

**NIGERIAN INDEPENDENT WAREHOUSE REGULATORY AGENCY  
AND OTHER RELATED MATTERS, 2016  
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# A BILL

## FOR

AN ACT TO ESTABLISH THE NIGERIAN INDEPENDENT WAREHOUSE REGULATORY AGENCY AND OTHER RELATED MATTERS, 2016

[ ] Commencement

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

### PART I

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#### ESTABLISHMENT OF THE NIGERIAN INDEPENDENT WAREHOUSE REGULATORY AGENCY AND ITS GOVERNING BCARD

1. -(1) There is established a body to be known as the Nigerian Independent Warehouse Regulatory Agency (in this Act referred to as "the Agency").

Establishment of the Nigerian Independent Warehouse Regulatory Agency

(2) The Agency:

- (a) is a body corporate with perpetual succession and a common seal; and
- (b) may sue or be sued in its corporate name.

2. -(1) There is established for the Agency, a governing board (in this Act referred to as 'the Board') with overall responsibility for the control of the management of the affairs of the Agency.

Establishment of a governing board for the Agency

(2) The Board shall consist of:

- (a) a Chairman;
- (b) the Director-General of the Agency;
- (c) a representative of each of the following, not below the rank of a director:
  - (i) the Federal Ministry of Trade and Investment;
  - (ii) the Federal Ministry of Agriculture and Rural Development;

- 1 (iii) the Federal Ministry of Finance;  
2 (iv) the Federal Ministry of Justice;  
3 (v) the Central Bank of Nigeria;  
4 (vi) the Securities and Exchange Commission;  
5 (d) a representative from the Nigeria Association of Small and  
6 Medium Enterprises;  
7 (e) a representative of the Chartered Institute of Bankers;  
8 (f) two representatives of association of farmers in Nigeria; and  
9 (g) a representative of the Association of Nigerian Enterprises.

10 (3) The members of the Board referred to in subsection (2),  
11 paragraphs (a) and (b) of this section shall be appointed by the President on the  
12 recommendation of the Minister and shall be persons of proven integrity with  
13 cognate experience and qualifications of not less than ten years in the relevant  
14 fields.

Tenure of Office

15 3. The Chairman and other members of the Board, not being an ex-  
16 officio member, shall hold Office for a term of four years and may be re-  
17 appointed for another term of four years and no more.

Cessation of membership

18 4. -(1) The provision of section 3 of this Act notwithstanding, a  
19 member of the Board shall cease to hold office as a member if:

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

22 (b) he becomes of unsound mind;

23 (c) he becomes bankrupt or makes a compromise with his creditors;

24 (d) he is convicted of a felony or of an offence involving dishonesty or  
25 corruption;

26 (e) he becomes incapable of carrying on the functions of his office  
27 either arising from an infirmity of mind or body;

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

30 (g) in the case of a person possessing a professional qualification, is



1 disqualified by a competent authority;

2 (h) in the case of a person who becomes a member by a virtue of the  
3 office he occupies, he ceases to hold such office; and

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

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

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

Emolument of  
members

## 12 PART II

### 13 POWERS AND FUNCTIONS OF THE BOARD OF THE AGENCY

14 6. -(1) The Board has powers to:

Powers of the  
Board

15 (a) formulate the general policy guidelines for the Agency;

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

18 (c) issue operational guidelines for the administrative structure of  
19 the Agency;

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

22 (e) employ and determine the terms and conditions of the  
23 employees of the Agency; and

24 (f) do such other things as are necessary in the carrying out of its  
25 responsibilities under this Act.

26 7. -(1) The functions of the Agency are to:

Functions of  
the Agency

27 (a) license Warehouses in accordance with the provision of this  
28 Act;

29 (b) regulate the operations of a licensed Warehouse Keepers under  
30 this Act;

- 1 (c) classify licensed Warehouses into categories;
- 2 (d) certify in licensed Warehouses operators including Warehouse  
3 Inspectors, Samplers, Graders and Weightiers;
- 4 (e) provide requisite training for licensed certified Warehouse  
5 Operators and persons employed in licensed Warehouses;
- 6 (f) promote awareness and use of Warehouse Receipts;
- 7 (g) hold regular consultations with Warehouse Operators in the  
8 development of appropriate policy on Warehouse operations under this Act and  
9 build consensus on policy issues and measures;
- 10 (h) promote and co-ordinate inflow of credit and grants to the sector  
11 and establish linkages that will attract investment from other countries;
- 12 (i) publish periodically the names and addresses of licensed and  
13 bonded Warehouses and provide classification of their licenses;
- 14 (j) publish the results of investigations made on any matter pertaining  
15 to Warehouse operations;
- 16 (k) ensure that licensed Warehouses maintain internationally  
17 acceptable minimum standards of storage and operations;
- 18 (l) promote the trade ability of Warehouse Receipts;
- 19 (m) create electronic linkages between the Warehouse Receipts  
20 Registry and existing commodity exchanges;
- 21 (n) provide advice and support on regulation of weights and under the  
22 Weights and Measures Act in collaboration responsible Ministry;
- 23 (o) establish quality standards to enable appropriate value to be  
24 placed on each agricultural product or by-product for storage at a licensed  
25 Warehouse;
- 26 (p) regularly advice Federal and State Governments on policies and  
27 programs to promote the effective use of Warehouse Receipts framework,  
28 including mechanisms to support establishment of agro product processing  
29 centres in proximity to licensed Warehouses;
- 30 (q) in consultation with the Minister, develop and implement a

1 program to support the setting up of processing centres and increased  
2 capacity for processing of stored agricultural products by licensed  
3 Warehouse Operators; and

4 (r) carry out such other activities as are necessary for the effective  
5 discharge of all or any of the functions of the Agency under this Act.

6 (2) For the purpose of carrying out the functions listed in  
7 subsection (1) of this section, the Agency has powers to:

8 (a) enter into and investigate activities and operations in licensed  
9 Warehouses;

10 (b) examine directly or through licensed Agents the operations,  
11 books, and accounts of licensed Warehouses to ensure that their operations  
12 are in conformity with prescribed minimum standard, with respect to  
13 weighing and codification of commodities;

14 (c) suspend, revoke or terminate (as the case may be) the  
15 operations of the licensed Warehouse following an investigation into the  
16 operations of a Warehouse keeper after affording the licensed holder the  
17 opportunity of being heard; and

18 (d) take steps to ensure the attendance of witnesses and production  
19 of records and information in carrying out any investigation into a  
20 Warehouse operations.

### 21 PART III

#### 22 STAFF OF THE AGENCY

23 8. -(1) The Director-General of the Agency shall be appointed by  
24 the President on the recommendation of the Minister.

Appointment and  
responsibilities  
of the Director-  
General

25 (2) The Director-General is the Chief Executive Officer of the  
26 Agency.

27 (3) The Director-General is responsible for the management of the  
28 funds, property and business of the Agency and for the day to day  
29 administration, organization and control of the staff of the Agency.

30 (4) The Director-General, at such intervals as the Board may

1 determine, is responsible for keeping the Board informed of the business of the  
2 Agency.

Appointment and  
responsibilities  
of the Secretary

3 **9. -(1)** The Secretary of the Agency shall be appointed by the Board on  
4 such terms and conditions as the Board may determine.

5 (2) The Secretary is responsible for:

6 (a) issuing notices of meetings of the Board;

7 (b) keeping records of proceedings of the Board;

8 (c) keeping records of all the activities of the Agency; and

9 (d) superintending over the management of the affairs of the Central  
10 Registry.

Other staff

11 **10. -(1)** The Board shall appoint from time to time such other staff as  
12 may be required for the purpose of the efficient performance of the functions of  
13 the Agency.

