeper meets the conditions for eligibility to
4 operate a licensed Warehouse of the kind applied for as may be prescribed in
5 regulations issued pursuant to this Act; and

6 (c) the Warehouse keeper agrees, as a condition to the granting of
7 the license, to comply with and abide by the provisions of regulations made
8 pursuant to this Act.

9 (4) A licensee under this Act shall be a Warehouse Operator and is
10 empowered to issue Warehouse Receipts under this Act.

11 68.-(1) The Agency shall by regulations provide for a transitional
12 period, not exceeding two years for all existing commercial Warehouse
13 Operators to fully comply with and bring their operations in line with the
14 provisions of this Act.

Transitional provisions applicable to existing Warehouse Operators

15 (2) Where an existing Warehouse Operator referred to in
16 subsection (1) of this section continues to receive and warehouse
17 commodities or designated goods, without a license after a period of six
18 months from the date specified in regulations made by the Agency, such
19 commercial Warehouse Operator shall conspicuously display a notice, in
20 the form and manner prescribed in regulations that it is neither bonded nor
21 licensed by the Agency.

22 69.-(1) A person requiring a licence under this Act shall apply to the
23 Agency in the manner prescribed in regulations made pursuant to this Act.

Licensing procedure

24 (2) The Agency shall, before granting a license:

25 (a) inspect or authorize the inspection of the Warehouse in respect
26 of which a license is applied for, to determine the suitability of the
27 Warehouse for the storage of the particular goods for which the license is
28 required; and

29 (b) publish the application in two national newspapers requesting
30 for objections in accordance with rules prescribed in regulations made

1 pursuant to this Act.

2 (3) The Agency shall, upon being satisfied that a Warehouse is
3 suitable for the storage of the goods in the license classification and fulfilment
4 of all other conditions grant a Warehouse license to the applicant in the
5 classification applied for upon payment of the prescribed fees.

6 (4) Every Warehouse Operator shall display the license issued by the
7 Agency in a conspicuous place at the entrance of the Warehouse or at any other
8 place on the premises during working hours as regulations may prescribe.

Validity and
Renewal of
license

9 70.-(1) The validity of a license granted under this Act shall be twelve
10 months or such other periods, not exceeding three years, as the Agency may
11 from time to time determine and renewable on terms and conditions as may be
12 specified in regulations.

13 (2) The Agency shall by regulations prescribe procedures for the
14 renewal of licences prior to their expiration.

15 (3) Licenses issued under this Act shall be renewed annually on or
16 before each anniversary of the granting of the license and the payment of the
17 prescribed fees to the Agency.

Conditions for
the issuance of
a license

18 71.-(1) A license shall not be issued by the Agency unless the
19 applicant has satisfied all of the conditions prescribed in this Act and
20 regulations made pursuant to this Act in respect of the type and category of
21 license applied for.

22 (2) Prior to issuing a license under this Part, the Agency shall ensure
23 that:

24 (a) the applicant is in possession of a Warehouse, whether as a lessee
25 or owner;

26 (b) in the case of a lease, regulations shall prescribe the minimum
27 lease period;

28 (c) upon inspection, the Warehouse is suitable for warehousing of the
29 category of goods or products with all required appurtenances;

30 (d) the applicant's director or manager or its principal officers, have

1 requisite experience and track record for Warehouse operations and has not
2 been convicted by a court of competent jurisdiction or indicted in any
3 disciplinary proceedings on allegations of criminal action involving
4 dishonesty or financial impropriety and professional misconduct in the
5 preceding seven years before the license is granted;

6 (e) the Warehouse and the goods or products to be kept therein are
7 fully insured in respect of fire, theft and burglary or any other damage;

8 (f) the applicant is financially capable of conducting the business
9 of warehousing; and

10 (g) the applicant or Warehouse Operator gives the requisite
11 undertaking in writing to abide by all conditions for grant of the license and
12 to comply fully with regulations issued under this Act.

13 72.-(1) An applicant for a license to operate a Warehouse under this
14 Act, shall as a condition for the grant, file or cause to be filed with the
15 Agency the name or list of commodities of goods proposed to be
16 warehoused and a copy of the proposed schedule of charges as a Warehouse
17 Operator.

