

WAREHOUSE RECEIPTS AND OTHER RELATED MATTERS BILL, 2020

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A BILL

FOR

AN ACT TO ESTABLISH THE NIGERIAN INDEPENDENT WAREHOUSE REGULATORY AGENCY FOR THE REGULATION OF STANDARDS OF STORAGE AND OPERATIONS OF WAREHOUSES IN NIGERIA; AND FOR RELATED MATTERS

Sponsored by Hon. Ossai Nicholas Ossai

[] Commencement

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

1 PART I - ESTABLISHMENT OF NIGERIAN INDEPENDENT WAREHOUSE
2 REGULATORY AGENCY AND ITS GOVERNING BOARD

3 1.-(1) There is established the Nigerian Independent Warehouse
4 Regulatory Agency (in this Act referred to as "the Agency").

Establishment
of Nigerian
Independent
Warehouse
Regulatory
Agency

5 (2) The Agency:

6 (a) is a body corporate with perpetual succession and a common
7 seal; and

8 (b) may sue or be sued in its corporate name.

9 2.-(1) There is established for the Agency, a Governing Board (in
10 this Act referred to as 'the Board') with overall responsibility for the control
11 of the management of the affairs of the Agency.

Establishment
of Governing
Board

12 (2) The Board shall consist of:

13 (a) a chairman;

14 (b) the Registrar-General of the Agency;

15 (c) a representative of each, not below the rank of an Assistant
16 Director from the Federal Ministry of:

17 (i) Trade and Investment,

18 (ii) Agriculture and Rural Development,

19 (iii) Finance, and

- 1 (iv) Justice.
- 2 (d) a representative of the:
- 3 (i) the Central Bank of Nigeria,
- 4 (ii) the Securities and Exchange Commission,
- 5 (iii) Manufacturers Association of Nigeria,
- 6 (iv) National Insurance Commission,
- 7 (v) Bankers Committee of Nigeria,
- 8 (vi) Federation of Commodities Association of Nigeria, and
- 9 (vii) Warehouse Operators of Nigeria; and
- 10 (e) two representatives of Association of Farmers in Nigeria.
- 11 (3) The members of the Board referred to in subsection (2) (a) and (b)
- 12 are:
- 13 (a) appointed by the President on the recommendation of the
- 14 Minister; and
- 15 (b) persons of proven integrity with cognate experience and
- 16 qualifications of at least 10 years in the relevant fields.
- 17 (4) The appointment of Chairman and members of the Board is on
- 18 part time basis except the Registrar-General whose appointment shall be on
- 19 full time.
- Tenure of office 20 **3.** The Chairman and other members of the Board, not being an ex-
- 21 officio member:
- 22 (a) shall hold Office for a term of four years in the first instance; and
- 23 (b) may be re-appointed for another term of four years and no more.
- Cessation of 24 **4.-(1)** A member of the Board ceases to hold office as a member if:
- office 25 (a) he resigns his appointment as a member of the Board by notice
- 26 under his hand addressed to the President through the Minister;
- 27 (b) he becomes of unsound mind;
- 28 (c) he becomes bankrupt or makes a compromise with his creditors;
- 29 (d) he is convicted of a felony or an offence involving dishonesty or
- 30 corruption;

1 (e) he becomes incapable of performing the functions of his office
2 either arising from an infirmity of mind or body;

3 (f) he has been found guilty of contravening the code of conduct for
4 public officers or for gross misconduct in relation to his duties;

5 (g) in the case of a person:

6 (i) possessing a professional qualification, he is disqualified by a
7 competent authority, or

8 (ii) who becomes a member by virtue of the office he occupies, he
9 ceases to hold such office; and

10 (h) the President is satisfied that it is not in the interest of the
11 Agency or public for the person to continue in that office.

12 (2) Where a vacancy occurs in the membership of the Board, it
13 shall be filled by the appointment of a successor to hold office for the
14 remainder of the term of office of his predecessor, to represent the same
15 interest as his predecessor.

16 (3) The supplementary provisions set out in the Schedule to this Schedule
17 Act shall have effect with respect to the proceedings of the Board and other
18 related matters.