14 (2) The conditions of service of the staff of the Agency with respect to  
15 remuneration, pension, or other benefits on retirement or termination of the  
16 officers shall be as provided for in the Public Service of the Federation.

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

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

Pension

23 **11. -(1)** Service in the Agency shall be pensionable and subject to the  
24 Pension Reform Act.

25 (2) Nothing in this section shall preclude the appointment of a person  
26 to any office on terms which preclude the grant of pension in respect of that  
27 office.

Experts and  
consultants

28 **12. -(1)** The Agency may engage the services of experts and  
29 consultants for purpose of carrying out any its function where special  
30 competence expertises are required.



- 1 licensed.
- Licensing  
procedure 2           **15.** -(1) A person requiring a licence under this Act may apply to the  
3 Agency in the manner prescribed in regulations made pursuant to this Act.  
4           (2) The Agency shall, before granting a license:  
5           (a) inspect or authorize the inspection of the Warehouse in respect of  
6 which a license is applied for, to determine the suitability of the Warehouse for  
7 the storage of the particular goods for which the license is required; and  
8           (b) publish the application in two national newspapers requesting for  
9 objections in accordance with rules prescribed in regulations made pursuant to  
10 this Act.  
11           (3) The Agency shall, upon being satisfied that a Warehouse is  
12 suitable for the storage of the goods in the license classification and fulfilment  
13 of all other conditions grant a Warehouse license to the applicant in the  
14 classification applied for upon payment of the prescribed fees.  
15           (4) The applicant shall thereafter annually pay the prescribed fee to  
16 the Agency on or before each anniversary of the granting of the license.  
17           (5) Every Warehouse Operator shall display the license issued by the  
18 Agency in a conspicuous place at the entrance of the Warehouse or at any other  
19 place on the premises during working hours as regulations may prescribe.
- Validity of  
license 20           **16.** The validity of a license shall be twelve months or such other  
21 periods, not exceeding three years, as the Agency may from time to time  
22 determine and renewable on terms and conditions as may be specified in  
23 regulations.
- Conditions for  
the issuance of  
a license 24           **17.** -(1) A license shall not be issued by the Agency unless the  
25 applicant has satisfied all of the conditions prescribed in this Act and  
26 regulations made pursuant to this Act in respect of the type and category of  
27 license applied for.  
28           (2) Prior to issuing a license under this Part, the Agency shall ensure  
29 that:  
30           (a) the applicant is in possession of a Warehouse, whether as a lessee

1 or owner;

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

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

6 (d) the devices for safe storage of the goods or products in respect  
7 of the particular class of license applied for are available;

8 (e) the applicant's director or manager or its principal officers have  
9 requisite experience and track record for Warehouse operations and has not  
10 been convicted by a court of competent jurisdiction or indicted in any  
11 disciplinary proceedings on allegations of criminal action involving  
12 dishonesty or financial impropriety and professional misconduct in the last  
13 preceding seven years;

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

16 (g) the applicant is financially capable of conducting the business  
17 of warehousing; and

18 (h) the applicant or Warehouse Operator gives the requisite  
19 undertaking to abide by all conditions for grant of the license and to comply  
20 fully with regulations issued under this Act.

21 **18. -(1) A Warehouse Operator applying for a license to operate a**  
22 **Warehouse shall, as a condition for the granting of the license, execute and**  
23 **submit to the Agency, for filing, a bond in the form and substance**  
24 **acceptable to the Agency to secure the faithful performance of the**  
25 **applicant's obligations as a Warehouse Operator.**

26 (2) Where the Agency determines that a previously approved bond  
27 is, or for any cause is or has become insufficient, it may require an additional  
28 bond or bonds to be given by the Warehouse Operator concerned,  
29 conforming with the requirements of this section, and, unless the additional  
30 bond is given within the time fixed by a written demand for it by the Agency,

Furnishing of a  
bond by applicant

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

Right of action  
on a bond

3 19. A person injured by the breach of any obligation in respect of  
4 which a bond is given, under section 18 of this Act, is entitled to sue in person  
5 on the bond in court, to recover the damages sustained by the breach.

Designation as  
a licensed and  
bonded  
Warehouse

6 20. -(1) Upon the filing and approval by the Agency of a bond in  
7 compliance with the requirements of this Act, for the operation of a licensed  
8 Warehouse, the Warehouse may be designated as licensed and bonded  
9 Warehouse and the Warehouse Operator shall display in a conspicuous place,  
10 the Agency's emblem.

11 (2) Save as provided under this Act, a Warehouse shall not be  
12 designated as licensed or bonded and a name or description conveying the  
13 impression that it is so licensed or bonded shall not be used until a license has  
14 been issued and a bond, as provided for in section 18 of this Act, has been filed  
15 with approval of the Agency.

16 (3) A person who contravenes the provision of subsection (2) of this  
17 section commits an offence and liable on conviction to a term of imprisonment  
18 of three years or a fine of three million Naira or to both fine and imprisonment.

Casualty  
insurance and  
recovery of loss

19 21. -(1) A Commercial Warehouse Operator shall be obliged to ensure  
20 its warehouse structure and facilities for its own benefit.

21 (2) A depositor of commodities or goods in a commercial warehouse  
22 above a value stipulated by the Agency in the rules shall at the point of deposit  
23 in a licensed warehouse, do one of the following:

24 (a) provide evidence of at least an all risk insurance coverage for the  
25 commodity or goods deposited;

26 (b) request the Warehouse Operator to insure the commodities or  
27 goods deposited on its behalf and at its cost; or

28 (c) give written undertaking to secure insurance of the goods  
29 deposited in its name and in its favour.

30 (3) The requirement for depositor insurance shall not in any way



1 reduce the warehouse operators duty of care over commodities or goods  
2 deposited in the warehouse.

3           **22.** -(1) An applicant for a license to operate a Warehouse under  
4 this Act, shall as a condition for the grant, file or cause to be filed with the  
5 Agency the name or list of commodities of goods proposed to be  
6 warehoused and a copy of the proposed schedule of charges as a Warehouse  
7 Operator.

Schedule of  
charges

8           (2) A licensed Warehouse Operator shall not make a change in the  
9 charges unless a notice of the change and its reasons have been filed and  
10 approved by the Agency.

11           (3) Where the Agency receives a proposal for change of charges, it  
12 shall afford the Warehouse Operator an opportunity to give reasons for the  
13 requested changes within one month of the receipt of the request and grant or  
14 refuse approval not later than two months from the date of the request.

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

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

19           **23.** -(1) The Agency may revoke, suspend, or refuse to grant a  
20 license as considered appropriate after granting to the Warehouse Operator  
21 the opportunity of being heard on the matter for any violation of the  
22 provisions of this Act.

Revocation,  
suspension or  
refusal to grant  
a license

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

25           (3) Where a license is revoked, suspended or has expired, the  
26 Warehouse Operator shall terminate, in the manner prescribed by the  
27 Agency, all arrangements covering the receiving, storing, shipping,  
28 conditioning, or handling of commodities in the Warehouse covered by the  
29 license.

30           (4) Without prejudice to the provision of subsection (3) of this

1 section, the Warehouse Operator shall be permitted, under the direction or  
2 supervision of the Agency to deliver commodities previously received either to  
3 the holders of Warehouse Receipts or to other bonded Warehouses.

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

9 (6) The Agency shall by regulations prescribe procedures for the  
10 renewal of licences prior to their expiration.

Power to appoint  
Inspectors

11 24. -(1) The Agency may appoint or otherwise authorize persons or  
12 groups of persons as inspectors ("Warehouse Inspectors").

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

15 (3) A Warehouse Inspector appointed pursuant to the provisions of  
16 this Act has powers to inspect premises and goods kept in a Warehouse to  
17 ensure that a Warehouse Operator observes the provisions of this Act and its  
18 regulations and the terms and conditions contained in a license issued by the  
19 Agency under this Act.