Schedule of
charges

18 (2) A licensed Warehouse Operator shall not make a variation in the
19 charges unless a notice of the variation and its reasons have been filed and
20 approved by the Agency.

21 (3) Where the Agency receives a proposal for variation of charges,
22 it shall afford the Warehouse Operator an opportunity to give reasons for the
23 requested variation and grant or refuse approval from the date of the request.

24 (4) A refusal for the request for fee variation by the Agency shall be
25 in writing addressed to the applicant containing all reasons for the refusal.

26 (5) A person aggrieved by the decision of the Agency on any matter
27 relating to variation of charges under this section may appeal to the Board.

28 73.-(1) The Agency may revoke, suspend or refuse to grant a
29 license for any violation of the provisions of this Act after granting to the
30 Warehouse Operator the opportunity of being heard on the matter.

Revocation,
suspension or
refusal to grant
a license

1 (2) A person aggrieved with the decision or action taken by the
2 Agency in subsection (1) of this section, may appeal to the Board.

3 (3) Where a license is revoked or has expired, the Warehouse
4 Operator shall terminate, in the manner prescribed by the Agency, all
5 arrangements covering the receiving, storing, shipping, conditioning or
6 handling of commodities in the Warehouse covered by the license.

7 (4) Without prejudice to the provision of subsection (3) of this section,
8 the Warehouse Operator shall be permitted, under the direction or supervision
9 of the Agency to deliver commodities previously received either to the holders
10 of Warehouse Receipts or at its own costs to other licensed Warehouses.

11 (5) During the period of suspension of a license, the Warehouse
12 Operator may, under the direction or supervision of the Agency, operate the
13 Warehouse and may only receive commodities for storage, conditioning,
14 shipping or handling during the term of such suspension as may be prescribed
15 in regulations made by the Agency.

Effect of
revocation or
termination of
license

16 74. The revocation or termination of a license pursuant to the
17 provisions of this Act shall not affect the validity of receipts issued under the
18 license, and the Warehouse Operator shall continue to comply with the
19 provision of this Act with regard to receipts validly issued.

Furnishing of a
bond by applicant

20 75.-(1) A Warehouse Operator applying for a license to operate a
21 Warehouse shall, as a condition for the granting of the license, execute and
22 submit to the Agency, for filing, a bond in the form and substance acceptable to
23 the Agency to secure the faithful performance of the applicant's obligations as a
24 Warehouse Operator.

25 (2) Where the Agency determines that a previously approved bond is,
26 or for any cause is or has become insufficient, it may require an additional bond
27 or bonds to be given by the Warehouse Operator concerned, conforming with
28 the requirements of this section.

29 (3) Unless the additional bond referred to under subsection (2) of this
30 section is given within the time fixed by a written demand for it by the Agency,

1 the license of the Warehouse Operator may be suspended or revoked by the
2 Agency.

3 76. A person injured by the breach of any obligation in respect of Right of action
on a bond
4 which a bond is given, under section 75 of this Act, is entitled to sue in
5 person on the bond in court, to recover the damages sustained by the breach.

6 77.-(1) Upon the filing and approval by the Agency of a bond in Designation as
a licensed
Warehouse
7 compliance with the requirements of this Act, for the operation of a licensed
8 Warehouse, the Warehouse may be designated as a licensed Warehouse.

9 (2) Save as provided under this Act, a Warehouse shall not be
10 designated as a licensed Warehouse unless a license has been issued as stated
11 under section 18 of this Act.

12 (3) An individual who contravenes the provision of subsection (2)
13 of this section commits an offence and liable on conviction to a term of
14 imprisonment of not less than three years or a fine of three million Naira or to
15 both fine and imprisonment.

16 (4) A body corporate who contravenes the provision of subsection
17 (2) of this section commits an offence and liable on conviction to a fine of ten
18 million Naira.

19 78.-(1) The Board may, by notice published in the Gazette classify Classification of
Warehouses
20 a licensed Warehouse in accordance with its:

- 21 (a) single or group of commodities which it is licensed to store;
22 (b) ownership;
23 (c) location;
24 (d) surroundings;
25 (e) capacity;
26 (f) conditions or other qualities; and
27 (g) such other classification as the Board may from time to time
28 prescribe.