19 **5.** The Members of the Board are paid such remuneration and Remuneration
20 allowances as may be prescribed by the Revenue Mobilisation Allocation and Allowances
21 and Fiscal Commission.

22 **PART II - POWERS AND FUNCTIONS OF THE BOARD**

23 **6.** The Board has powers to:

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

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

27 (c) issue operational guidelines for the administrative structure of
28 the Agency;

29 (d) ensure the implementation of the Performance Management
30 System in the Agency;

Powers of the
Board

1 (e) employ and determine the terms and conditions of the employees
2 of the Agency; and

3 (f) do such other things as are necessary in the discharge of its
4 responsibilities under this Act.

Functions of
the Agency

5 7.-(1) The functions of the Agency are to:

6 (a) license warehouses in accordance with the provisions of this Act;

7 (b) regulate the operations of licensed warehouse operators under this
8 Act;

9 (c) classify licensed warehouses into categories;

10 (d) certify licensed warehouses operators, including warehouse
11 inspectors, samplers, graders and weightiest;

12 (e) provide requisite training for licensed certified warehouse
13 operators and persons employed in licensed warehouses;

14 (f) promote awareness and use of warehouse receipts;

15 (g) hold regular consultations with warehouse operators in the
16 development of appropriate policy on warehouse operations under this Act and
17 build consensus on policy issues and measures;

18 (h) promote and co-ordinate inflow of credit and grants to the sector
19 and establish linkages that will attract investment from other countries;

20 (i) publish periodically the names and addresses of licensed
21 warehouses and provide classification of their licenses;

22 (j) publish the results of investigations made on any matter pertaining
23 to warehouse operations;

24 (k) ensure that licensed warehouses acceptable minimum standards
25 operations; maintain prescribed of storage and

26 (l) promote the trade ability of warehouse receipts;

27 (m) create electronic linkages between the warehouse receipts
28 registry and existing commodity exchanges;

Cap. W3, LFN,
2004

29 (n) give advice and support on regulation of weights under the
30 Weights and Measures Act in collaboration with other responsible Agencies;

1 (o) in consultation with the Standards Organisation of Nigeria,
2 develop and implement quality standards to enable appropriate value to be
3 placed on each agricultural product and by-product for storage at licensed
4 warehouse;

5 (p) regularly advise the Federal and State Governments on policies
6 and programs to promote the effective use of warehouse receipts
7 framework, including mechanisms to support establishment of agro product
8 processing centres in proximity to licensed warehouses;

9 (q) in consultation with the Minister, develop and implement a
10 program to support the setting up of processing centres and increased
11 capacity for processing of stored agricultural products by licensed
12 warehouse operators; and

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

15 (2) For the purpose of performing its functions listed in subsection
16 (1), the Agency has powers to:

17 (a) enter into and investigate activities and operations in licensed
18 warehouses;

19 (b) examine directly, or through licensed agents, the operations,
20 books and accounts of licensed warehouses to ensure that their operations
21 are in conformity with prescribed minimum standard with respect to
22 weighing and codification of commodities;

23 (c) suspend, revoke or terminate the operations of the licensed
24 warehouse following an investigation into the operations of a warehouse
25 operator after affording the licensed holder the opportunity of being heard;
26 and

27 (d) take steps to ensure the attendance of witnesses and production
28 of records and information in carrying out an investigation into a warehouse
29 operation.

1 PART III - STAFF OF THE AGENCY

Staff of the
Agency2 **8.**-(1) The President shall, on the recommendation of the Minister,
3 appoint the Registrar- General of the Agency.4 (2) The Registrar-General IS the Chief Executive and Accounting
5 Officer of the Agency.

6 (3) The Registrar-General is responsible for the:

7 (a) management of the funds, property and business of the Agency;

8 and

9 (b) administration, organisation and control of staff of the Agency.

10 (4) The Registrar-General, at such intervals as the Board may
11 determine, is responsible for keeping the Board informed of the business of the
12 Agency.