20 (4) A Warehouse Inspector or any other person with written  
21 authorization may at any reasonable time during the day, enters into a  
22 Warehouse premises for the purpose of ensuring that the provisions of this Act  
23 and its regulations are adhered.

Publication of  
particulars of  
Warehouse  
Owners and  
Operators

24 25. The Agency shall ensure that:

25 (a) reliable data containing the identity of Warehouse owners,  
26 Warehouse Operators, licensed inspectors, reports of inspection of  
27 Warehouses as and a list of all revoked licences are made available, on request,  
28 by any person or furnished periodically to the public;

29 (b) its audited accounts and annual performance reports are made  
30 public;

1 (c) in carrying out its operations under this Act, it is guided by the  
2 principles of accountability and transparency; and

3 (d) it holds regular stakeholder consultations on its operations,  
4 policy and application of its rules and regulations.

## 5 PART V

### 6 WAREHOUSE RECEIPTS

7 **26.** A Warehouse Receipt shall only be issued by a Warehouse  
8 Operator duly authorized and licensed to do so under this Act.

Issuance of a  
Warehouse  
Receipt

9 **27.** -(1) A Warehouse Receipt drawn and issued by a Warehouse  
10 Operator shall be prima facie proof of the holder having proprietary rights in  
11 the goods.

Warehouse  
Receipts as  
evidence of  
proprietary rights

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

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

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

18 (c) by accepting delivery under a pre-existing contract for  
19 purchase;

20 (d) in return for any consideration sufficient to support a pre-  
21 existing contract.

22 **28.** -(1) A Warehouse Receipt shall only be printed by the Agency  
23 or at its order and shall be in the form prescribed by the Agency in  
24 regulations made pursuant to this Act.

Form of  
Warehouse  
Receipt

25 (2) A Warehouse Receipt shall be supplied exclusively to licensed  
26 Warehouse Operators by the Agency.

27 (3) A Warehouse Receipt shall bear such security features as may  
28 be prescribed in regulations made by the Agency.

29 **29.** -(1) The Warehouse Receipt shall contain:

Contents of a  
Warehouse  
Receipt

30 (a) the name of the Warehouse Operator;

- 1 (b) the location of the Warehouse where the goods are stored;
- 2 (c) the date of issue of the receipt;
- 3 (d) the consecutive number of the receipt;
- 4 (e) a statement as to whether the goods received shall be delivered to  
5 the bearer or another person named or order;
- 6 (f) the rate of storage charges;
- 7 (g) a description of goods and packages containing the goods,  
8 showing the quantity, numbers or weights of the goods inside their packages or  
9 any other fuller description as the Agency may, from time to time, prescribe in  
10 regulations;
- 11 (h) the grade or class of commodity received and the standard  
12 description according to the official classification of the commodity made  
13 pursuant to any subsisting law and rules in force, except where the receipt  
14 conspicuously embodies a bold imprint that it is not negotiable;
- 15 (i) statement of amount of advances made or liabilities incurred for  
16 which the Warehouse Operator claims a lien or any arising contingent  
17 liabilities, and if the precise amount of those advances made or for those  
18 liabilities incurred is, at the time of the issue of the receipt, unknown to the  
19 Warehouse Operator or to the agent of the Warehouse Operator, a statement of  
20 the fact that advances have been made or liabilities are incurred and disclosing  
21 the purpose or nature of such liabilities;
- 22 (j) if the goods are to be packed, processed, substituted or otherwise  
23 transformed whilst in the Warehouse, a statement to that effect and a  
24 description of the nature, size and quantity of what shall be the product of the  
25 packing, processing or transformation;
- 26 (k) the expiry date of the goods, if any or any other information of the  
27 nature of the goods which does not impair the Warehouse Operator's obligation  
28 to deliver on the duty of care of the Warehouse Operator;
- 29 (l) provision for endorsement of transfer by negotiation or charges on  
30 value of goods;

1 (m) signature of the Warehouse Operator; and

2 (n) any other information as the Agency may from time to time  
3 prescribed in regulations.

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

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

11 **30. -**(1) A Warehouse Receipt marked on its face as negotiable and  
12 issued to the bearer or to the order of a named person shall be known as a  
13 "Negotiable Warehouse Receipt" and be transferable by endorsement and  
14 delivery.

Negotiable  
Warehouse  
Receipts

15 (2) Words shall not be inserted into a Negotiable Warehouse  
16 Receipt capable of rendering such receipt non-negotiable.

17 (3) The Board may prescribe in the regulations the procedure and  
18 limits of negotiation of a Negotiable Warehouse Receipt.

19 **31.** A Warehouse Receipt marked on its face as "Non-Negotiable"  
20 and issued to a named person shall be treated as a "Non-Negotiable  
21 Warehouse Receipt" and be transferable only by assignment and delivery.

Non-Negotiable  
Warehouse  
Receipts

22 **32.** An alteration to a Warehouse Receipt shall be regarded as:

Altered  
Warehouse  
Receipts

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

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

28 (c) unauthorized when made without fraudulent intent, and made  
29 without an implied or direct permission or connivance of the Warehouse  
30 Operator and which renders the Warehouse Operator liable according to the

- 1 terms of the receipt.
- Rights of  
purchasers of  
altered receipts  
against Warehouse  
Operator
- 2 **33. -(1) A purchaser of a Warehouse Receipt for value without notice**  
3 **of alteration shall acquire the same proprietary rights against the Warehouse**  
4 **Operator which the purchaser would have acquired if the receipt had not been**  
5 **altered at the time of purchase.**
- 6 **(2) A purchaser of a Warehouse Receipt shall be regarded to have had**  
7 **notice of alteration, if before the purchase of the Warehouse receipt, the**  
8 **purchaser or his agent took part or influenced the alteration of the Warehouse**  
9 **Receipt.**
- 10 **(3) A purchaser of an altered Warehouse Receipt who has been found**  
11 **or could reasonably be imputed with possession of notice of alteration commits**  
12 **an offence under this Act and liable to be proceeded against under this Act in**  
13 **the same way and manner as the Warehouse Operator.**
- Lost or missing  
Warehouse  
Receipts
- 14 **34. -(1) Any loss, theft or destruction of the Warehouse Receipt shall**  
15 **be reported by the holder of the warehouse Receipt to the Warehouse Operator**  
16 **who shall immediately report the loss to the Agency through the Central**  
17 **Registry.**
- 18 **(2) If a negotiable Warehouse Receipt has been lost, stolen or**  
19 **destroyed, a duplicate may be issued by the Warehouse Operator provided that**  
20 **the request of the holder is accompanied by:**
- 21 **(a) a police report of the loss, theft or destruction of the receipt;**  
22 **(b) an affidavit of loss, theft or destruction duly sworn to in a court of**  
23 **law;**
- 24 **(c) notice of loss, theft or destruction filed at the Central Registry in**  
25 **the format stipulated by regulations;**
- 26 **(d) proper and reliable identification; and**  
27 **(e) payment of reasonable costs of the operator to be stipulated on the**  
28 **face of the receipt.**
- 29 **(3) The Board may, by order published in requirements for the**  
30 **issuance of duplicate Receipts.**

1 (4) An appeal relating to the issuance or otherwise of a duplicate  
2 receipt shall be made to the Agency.

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

7 (6) A person who fraudulently obtained using an original  
8 Warehouse Receipt which has been reported missing or a Warehouse  
9 Receipt in respect of which a duplicate receipt has been issued commits an  
10 offence and liable on conviction to five years imprisonment without an  
11 option of fine.