29 (2) The Board may prescribe different types of licenses that may be

1 issued relating to different classes of Warehouses with a view to maintaining
2 standards.

Insurance of
goods, casualty
insurance and
recovery of loss

3 79.-(1) A Commercial Warehouse Operator shall be obliged to insure
4 its warehouse structures and facilities for its own benefit.

5 (2) Subject to regulations issued from time to time by the Agency, a
6 Warehouse Operator shall subject to other provisions of this Act, ensure that
7 goods in its custody are at all times insured against all common perils such as
8 but not limited to loss by fraud, theft, fire, employee infidelity, disasters
9 including drought, flooding, sabotage, internal explosion, windstorm and any
10 other disasters or perils and such other perils as the Agency may determine by
11 regulations made under this Act.

12 (3) A Warehouse Operator shall keep exposed in a conspicuous place
13 in the Warehouse, a notice in bold letters stating briefly the conditions under
14 which the goods are insured under this Act.

15 (4) A Warehouse Operator shall take prompt steps as may be
16 necessary and proper to collect any money which becomes due under a contract
17 of insurance entered into by the Warehouse Operator for the purpose of
18 fulfilling the insurance and bonding requirements under this Act, and shall as
19 soon as the money is collected, promptly pay any person entitled to receive the
20 money.

21 (5) A Warehouse Operator shall where appropriate for the purpose of
22 fulfilling the insurance and bonding requirements under this Act, pay
23 premiums, permit inspections and make reports as may be required under the
24 terms of its contracts with insurance and bonding companies.

Publication of
particulars of
Warehouse
Owners and
Operators

25 80. The Agency shall ensure that reliable data containing the identity
26 of Warehouse owners, Warehouse Operators, licensed inspectors, reports of
27 inspection of Warehouses and a list of all revoked licences are made available,
28 on request, by any person or furnished periodically to the public.

1 PART X - ESTABLISHMENT OF CENTRAL REGISTRY FOR

2 WAREHOUSE RECEIPT

3 81. There is established a Central Registry for Warehouse Receipts Establishment
4 (in this Act referred to as "the Central Registry") which shall be operated by of the Central
5 the Agency for the purpose of registering Warehouse Receipts or any Registry for
6 transaction relating to a Warehouse Receipt issued under this Act. Receipt

7 82.-(1) The Director-General of the Agency shall be the Registrar The Registrar-
8 of the Central Registry and responsible for registering Warehouse Receipts General and other
9 or any transaction relating to a Warehouse Receipt issued under this Act. staff of the Central
Registry

10 (2) The Secretary to the Board shall act the Deputy - Registrar of
11 the Central Registry.

12 (3) The Board shall appoint other officers to assist the Registrar-
13 General in the discharge of his duties under this Act.

14 83.-(1) The Registrar shall receive and register Warehouse Registration and
15 Receipts issued under this Act and register any cancellation, modification, Certification of
16 or endorsement to the Warehouse Receipts and do all such other things as the Warehouse Receipts
17 Board or the Agency may from time to time direct.

18 (2) A Warehouse Operator issuing a negotiable Warehouse Receipt
19 shall cause the Warehouse Receipt to be registered at the Central Registry at
20 the cost or fee prescribed by the Agency.

21 (3) An original duplicate copy of a Warehouse Receipt delivered by
22 a Warehouse Operator to the Registrar for registration or otherwise may be
23 registered in the manner prescribed by regulations.

24 (4) A Warehouse Receipt issued in accordance with the provisions
25 of this Act shall be delivered to the Registrar for registration within a time
26 stipulated by the Agency in regulations that may be issued from time to time.

27 (5) A Certificate of Registration signed by the Registrar shall be
28 conclusive evidence of registration of interest in a Warehouse Receipt.

29 84.-(1) The Registrar shall maintain a Register containing all Maintenance of
30 transactions carried on at the Central Registry in a consecutive or a register and
on-line operations

1 chronological order all transactions.

2 (2) Provision shall be made at the Central Registry for on-line
3 operations.