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

16 **35. -(1)** A Warehouse Receipt upon the face of which the word  
17 'duplicate' is plainly placed shall be a representation and warranty by the  
18 Warehouse Operator that such Warehouse Receipt:

Duplicate  
Warehouse  
Receipts

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

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

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

25 **36.** All Warehouse Receipts on commodities financed by banks  
26 shall be traded on a commodity exchange.

Trading in  
Warehouse  
Receipts on  
commodity  
exchanges

## 27 PART VI

### 28 RIGHTS AND OBLIGATIONS OF A WAREHOUSE OPERATOR

29 **37.** A licensed Warehouse Operator may be considered for pioneer  
30 status in accordance with the provision of the Nigerian Investments

Application of  
provisions on  
Pioneer Status

Obligation of a  
Warehouse  
Operator to  
deliver

1 Promotion Commission Act.

2 38. (1) Except as provided under this Act or any regulations made  
3 from time to time by the Agency, a Warehouse Operator shall deliver stored  
4 goods upon demand made by the holder of the Warehouse Receipt or depositor,  
5 if the holder or depositor:

6 (a) makes full payments for the Warehouse Operator's charges for  
7 storage and other services relating to the goods;

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

9 (c) satisfies the Warehouse Operator of the identity of the individual  
10 taking possession of goods or where payment in lieu of lien has not been made,  
11 after deducting the exact quantity of the goods, value of which at open market  
12 value as at that date, is equal to accrued lien due to the Warehouse Operator,  
13 plus ancillary costs if any.

14 (2) A Warehouse Operator shall not issue negotiable Warehouse  
15 Receipts for goods in respect of which the Warehouse Operator, its directors or  
16 its staff has interest except it has obtained a licence in that regard permitting the  
17 Warehouse Operator to trade in goods which he warehouses.

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

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

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

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

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

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



1                   **39.** -(1) Subject to section 43 of this Act, a Warehouse Operator  
2 shall deliver the goods in accordance with the demand by a Warehouse  
3 Receipt holder or, as the case may be, the depositor.

Obligation to  
deliver in  
accordance to  
the demand of  
the holder

4                   (2) Where a Warehouse Operator refuses to deliver the goods as  
5 demanded by the holder or depositor of a Warehouse Receipt the burden  
6 shall be upon the Warehouse Operator to establish the existence of any  
7 lawful excuse for the refusal.

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

14                   **40.** Subject to the provisions of sections 42 and 43 of this Act, a  
15 Warehouse Operator shall deliver goods only after being satisfied that:

Justification for  
delivery of goods

16                   (a) the person receiving the goods is lawfully entitled to the  
17 possession of the goods; and

18                   (b) by the terms indicated in the Warehouse Receipt issued for  
19 particular goods, that person is entitled to delivery, either by himself or on  
20 his written authorization, to another person.

21                   **41.** -(1) A Warehouse Operator shall not deliver the goods if, prior  
22 to delivery, he receives information or otherwise becomes aware that a  
23 person to whom delivery is about to be made is not legally entitled to the  
24 delivery.

Liability for  
wrongful delivery  
of goods

25                   (2) A Warehouse Operator who:

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

28                   (b) ignores the information not to make delivery of the goods.  
29 under paragraph (a) of this subsection; and

30                   (c) had information or knowledge that the delivery about to be

1 made was to a person not lawfully entitled to the possession of the goods, and  
 2 proceed to deliver the goods; shall be liable for conversion to all persons having  
 3 proprietary rights in or in the possession of the goods in the exact market value  
 4 of the goods wrongfully delivered and on conviction to a term of five years  
 5 imprisonment.

Exception to  
 obligation to  
 deliver

6 **42.** The Warehouse Operator shall not be liable for failure to deliver  
 7 the goods to the depositor, or owner of the goods, or to a holder of a Warehouse  
 8 Receipt given for the goods at the time of the deposit of the goods, even if such  
 9 receipt is negotiable, in a situation where goods have been lawfully sold or  
 10 disposed of-

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

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

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

16 **43.** -(1) Except as otherwise provided in this Act, where a Warehouse  
 17 Operator delivers goods for which he had issued a negotiable receipt, he shall  
 18 retrieve and cancel the receipt.

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

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

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

27 **44.**-(1) Except as otherwise provided in this Act, where a Warehouse  
 28 Operator delivers part of the goods for which he had issued a negotiable  
 29 Warehouse Receipt he shall-

30 (a) retrieve and cancel that receipt and issue a new receipt for the

1 remaining goods; or

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

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

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

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

16 **45.** A Warehouse Operator who fails to comply with the provisions  
17 of section 35 of this Act is liable for failure to deliver goods to a person who  
18 acquires in good faith, a lost, stolen or destroyed Warehouse Receipt without  
19 notice that a duplicate receipt has been issued or goods already delivered and  
20 liable on conviction to imprisonment for a term of not less than one year.

Liability for loss  
or theft of a  
Warehouse  
Receipt

21 **46.** -(1) A Warehouse Operator shall take all necessary precautions  
22 to ensure that the delivery of goods is made to a person who has lawfully  
23 obtained a Warehouse Receipt.

Delivery of goods  
to persons with  
valid titles or  
right

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

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

28 (b) by a Warehouse Operator lien on the goods.

29 (3) Unless the title or right to possession of the goods by a  
30 Warehouse Operator is obtained in accordance with provisions of

1 subsection (2) of this section no title or right to possession of goods shall  
2 exonerate the Warehouse Operator from liability for refusing to deliver the  
3 goods according to the terms indicated on the Warehouse Receipt.

Liability for  
wrongful  
description of  
goods

4           **47.** Subject to the provision of subsection (2) of section 46 of this Act.  
5 a Warehouse Operator shall be liable to the holder of a Warehouse Receipt for  
6 the goods named in the Receipt not been in existence or by failure of the goods  
7 delivered not corresponding with the description in the Warehouse Receipt  
8 subject only to changes that may occur in the goods, over time when stored in  
9 accordance with the conditions specified in this Act or by regulations made  
10 pursuant to this Act.

Registration of  
Warehouse  
Receipts

11           **48.** A Warehouse Operator shall register in favour of a depositor of  
12 goods in the Central Registry every Warehouse Receipt issued by the  
13 Warehouse Operator at a fee to be approved by the Agency.

Liability for  
loss or injury  
to goods

14           **49.** -(1) Except for unavoidable damages or deterioration associated  
15 with the nature and type of the goods and mode of storage provided under this  
16 Act and regulations made pursuant to this Act, a Warehouse Operator is liable  
17 for damages for loss of, or injury to the goods caused by the Warehouse  
18 Operator's failure to exercise due and reasonable care as circumstances may  
19 demand.

20           (2) The provision of subsection (1) of this section notwithstanding,  
21 the owner of the goods is required to disclose to the Warehouse Operator any  
22 peculiarity associated with the goods to be stored.

Separation or  
mixing of  
fungible goods

23           **50.** -(1) Unless as may otherwise be prescribed in regulations issued  
24 by the Agency, a Warehouse Operator shall keep separate the goods covered by  
25 each receipt for ease of identification and delivery of the goods.

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

29           (3) Fungible goods mixed together under subsection (2) of this  
30 section, are owned in common by the persons entitled to them and the

1 Warehouse Operator is severally liable to each owner for that owner's share.

2 (4) Where as a result of over-issue of receipt, a mass of fungible  
3 goods is insufficient to meet all the receipts that the Warehouse Operator has  
4 issued against the goods, the persons entitled include all holders to whom  
5 over issued receipts have been issued, duly negotiated or otherwise  
6 transferred and delivered by the Warehouse Operator who shall cause an  
7 endorsement to be made on such receipt in the ratio of the quantity and  
8 quality of goods represented in each of the receipt.