Power to make
Regulations for
the Central
Registry

4 **85.** The Agency shall make such regulations and rules as are
5 necessary for the day to day operations of the Central Registry including
6 modalities for on-line transactions.

7 PART XI - APPOINTMENT OF WAREHOUSE INSPECTORS

Power to appoint
Inspectors

8 **86.-(1)** The Agency may appoint or otherwise authorize persons or
9 groups of persons as inspectors ("Warehouse Inspectors").

10 (2) The Agency shall prescribe in the regulations qualifications of
11 persons to be appointed as a Warehouse Inspectors.

12 (3) A Warehouse Inspector appointed pursuant to the provisions of
13 this Act shall in collaboration with relevant authorities inspect premises and
14 goods kept in a Warehouse to ensure that a Warehouse Operator is in
15 compliance with the provisions of this Act and regulations issued pursuant to
16 this Act.

17 (4) A Warehouse Inspector or any other person with written
18 authorization from the Agency may at any reasonable time during the day, enter
19 into a Warehouse premises for the purpose of ensuring that the provisions of
20 this Act and its regulations are adhered.

Inspection of
Warehouses by
the Agency

21 **87.** The Agency or its appointed agent may inspect any licensed
22 Warehouse with a view to investigating and ascertaining the:

23 (a) storage facilities in the Warehouse;

24 (b) classification of goods;

25 (c) weighing arrangement;

26 (d) certification of goods; and

27 (e) compliance with the provisions of this Act

Fees examination
and inspection
of Warehouses,
etc.

28 **88.** The Agency shall, in consultation with the Board, by notice
29 published in the Gazette, prescribe the fees to be charged in respect of:

30 (a) examination and inspection of Warehouses;

1 (b) licenses issued under the Act;
 2 (c) renewal of licenses;
 3 (d) issue of negotiable Warehouse Receipt books; and
 4 (e) carrying out and performing such other functions conferred on
 5 it under this Act or by regulations made pursuant to this Act.

6 89. A person who obstructs a Warehouse Inspector or any other
 7 authorized person in the exercise of the power conferred upon him by this
 8 Act or who neglects or refuses to produce to a Warehouse Inspector or any
 9 other authorized person, any goods, documents, book of accounts or other
 10 such records, commits an offence and is liable on conviction to
 11 imprisonment for three months or to a fine not exceeding five hundred
 12 thousand Naira.

13 PART XII - OFFENCES AND PENALTIES

14 90.-(1) A person, who, after the commencement of this Act and the
 15 expiration of the designated period under subsection 1 of section 14 of this
 16 Act, operates a commercial Warehouse without obtaining a license as
 17 required under this Act, commits an offence and liable on conviction to a
 18 term of imprisonment not exceeding five years, or to a fine not less than
 19 three million Naira or to both fine and imprisonment.

20 (2) A person who continues to operate a commercial Warehouse
 21 after the suspension or revocation of its operating license in accordance with
 22 the provisions of this Act commits an offence and liable on conviction to a
 23 term of imprisonment not exceeding five years or to a fine of two million
 24 Naira or to both fine and imprisonment.

25 91.-(1) A Warehouse Operator, its employee, agent, or servant who
 26 issues or aids in the issuance of a receipt knowing that the goods for which
 27 such receipt is issued have not been received by the Warehouse Operator, or
 28 are not under his direct control at the time of issuing such receipt, commits
 29 an offence and is liable on conviction to a term of imprisonment not
 30 exceeding two years or to a fine not exceeding two million, five hundred

Obstructing a Warehouse Inspector

Operating a Warehouse without a license

Issuance of false receipts where goods have not been received

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receipt Delivery of goods without obtaining negotiable receipt

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Negotiation of receipt for mortgaged goods

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Act for General penalty
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1 (2) A body corporate that commits an offence under this Act for which
2 no specific penalty is provided is liable on conviction to a fine of not less than
3 N2,000,000.00.

Arrest,
investigation
and prosecution
of criminal cases

4 **100.** Subject to the provisions of the Constitution of the Federal
5 Republic of Nigeria, 1999 (as amended) and the Administration of Criminal
6 Justice Act, a Police officer or other relevant law enforcement agencies shall
7 have power under this Act to:

8 (a) arrest and investigate offenders; or

9 (b) prosecute cases

10 **PART XIII - RESOLUTION OF DISPUTES**

Referral of
disputes

11 **101.**-(1) Where a dispute relating to a Warehouse Receipt transaction
12 exists between the depositor and Warehouse Operator, such dispute shall, first
13 be referred to the Agency for settlement.