9 (5) A Warehouse Operator may only commingle commodities  
10 stored in its Warehouse subject to rules and regulations made from time to  
11 time by the Agency regulating commingling of particular goods or classes of  
12 goods.

13 **51.** -(1) Subject to regulations made from time to time by the  
14 Agency, a Warehouse Operator's lien on goods deposited or the proceed of  
15 such goods shall derive from all:

Warehouse  
Operator's right  
to lien

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

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

20 (c) reasonable charges and expenses incurred for notice and  
21 advertisements of sale; and

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

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

29 **52.** A Warehouse Operator's Lien may be enforced subject to the  
30 provisions of section 51 of this Act:

Enforcement of  
lien

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

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

Loss of right  
of lien

7 **53.** A Warehouse Operator shall lose the right to the lien upon the  
8 goods by:

9 (a) surrendering possession of the goods; or

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

Statement of  
charges under  
lien

12 **54.** Where a negotiable receipt is issued for goods, the Warehouse  
13 Operator shall have no lien on goods except for charges for storage, processing  
14 or such other endorsements on the face of the receipt as may be prescribed by  
15 regulations made under this Act provided that no lien shall be exercised against  
16 a third party purchaser for value over any sums or liabilities not expressed on  
17 the face of a negotiable receipt.

Failure to  
satisfy lien

18 **55.** A Warehouse Operator who has a valid lien against the person  
19 demanding the goods may refuse to deliver the goods until the lien is satisfied.

Other remedies

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

Methods of  
enforcement  
of lien

25 **57.** A Warehouse Operator's lien may be satisfied by:

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

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

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

1                   **58.** -(1) Where the goods are: Perishable and  
 2                   (i) perishable in nature; hazardeous goods  
 3                   (ii) likely to deteriorate in value;  
 4                   (iii) in a state of foul odour;  
 5                   (iv) corrosive and leaking;  
 6                   (v) highly inflammable or explosive; and  
 7                   (vi) likely to cause injury to life and other property, the Warehouse  
 8           Operator shall give notice to the owner or to the person in whose name the  
 9           goods are stored as is reasonable and possible under the circumstances, and  
 10           where the person fails to comply with the notice to remove the goods from  
 11           the Warehouse, within the time so specified, the Warehouse Operator may  
 12           sell the goods with or without advertising and satisfy any lien he may have  
 13           on the goods.

14                   (2) If after reasonable efforts have been made, the Warehouse  
 15           Operator is unable to sell the goods, the Warehouse Operator may dispose of  
 16           the goods in any lawful manner, and shall incur no liability by reason of such  
 17           disposal.

## PART VII

### NEGOTIATION AND TRANSFER OF WAREHOUSE RECEIPTS

20                   **59.** -(1) A negotiable Warehouse Receipt is negotiated by its Requirement of  
 21                   endorsement by the transferor and delivery to the transferee and registration negotiation of a  
 22                   of the interest transferred at the Central Registry, provided that the non Warehouse  
 23                   registration of the transferred interest shall not at any time give any Receipt  
 24                   advantage to the transferor of the interest except otherwise expressly  
 25                   provided by regulations.

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

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

Rights derived  
from negotiation

1                   **60.**-(1) A Warehouse Receipt holder acquires after negotiation as  
2 provided under this Act:

3                   (a) title to the Warehouse Receipt;

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

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

10                  (d) the obligation of the Warehouse Operator to hold or deliver the  
11 goods according to the terms of the Warehouse Receipt and any related storage  
12 agreement fee; and

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

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

17                  (3) Except where a Warehouse Receipt was originally issued upon  
18 delivery of the goods by a person who had no power to dispose of the goods, a  
19 lien shall not attach by virtue of any judicial process to goods in the possession  
20 of a Warehouse Operator for which negotiable Warehouse Receipt is  
21 outstanding, unless the receipt is first surrendered to the Warehouse Operator  
22 or its negotiation is enjoined by court order, and the Warehouse Operator shall  
23 not be compelled to deliver the goods in accordance with any judicial process  
24 until the receipt is surrendered to the Warehouse Operator or made a subject of  
25 litigation before a court of competent jurisdiction or arbitral tribunal.

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

Loss of rights  
to goods

30                  **61.** -(1) A Warehouse Receipt once issued creates a charge on the



1 goods deposited at the Warehouse.

2 (2) A Warehouse Receipt does not confer any right in goods against  
3 a person who before the issue of the receipt had a legal interest or perfected  
4 security interest in such goods and who neither delivered nor entrusted the  
5 goods or any bill of lading, Warehouse Receipt delivery order or other  
6 document of title covering the goods to the depositor with actual or apparent  
7 authority to ship, store, pack, process, transform or sell the goods; nor  
8 acquiesced in the procurement by the depositor or his or her nominee of any  
9 Warehouse Receipt or other document of title covering the goods.

10 (3) A buyer in the ordinary course of business of fungible goods  
11 sold and delivered by a Warehouse Operator who is also in the business of  
12 buying and selling such goods, takes free of any claim under a Warehouse  
13 Receipt even though it has been duly negotiated.

14 **62.** -(1) A transferee of a negotiable Warehouse Receipt who has  
15 taken the Warehouse Receipt by purchase, delivery and or registration  
16 acquires the title and rights which the transferor had or had actual authority  
17 to convey.

Rights acquired  
without due  
negotiation

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

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

26 **63.** -(1) A transferee of a duly negotiated Warehouse Receipt, shall  
27 acquire against the transferor, the title to the goods.

Rights of a  
transferee of a  
Warehouse Receipt

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

30 (3) The court may order a Warehouse Receipt to be transferred

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

1 where it is proved that there was an agreement to that effect between the  
2 transferor and the transferee.

3 **64. -(1) The transferee of a negotiable Warehouse Receipt for value  
4 and in good faith shall have the right to compel the transferor of such receipt to  
5 endorse the receipt in a case where the endorsement is essential for registration  
6 of the transferred interest.**

7 **(2) All negotiable Warehouse Receipts transferred shall be endorsed  
8 and the endorsed interest registered at the Central Registry.**

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

Warranties on negotiation of the Warehouse Receipt

13 **65. -(1) The negotiation of transfer by delivery, endorsement and  
14 registration of new interest in the Warehouse Receipt for value, shall be an  
15 adequate proof or warranty for a third party purchaser for value without notice  
16 that the person who negotiates, transfers, delivers and in the case of non  
17 negotiable warehouse receipts assigns that Warehouse Receipt does so  
18 because:**

19 **(a) the receipt is genuine; and**

20 **(b) has a legal right to negotiate, transfer or deliver the Warehouse  
21 Receipt.**

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

25 **(3) Warranty shall not be implied in respect of other liabilities  
26 endorsed on the Warehouse Receipt.**

## 27 **PART VIII**

Establishment of the Central Registry for Warehouse Receipt

### 28 **ESTABLISHMENT OF THE CENTRAL REGISTRY**

29 **66. There is established a Central Registry for Warehouse Receipts  
30 (in this Act referred to as "the Central Registry") which shall be operated by the**

1 Agency and located in the Federal Capital Territory, Abuja.

2 67. -(1) The Secretary to the Agency shall be the Registrar of the  
3 Central Registry and responsible for registering Warehouse Receipts or any  
4 transaction relating to a Warehouse Receipt issued under this Act.

The Registrar,  
staff and other  
officers of the  
Registry

5 (2) The Agency may, with the approval of the Board, appoint a  
6 deputy Registrar and other officers to assist the Registrar in the discharge of  
7 its duties under this Act, provided that both the Registrar and the deputy  
8 Registrar shall be legal practitioners of not less than ten years post call  
9 experience.