14 (2) In the settlement of a dispute the Agency may, afford the parties to
15 such dispute, an informal hearing, to determine if a dispute exists.

16 (3) Where the Agency is not able to resolve a dispute, it shall refer the
17 dispute to the Arbitral Panel (referred to in section 73 of this Act) within
18 twenty-one days of receipt of the notice of dispute.

Arbitral Panel

19 **102.**-(1) For the purpose of resolving disputes under this Part, an
20 Arbitral Panel shall be set up by the Agency in accordance with the provisions
21 of the Arbitration and Conciliation Act.

22 (2) The Arbitral Panel shall determine any dispute referred to it by any
23 of the party to the dispute or the Agency.

24 (3) The Arbitral Panel shall conclude hearing on a matter referred to it
25 and deliver a decision within thirty working days from the date of referral.

26 **PART XIV - MISCELLANEOUS PROVISIONS**

Jurisdiction

27 **103.** The Federal High Court shall have the jurisdiction to hear and
28 determine criminal and civil matters under this Act.

Regulations,
Rules and
Guidelines

29 **104.**-(1) The Agency may with the approval of the Board make
30 regulations generally for the carrying out of the provisions and purposes of this

1 Act and may, in particular make regulations:

2 (a) prescribing the procedures and limits of negotiation of a
3 negotiable Warehouse Receipt;

4 (b) prescribing a standard format of a Warehouse Receipt;

5 (c) determining the standards or requirements for allowing a
6 Warehouse Operator to sell or dispose of goods, which are perishable or
7 hazardous;

8 (d) determining the manner of keeping depositors goods in a
9 Warehouse;

10 (e) determining goods which may be mixed in the Warehouse
11 receipt;

12 (f) prescribing ways of recovering the Warehouse Operator's Lien
13 by sale of goods;

14 (g) prescribing conditions for the registration of the Warehouse;

15 (h) prescribing conditions that may be inscribed on the Warehouse
16 license;

17 (i) prescribing Warehouse registration and license application
18 procedure;

19 (j) prescribing Warehouse registration and license appeal
20 procedure;

21 (k) prescribing the qualifications of the employees that may be
22 employed by a Warehouse Operator;

23 (l) prescribing procedure for dispute resolution pursuant to this
24 Act; and

25 (m) allowing Warehouse Operators to trade in goods they are
26 licensed to store and prescribing detailed and strict conditions for such trade
27 if and when allowed.

28 (2) Regulations made pursuant to subsection (1) shall be published
29 in the Official Gazette.

30 **105.**-(1) No suit shall be commenced against the Agency before the Pre-action notice

1 expiration of a period of one-month after a written notice of intention to
2 commence the suit had been served on the Agency by the intending plaintiff or
3 his agent and the notice shall clearly state me:

- 4 (a) cause of action;
- 5 (b) particulars of the claim;
- 6 (b) name and place of abode of the intending plaintiff; and
- 7 (c) relief which he claims.

8 (2) The notice referred to in subsection (1) of this section and any
9 summons, notice or other document required or authorized to be served on the
10 Agency under this Act or any other law, may be served by:

- 11 (a) delivering it to the Director-General; or
- 12 (b) sending it by registered post addressed to the Director - General at
13 the Head Office of the Agency.

Restriction on
execution against
property of the
Agency

14 **106.** In any action or suit against the Agency, no execution shall be
15 levied or attachment process issued against the Agency unless not less than 30
16 days' notice of the intention to execute or attach has been given to the Agency.

Indemnity of
officers of the
Agency

17 **107.**-(1) A member of the Board or any employee or other person
18 performing any function of the Agency under the direction of the Board shall
19 not be personally liable for any civil proceedings or for any act or omission
20 carried out in good faith, in accordance with the law, rules and regulations and
21 in the regular performance of his or her functions.