10 68. -(1) The Registrar shall receive and register Warehouse  
11 Receipts issued under this Act and register any cancellation, modification,  
12 or endorsement to the Warehouse Receipts and do all such other things as the  
13 Board or the Agency may from time to time direct.

Registration on  
Warehouse  
Receipts

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

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

20 69. -(1) A Warehouse Receipt issued in accordance with the  
21 provisions of this Act shall be delivered to the Registrar for registration  
22 within fourteen days of issuance and transfer of interest shall be registered  
23 subject to regulations by the Agency within three working days of delivery  
24 and endorsement.

Registration and  
certification of  
Warehouse  
Receipts

25 (2) A Certificate of Registration signed by the Registrar shall be  
26 conclusive evidence of registration of interest in a Warehouse Receipt.

27 70. -(1) The Registrar shall maintain a Register containing in a  
28 consecutive or chronological order all transactions carried on at the Central  
29 Registry.

Maintenance of  
a register and on-  
line operations

30 (2) Provision shall be made at the Central Registry for on-line

1 operations.

2 (3) The Agency may by regulations prescribe the modalities for on-  
3 line transactions at the Central Registry.

Power to make  
Regulations for  
the Central  
Registry

4 71. The Agency shall make such regulations and rules as are  
5 necessary for the day to day operations of the Central Registry.

6 PART IX - RESOLUTION OF DISPUTES

Referral of  
disputes

7 72. -(1) Where a dispute exists relating to a Warehouse Receipt  
8 transaction exists between the depositor and Warehouse Operator, such dispute  
9 shall, first be referred to the Agency for settlement.

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

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

Arbitral Panel

15 73. -(1) For the purpose of resolving disputes under this Part, an  
16 Arbitral Panel shall be set up by the Agency in accordance with the provisions  
17 of the Arbitration and Conciliation Act Cap 18 Laws of the Federation of  
18 Nigeria, 2004.

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

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

Interpleader  
Action

23 74. If more than one person claims title to goods covered or purported  
24 to be covered by a Warehouse Receipt, the Warehouse Operator is permitted to  
25 delay the delivery until the Warehouse Operator has ascertained the validity,  
26 within a reasonable time, of the adverse claims or to bring an action to compel  
27 all claimants to interplead including compelling the interpleader, either in  
28 defending an action for non delivery of the goods, or by original action,  
29 whichever is appropriate.

## 1 PART X - OFFENCES AND PENALTIES

2 75. -(1) A person, who, after the commencement of this Act and the  
 3 expiration of the designated period under subsection 910 of section 14 of  
 4 this Act, operates a commercial Warehouse without obtaining a license as  
 5 required under this Act, commits an offence and liable on conviction to a  
 6 term of imprisonment not exceeding five years, or to a fine not below three  
 7 million Naira or to both fine and imprisonment.

Operating a  
Warehouse  
without a license

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

13 76. A Warehouse Operator, its employee, agent, or servant who  
 14 issues or aids in the issuance of a receipt knowing that the goods for which  
 15 such receipt is issued have not been received by the Warehouse Operator, or  
 16 are not under his direct control at the time of issuing such receipt, commits  
 17 an offence and liable on conviction to a term of imprisonment not exceeding  
 18 five years or to a fine not exceeding five million Naira or to both fine and  
 19 imprisonment.

Issuance of false  
receipts where  
goods have not  
been received

20 77. A Warehouse Operator, its employee, agent or servant who  
 21 fraudulently issues or aids in the fraudulent issuance of a receipt for goods  
 22 knowing that the receipt contains a false statement, commits an offence and  
 23 liable on conviction to imprisonment for a term not exceeding three years or  
 24 to a fine of not less than one million Naira or to both fine and imprisonment.

False statement  
contained in a  
Warehouse  
Receipts

25 78. -(1) A Warehouse Operator, its employee, agent, or servant,  
 26 who issues or aids in the issuance of a duplicate or additional negotiable  
 27 receipt for the same goods or any part thereof which is outstanding and  
 28 uncanceled, without plainly placing on the face of the Warehouse Receipt  
 29 the word "Duplicate" commits an offence and liable on conviction to  
 30 imprisonment for a term not exceeding five years or to a fine of not less than

Issuance of  
unmarked  
duplicate receipts

1 one million Naira or to both fine and imprisonment.

2 (2) The provision of this section shall not apply where a duplicate of a  
3 Warehouse Receipt is issued in accordance with the provisions of this Act.

Consequences for  
non declaration  
by Warehouse  
Operator of  
Interest in goods

4 79. -(1) Where there are deposited with or held by a Warehouse  
5 Operator goods of which he or his agent or servants are employees, owners  
6 without appropriate licensing, either solely or jointly or in common with others  
7 then such Warehouse Operator, his employees, agents or servants who, aware  
8 of this ownership and issues or aids in issuing a negotiable receipt for such  
9 goods without the license to do so, commits an offence and on conviction be  
10 liable to a term not exceeding three years or to a fine not below five million  
11 Naira or to both fine and imprisonment.

12 (2) A Warehouse Operator licensed to trade in goods which he stores,  
13 who fails to comply with the terms and conditions of such license shall be liable  
14 to a fine of the sum imposed by the Agency and revocation for its license to  
15 operate a commercial warehouse or such other conditions as the Agency may  
16 impose.

Delivery of  
goods without  
obtaining  
negotiable  
receipt

17 80. A Warehouse Operator, or any of its employee, agent or servant  
18 who delivers goods out of the possession of such Warehouse Operator,  
19 knowing that a negotiable receipt the negotiation of which would transfer the  
20 right to the possession of such receipt is outstanding and uncanceled, without  
21 obtaining possession of that Warehouse Receipt at or before the time of such  
22 delivery, and cancelling same, shall be liable to imprisonment for a term not  
23 exceeding two years, or to a fine of not less than five hundred thousand Naira or  
24 to both fine and imprisonment.

Negotiation of  
receipt for  
mortgaged goods

25 81. A person who:

26 (a) deposits goods to which he has no title, or upon which there is a  
27 lien or mortgage;

28 (b) takes for such goods a negotiable receipt which he afterwards  
29 negotiates for value with intent to deceive and without disclosing his want of  
30 title or the existence of lien or mortgage; commits an offence and liable on

1 conviction to imprisonment for a term not exceeding seven years or to a fine  
2 not exceeding five million Naira or to both fine and imprisonment.

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

Obstructing a  
Warehouse  
Inspector

9 **83.** A person who falsifies, tampers with or in any way alters a  
10 registered document, interest or records of the Central Registry commits an  
11 offence and liable on conviction to imprisonment for a term not exceeding  
12 seven years or to a fine of not less than five million Naira or to both fine and  
13 imprisonment.

Alteration of  
document

14 **84.** A person who aids or abets the commission of an offence under  
15 this Act commits an offence and liable on conviction to imprisonment for a  
16 term of three years or a fine in the same amount as prescribed for the offence  
17 or to both fine and imprisonment.

Aiding and  
abetting

18 **85.** A person who contravenes any of the provisions of this Act, to  
19 which no specific penalty is provided shall be liable on conviction for every  
20 such offence to imprisonment for a term not exceeding two years or to a fine  
21 not below one million Naira or to both fine and imprisonment.

General penalty

## 22 PART XI - FINANCIAL PROVISIONS

23 **86.** -(1) The funds of the Agency shall consist of:

Funds of the  
Agency

24 (a) such sums of money as may be appropriated by the National  
25 Assembly;

26 (b) moneys received by the Agency from inspecting and  
27 supervising Warehouses;

28 (c) moneys borrowed by the Agency;

29 (d) moneys derived from the sale of Warehouse Receipt books; and

30 (e) any other monies received by or donated or made available to

1 the Agency for the purpose of performing its functions under this Act.

2 (2) The Agency shall not accept gifts or donations of monies where  
3 such gifts and donations are inconsistent with the aims and objectives of this  
4 Act.

Sound financial  
principles

5 87. The Agency shall perform its functions in accordance with sound  
6 and internationally accepted financial principles.

Bank accounts

7 88. The Agency shall open and maintain such bank accounts as are  
8 necessary for the performance of its functions in accordance with extant rules  
9 and regulations of the Federal Government.

Borrowing  
powers

10 89. The Agency may, with the approval of the Board, borrow such  
11 sums of moneys as may be required for the efficient discharge of its functions  
12 under this Act.

Annual financial  
estimates

13 90. -(1) The Director-General shall, not later than four months before  
14 the end of each financial year, prepare and submit to the Board for approval,  
15 estimates of income and expenditure of the Agency for the next following  
16 financial year and may, at any time before the end of each financial year,  
17 prepare and submit to the Board for approval any estimate supplementary to  
18 the estimates of the current year.

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

23 (3) Such estimates as approved under subsection 1 of this section shall  
24 be presented to the National Assembly for annual budgetary appropriation.

Accounts

25 91. -(1) The Board shall ensure that the Agency keeps proper accounts  
26 and records of its transactions and affairs.

27 (2) The Board shall also ensure that:

28 (a) all monies received by the Agency are properly accounted for;

29 (b) all payments of monies are correctly made and properly  
30 authorized; and



1 (c) adequate control is maintained over the Agency's property and  
2 its expenditure.

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

8 92. -(1) The accounts of the Agency shall, in respect of each Audit  
9 financial year, be audited by the Auditor General of the Federation or by an  
10 auditor appointed by the Auditor General of the Federation.

11 (2) The Board shall ensure that within four months after the close  
12 of each financial year, the statement of accounts referred to in subsection (3)  
13 of section 93 of this Act is submitted for auditing.

14 (3) The Auditor General of the Federation or any auditor appointed  
15 by the Auditor General of the Federation shall have access to all books of  
16 accounts, vouchers and other financial records of the Agency and is entitled  
17 to any information and explanation required in connection with such books,  
18 vouchers or records.

19 (4) The Auditor General of the Federation shall, within two months  
20 after the receipt of the statement of accounts referred to in subsection (2) of  
21 this section, audit the accounts and deliver to the Board the audited account  
22 together with the Auditor's report.

23 (5) The Board, shall as soon as possible upon receiving the audited  
24 account deliver to the Minister a copy of the audited accounts together with  
25 the auditor's report referred to in subsection (4) of this section and cause the  
26 audited account and report to be published in two national daily newspapers.

27 93. -(1) The financial year of the Agency shall be in accordance Financial year  
28 with the Financial Year Act or in accordance with any other legislation  
29 passed by the National Assembly for that purpose.

30 (2) Except that the first financial year of the Agency may be a

1 shorter period commencing on the date on which the Agency is established and  
2 ending as nearly as close as is possible to the financial year end for that  
3 particular year, but not later than four months thereof, but if established any  
4 time from October in any year the first financial year end shall be the financial  
5 year end for the next year.

Publication of  
performance  
reports

6 94. The Board shall not later than three months after the end of a  
7 financial year ensure that it prepares, and widely publishes an annual  
8 performance report containing and reflecting an assessment of the Agency's  
9 performance of its goals for the year, complaints received and dealt with and  
10 such other issues as the Minister may from time to time direct the Board to  
11 report to the public.

Annual report

12 95. The Agency shall cause to be prepared and submit to the Board  
13 within three months after the end of each financial year, an annual report on the  
14 activities and operations of the Agency for that financial year.

Power of  
Minister to  
issue directives

15 96. The Minister may issue directives of a general nature or relating  
16 generally to particular matters, but not any particular individual person or to  
17 any particular case, with regard to the exercise by the Agency of its functions.

#### 18 PART XII - MISCELLANEOUS PROVISIONS

Effect of  
revocation or  
termination of  
license

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

Insurance of  
goods

23 98. -(1) Subject to regulations issued from time to time by the Agency,  
24 a Warehouse Operator shall subject to other provisions of this Act, ensure that  
25 goods in its custody are at all times insured against all common perils such as  
26 but not limited to loss by fraud, theft, fire, employee infidelity, disasters  
27 including drought, flooding, sabotage, internal explosion, windstorm and any  
28 other disasters or perils and such other perils as the Agency may determine by  
29 regulations made under this Act.

30 (2) A Warehouse Operator shall keep exposed in a conspicuous place

1 in the Warehouse, a notice in bold letters stating briefly the conditions under  
2 which the goods are insured under this Act.

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

9 (4) A Warehouse Operator shall where appropriate for the purpose  
10 of fulfilling the insurance and bonding requirements under this Act, pay  
11 premiums, permit inspections and make reports as may be required under  
12 the terms of its contracts with insurance and bonding companies.

13 **99.** The Agency or its appointed agent may inspect any licensed  
14 Warehouse with a view to investigating and ascertaining the-

Inspection of  
Warehouses by  
the Agency

- 15 (a) storage facilities in the Warehouse;  
16 (b) classification of goods;  
17 (c) weighing arrangement;  
18 (d) certification of goods; and  
19 (e) compliance with the provisions of this Act

20 **100.-(1)** The Board may, by notice published in the Gazette  
21 classify a licensed Warehouse in accordance with its -

Classification of  
Warehouses

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

30 (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.

Fees

3           **101.** The Agency shall, in consultation with the Board, by notice  
4 • published in the Gazette, prescribe the fees to be charged in respect of-  
5           (a) examination and inspection of Warehouses;  
6           (b) licenses issued under the Act;  
7           (c) renewal of licenses;  
8           (d) issue of negotiable Warehouse Receipt books; and  
9           (e) carrying out and performing such other functions conferred on it  
10 under this Act or by regulations made pursuant to this Act.

Protection of the  
members of the  
Board and staff  
of the Agency

11           **102.** A member of the Board or any employee or other person  
12 performing any function of the Agency under the direction of the Board shall  
13 not be personally liable for any civil proceedings or for any act or omission  
14 carried out in good faith, in accordance with the law, rules and regulations and  
15 in the regular performance of his or her functions.

Regulations

16           **103.** -(1) The Board may make regulations generally for the carrying  
17 out of the provisions and purposes of this Act and may, in particular make  
18 regulations-  
19           (a) prescribing the procedures and limits of negotiation of a  
20 negotiable Warehouse Receipt;  
21           (b) prescribing a standard format of a Warehouse Receipt;  
22           (c) determining the standards or requirements for allowing a  
23 Warehouse Operator to sell or dispose of goods, which are perishable or  
24 hazardous;  
25           (d) determining the manner of keeping depositors goods in a  
26 Warehouse;  
27           (e) determining goods which may be mixed in the Warehouse receipt;  
28           (f) prescribing ways of recovering the Warehouse Operator's Lien by  
29 sale of goods;  
30           (g) prescribing conditions for the registration of the Warehouse;

1 (h) prescribing conditions that may be inscribed on the Warehouse  
2 license;

3 (i) prescribing Warehouse registration and license application  
4 procedure;

5 (j) prescribing Warehouse registration and license appeal  
6 procedure;

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

9 (l) prescribing procedure for dispute resolution pursuant to this  
10 Act; and

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

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

16 **104. In this Act, unless the context otherwise requires:**

Interpretation

17 **'Agency' means the Nigerian Independent Warehouse Regulatory Agency**  
18 **established under section 1 of this Act;**

19 **'appropriate authority' or Minister means the Minister in charge of trade and**  
20 **investment;**

21 **'Arbitral Panel or Panel' means the panel established under section 73;**

22 **'Board' means the governing board of the Agency established under section**  
23 **2 of this Act;**