22 (2) A member of the Board, Registrar, officer or employee of the
23 Agency shall be indemnified out of the assets of the Agency against any
24 proceedings brought against him in his capacity as a member of the Board,
25 Registrar, officer or employee of the Agency where the act complained of is not
26 ultra vires his powers.

Interpretation

27 **108.** In this Act, unless the context otherwise requires:
28 'Agency' means the Nigerian Independent Warehouse Regulatory Agency
29 established under section 3 of this Act;

- 1 'appropriate authority' or Minister means the Minister in charge of trade and
2 investment;
- 3 'Arbitral Panel or Panel' means the panel established under section 102;
- 4 'Board' means the governing board of the Agency established under section
5 4 of this Act;
- 6 'bond', has the meaning ascribed to it by section 75 of this Act;
- 7 'Central Registry' means the Central Registry established under section 81
8 of this Act;
- 9 'commodity' under this Act includes raw, conditioned, agricultural produce,
10 solid minerals or products in liquid or gaseous form and such other goods as
11 the Agency shall from time to time, following a viability study and after
12 stakeholder consultation with approval of the Minister designate as
13 commodities for storage in commercial Warehouses;
- 14 'commingle' means the storage of commodities by class, under
15 circumstances other than identity preserved;
- 16 'conditioning' include the process of drying and cleaning of commodities;
- 17 'court' means the Federal High Court;
- 18 'depositor' means any person who deposits a commodity in a Warehouse for
19 storage, handling, or shipment, or who is the owner or legal holder of an
20 outstanding Warehouse Receipt or who is lawfully entitled to possession of
21 the commodity;
- 22 'delivery' means voluntary transfer of possession from one person to another
- 23 'fungible goods' means goods or commodities whose individual units are
24 capable of mutual substitution;
- 25 'goods' for the purposes of this Act shall mean commodities;
- 26 'holder' means a person who is in possession of a Warehouse Receipt
27 whether negotiable or non negotiable, and who has proprietary interest in
28 the goods;
- 29 'identity preserved' means the handling of a commodity in such a manner
30 that guarantees the return of the actual quality and quantity of the

- 1 commodity to the depositor;
- 2 'license' means a license issued under this Act and includes any renewals and
3 amendments of the license except where the context otherwise requires;
- 4 'licenced Warehouse' means any Warehouse for which the Agency, subject to
5 other terms and requirements of the Act, has issued a license;
- 6 'Minister' means the Minister responsible for trade and investment;
- 7 'order' means an order by endorsement on the Warehouse receipt;
- 8 'person' means any individual, corporation, two or more persons having a joint
9 or common interest, or other legal or commercial entity;
- 10 'prescribe' means prescribe in the regulations;
- 11 'President' means the President of the Federal Republic of Nigeria;
- 12 'regulator' under this Act means the Agency and the Securities and Exchange
13 Commission;
- 14 'revocation' means the permanent removal of a Warehouse Operator's license
15 by the Agency pursuant to the powers conferred on it under this Act;
- 16 'suspension' means the temporary removal of a license actuated by any action
17 or measure taken pursuant to the provisions of this Act;
- 18 'Warehouse' or 'commercial Warehouse' under this Act mean any building,
19 structure or other protected enclosure approved by the Agency to be used or
20 useable, for the storage or conditioning of commodities or buildings used for
21 storage purposes or including operation of a Warehouse which issue or purport
22 to issue Warehouse receipt;
- 23 'Warehouse Inspector' means a person authorised by the Agency or the
24 regulator to carry out inspection for accreditation of warehouses for issuance of
25 operating license;
- 26 'Warehouse Operator' means a person registered under this Act engaged in the
27 business of operating a Warehouse for receiving, storing, shipping or handling
28 of commodities for compensation and includes the agent or employee the
29 scope of whose actual or apparent authority renders such person to exercise
30 rights or become liable under the Act; and includes directors and shareholders

1 of a limited liability company licensed under this Act;
2 'Warehouse Receipt' means a document of title to specific goods of a certain
3 quality and quantity stored in a licensed, bonded and named Warehouse
4 which may be negotiable or non negotiable.

5 109. This Bill may be cited as the Nigeria Independent Warehouse Short title
6 Regulatory Agency (Establishment, Etc.) Bill, 2018.