24 **'bond', has the meaning ascribed to it by section 18 of this Act;**

25 **'Central Registry' means the Central Registry established under section 66**  
26 **of this Act;**

27 **'commodity' under this Act includes raw, conditioned, agricultural produce,**  
28 **solid minerals or products in liquid or gaseous form and such other goods as**  
29 **the Agency shall from time to time, following a viability study and after**  
30 **stakeholder consultation with approval of the Minister designate as**

- 1 commodities for storage in commercial Warehouses.
- 2 'commingle' means the storage of commodities by class, under circumstances  
3 other than identity preserved;
- 4 'conditioning' include the process of drying and cleaning of commodities;
- 5 'court' means the Federal High Court.
- 6 'depositor' means any person who deposits a commodity in a Warehouse for  
7 storage, handling, or shipment, or who is the owner or legal holder of an  
8 outstanding Warehouse Receipt or who is lawfully entitled to possession of the  
9 commodity;
- 10 'delivery' means voluntary transfer of possession from one person to another
- 11 'fungible goods' means goods of which any unit, from its nature or by  
12 mercantile custom, treated as equivalent of any other unit;
- 13 'goods' for the purposes of this Act shall mean commodities
- 14 'holder' means a person who is in possession of a Warehouse Receipt whether  
15 negotiable or non negotiable, and who has proprietary interest in the goods;
- 16 'identity preserved' means the handling of a commodity in such a manner that  
17 guarantees the return of the actual quality and quantity of the commodity to the  
18 depositor;
- 19 'license' means a license issued under this Act and includes any renewals and  
20 amendments of the license except where the context otherwise requires;
- 21 'licenced Warehouse' means any Warehouse for which the Agency, subject to  
22 other terms and requirements of the Act, has issued a license;
- 23 'Minister' means the Minister responsible for trade and investment;
- 24 'order' means an order by endorsement on the Warehouse receipt;
- 25 'person' means any individual, corporation, two or more persons having a joint  
26 or common interest, or other legal or commercial entity;
- 27 'prescribe' means prescribe in the regulations;
- 28 'President' means the President of the Federal Republic of Nigeria;
- 29 'revocation' means the permanent removal of a Warehouse Operator's license  
30 by the Agency pursuant to the powers conferred on it under this Act;

1 'suspension' means the temporary removal of a license actuated by any  
2 action or measure taken pursuant to the provisions of this Act;

3 'Warehouse' or 'commercial Warehouse' under this Act mean any building,  
4 structure or other protected enclosure approved by the Agency to be used or  
5 useable, for the storage or conditioning of commodities or buildings used for  
6 storage purposes or including operation of a Warehouse which issue or  
7 purport to issue Warehouse receipt;

8 'Warehouse Operator' means a person registered under this Act engaged in  
9 the business of operating a Warehouse for receiving, storing, shipping or  
10 handling of commodities for compensation and includes the agent or  
11 employee the scope of whose actual or apparent authority renders such  
12 person to exercise rights or become liable under the Act; and includes  
13 directors and shareholders of a limited liability company licensed under this  
14 Act.

15 'Warehouse Receipt' means a document of title to specific goods of a certain  
16 quality and quantity stored in a licensed, bonded and named Warehouse  
17 which may be negotiable or non negotiable.

18 **105.** This Act may be cited as the Warehouse Receipts and Other Short title  
19 Related Matters Bill, 2016.

## 20 SCHEDULE

### 21 MEETINGS OF THE BOARD

#### 22 *Convening Meetings*

23 1. -(1) The Chairman shall convene the first meeting of the Board  
24 as soon as is practicable after the appointment and inauguration of the Board  
25 and thereafter the Board shall meet for the transaction of business at times  
26 and places that may be decided upon by the Board but the Board shall meet  
27 once every three months.

28 (2) The Chairman or, in the absence of the Chairman, a member of  
29 the Board appointed by the Board to act as Chairman may from time to time  
30 call a special meeting of the Board, or shall call a special meeting upon a

1 written request by a majority of the members of the Board.

2 (3) The Chairman shall preside at all meetings of the Board and in his  
3 or her absence, the members present may appoint a member from amongst  
4 themselves to preside at that meeting.

5 *Quorum*

6 2. The quorum at a meeting shall be seven members.

7 *Decision Making*

8 3. Questions proposed at a meeting of the Board shall be decided by a  
9 majority of votes of members present and if there is equality of votes, the  
10 person presiding shall have a casting vote in addition to his deliberative vote.

11 *Disclosure of Interest*

12 4.-(1) A member of the Board who has any pecuniary interest in a  
13 matter being considered or about to be considered by the Board shall, as soon as  
14 possible after the relevant facts have come to his knowledge, disclose the  
15 nature of his interest to the Board.

16 (2) A disclosure of interest under subparagraph (1) of this paragraph  
17 shall be recorded in the minutes of the meeting of the Board and the member  
18 making the disclosure shall not, unless the Board otherwise determines in  
19 respect of that matter-

20 (a) be present during any deliberation on the matter by the Board; and

21 (b) take part in the decision making of the Board on the matter.

22 (3) For the purpose of the making of a decision by the Board under  
23 subparagraph (2) of this paragraph the member who has made the disclosure  
24 shall not-

25 (a) be present during the deliberations of the Board for the making of  
26 that determination; and

27 (b) influence any other member or take part in the making of the  
28 determination by the Board.

29 *Co-option of Persons to Meetings of the Board*

30 5. -(1) The Board may co-opt any person to any meeting of the Board



1 to assist it on any matter if the Board is satisfied that such person's  
2 qualifications and experience are likely to benefit the Board.

3 (2) A person co-opted to assist the Board under subparagraph (1) of  
4 this paragraph is entitled to take part in the proceedings of the Board at the  
5 meeting concerning the matter in connection with which he or she is co-  
6 opted, but is not entitled to vote or take part in other proceedings of the  
7 Board.

8 *Minutes of Meetings*

9 6. -(1) The Board shall cause the minutes of its meetings to be  
10 recorded and kept and the minutes of each meeting shall be reviewed and  
11 adopted by the Board at the next meeting and signed by the Chairman of the  
12 meeting.

13 (2) The Chairman of the Board shall submit to the Minister a copy  
14 of the minutes of each meeting as soon as the minutes have been reviewed  
15 and adopted.

16 *Board to Regulate its Own Procedure*

17 7. Subject to the provisions of this Schedule, the Board may  
18 regulate its own proceedings.

19 *Seal of the Agency*

20 8. -(1) The Common seal of the Agency shall be such device and in  
21 such form as the Board may determine and shall be authenticated by the  
22 signatures of the Director-General and the Secretary.

23 (2) In the absence of the Director-General, the person performing  
24 the functions of the Director-General shall sign.

25 (3) The signature of the Director-General shall be independent of  
26 the signing by any other person as a witness.

27 (4) Every document purporting to be an instrument issued by the  
28 Agency and to be sealed with the seal of the Agency authenticated in the  
29 manner prescribed in subparagraphs (2) and (3) of this paragraph shall be  
30 received in evidence and be deemed to be such an instrument without further

1 proof unless the contrary is shown.

2 (5) The seal of the Agency shall be kept in the custody of the

3 Secretary.

**EXPLANATORY MEMORANDUM**

**This Act seeks to:**

**(a) establish the Nigerian Independent Warehouse Regulatory Agency to regulate the operations of licensed warehouses and to provide a regulatory framework for trading in warehouse receipts and for other related matters;**

**(b) enable depositors store agricultural or other commodities in commercial warehouses and upon issue of negotiable warehouse receipt by the warehouse, be able to use it as collateral to obtain finance from a financial institution; and**

**(c) make warehouse receipt valid negotiable instruments.**