7 SCHEDULE

8 SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD

9 *[Section 4 (3)]*

10 *Proceedings of the Board*

11 1.- (1) Subject to the provisions of this Act, the Board may make
12 standing orders regulating its proceedings or any of its committees thereof.

13 (2) Questions for determinations shall be decided by a majority of
14 the members present and voting thereon and, in the event of equality of
15 votes, the chairman, shall have a second or casting vote.

16 (3) Standing orders made for a committee shall provide for the
17 Committee to report to the Board on any matter referred to it by the Board.

18 (4) The quorum of the Board shall be one-third of the members of
19 the Board and the quorum of a committee of the Board shall be fixed by the
20 Board.

21 (5) The Board may invite any person to attend and participate at
22 any of its meetings provided that a person so co-opted shall only be in
23 attendance and shall not count towards the quorum or vote at the meeting.

24 *Meetings of the Board*

25 2.- (1) Subject to the provisions of any standing orders of the Board,
26 the Board shall meet whenever it is summoned by the chairman, and if the
27 chairman is requested to do so, by notice in writing given to him by not less
28 than five other members, he shall summon a meeting of the Board to be held
29 within fourteen days from the date on which the notice is given.

30 (2) At any meeting of the Board, the Chairman shall preside or in

1 his absence, the members present at the meeting, shall appoint one of their
2 members to preside.

3 (3) Where the Board desires to obtain the advice of any person on a
4 particular matter, the Board may co-opt him as a member for such period as the
5 Board thinks fit, but a person who is a member by virtue of this paragraph shall
6 not be entitled to vote at the meeting and shall not count towards the quorum.

7 (4) Notwithstanding anything in the foregoing provisions of this
8 paragraph, the inaugural meeting of the Board shall be summoned by the
9 Minister.

10 *Committees*

11 3.-(1) The Board may appoint one or more committees to carry out on
12 behalf of the Board such functions as the Board may determine.

13 (2) A Committee appointed under this paragraph shall consist of the
14 number of persons determined by the Board of whom not more than two thirds
15 may be persons who are not members of the Board.

16 (3) A person other than a member of the Board shall hold office on the
17 committee in accordance with the terms of the letter by which he is appointed.

18 (4) A decision of a committee of the Board shall be of no effect until it
19 is on firmed by the Board.

20 *Miscellaneous*

21 4.-(1) The fixing of the seal of the Board shall be authenticated by the
22 signature of the chairman, the Director-General, Registrar-General, Board
23 Secretary or any other members of the Board authorized generally or specially
24 by the Board to act for that purpose.

25 (2) Any contract or instrument which, if made or executed by a person
26 not being a body corporate, would not be required to be sealed, may be made or
27 executed on behalf of the Board, by any person generally or specially
28 authorized by the Act, for that purpose by the Board.

29 5.-(1) Any document purporting to be a document duly executed
30 under the seal of the Agency shall be received in evidence and shall, unless the

1 contrary is proved, be deemed to be so executed.

2 (2) The validity of any proceedings of the Board or of a committee
3 of the Board shall not be adversely affected by any vacancy in membership
4 of the Board or by any defect in the appointment of a member of the Board or
5 of a person to serve on the committee, or by reason that a person not entitled
6 to do so took part in the proceedings.

7 (3) Any member of the Board and any person holding office on a
8 committee of the Board, who has a personal interest in any contract or
9 arrangement entered into or proposed to be considered by the Board or a
10 committee thereof shall disclose his interest, and shall not vote on any
11 question relating to the contract or arrangement.

12 (4) A person shall not by reason only of his membership of the
13 Board be treated as holding an office in the public service of the Federation.

EXPLANATORY MEMORANDUM

This Bill seeks to establish the Nigerian Independent Warehouse Regulatory Agency to regulate the operations of licensed warehouses in Nigeria, provide a regulatory framework for trading in warehouse receipts, institutionalize best practices in commercial warehousing in Nigeria, enable depositors store and retrieve agricultural and other commodities in commercial warehouses, enhance the issuance and use of negotiable warehouse receipts as valid negotiable instruments and acceptable collateral by financial institutions in Nigeria and to make provision for other related matters.