13 (5) The Registrar-General:

14 (a) shall hold office for a term of four years in the first instance; and

15 (b) may be reappointed for another term of four year and no more.

Appointment
of SecretaryCap. C20, LFN,
200416 **9.**-(1) The Board shall appoint the Secretary of the Agency on such
17 terms and conditions as the Board may determine but the person to be
18 appointed shall qualify to serve in such capacity under the Company and Allied
19 Matters Act.

20 (2) The Secretary is responsible for:

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

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

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

24 (d) superintending over the management of the affairs of the central
25 registry.Appointment
of other staff26 **10.**-(1) The Board shall appoint such other staff as may be required for
27 the purpose of the efficient performance of the functions of the Agency.28 (2) The conditions of service of the staff of the Agency with respect to
29 remuneration, pension, or other benefits on his retirement or termination shall
30 be as provided for in the Public Service of the Federation.

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

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

7 **11.**-(1) Service in the Agency shall be pensionable and subject to Service in the
8 the Pension Reform Act. Agency to be
pensionable

9 (2) Nothing in this section precludes the appointment of a person to Act No. 4, 2014
10 any office on terms which preclude the grant of pension in respect of that
11 office.

12 **12.**-(1) The Agency may engage the services of experts and Engagement of
13 consultants for purpose of carrying out any of its function where special experts
14 competence and expertise are required.

15 (2) Experts or consultants engaged under this section may be paid
16 such fees and allowances and afforded such facilities as the Agency, with the
17 approval of the Board, may determine.

18 **PART IV - LICE SING PROCEDURE**

19 **13.**-(1) A person shall not operate a commercial warehouse without Issuance of
20 a valid licence issued by the Agency. licences

21 (2) The Agency may, upon application in the prescribed form, issue
22 to a warehouse keeper a licence for the operation of a commercial
23 warehouse in accordance with the provisions this Act.

24 (3) In issuing a license under subsection (2), the Agency shall
25 satisfy itself that the:

26 (a) warehouse is suitable for the proper storage of the particular
27 goods for which a licence is required;

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

1 (c) warehouse keeper agrees, as a condition to the granting of the
2 licence, to comply with and abide by the provisions of the regulations made
3 under this Act.

Regulations

4 **14.**-(1) The Agency may by regulations provide for a transitional
5 period, not exceeding two years for all existing commercial warehouse
6 operators, to fully comply with and bring their operations in line with the
7 provisions of this Act.

8 (2) Where an existing warehouse operator referred to in subsection
9 (1) continues to receive and warehouse commodities or designated goods,
10 without a license after six months from the date specified in the regulations
11 such commercial warehouse operator shall conspicuously display a notice, in
12 the form and manner prescribed in the regulations, that it is neither bonded nor
13 licensed.

Application
for licence

14 **15.**-(1) A person requiring a license under this Act may apply to the
15 Agency in the manner prescribed in regulations made under this Act.

16 (2) The Agency shall, before granting a licence:

17 (a) inspect or authorise the inspection of the warehouse in respect of
18 which a licence is applied for, to determine the suitability of the warehouse for
19 the storage of the particular goods for which the licence is required; and

20 (b) publish the application in two national newspapers requesting for
21 objections in accordance with rules prescribed in the regulations made under
22 this Act.

23 (3) The Agency shall, upon being satisfied that a warehouse is suitable
24 for the storage of the goods in the license classification and fulfillment of all
25 other conditions, grant a warehouse licence to the applicant in the classification
26 applied for upon payment of the prescribed fees.

27 (4) The applicant shall, thereafter annually, pay the prescribed fee to
28 the Agency on or before each anniversary of the granting of the licence.

29 (5) Every warehouse operator shall display the licence issued by the
30 Agency in a conspicuous place at the entrance of the warehouse or at any other

1 place on the premises during working hours as the regulations may
2 prescribe.

3 **16.** The validity of a licence is 12 months or such other periods, not
4 exceeding three years, as the Agency may from time to time determine and
5 renewable on terms and conditions as may be specified in the regulations. Validity of licence

6 **17.-(1)** A licence shall not be issued by the Agency unless the Qualification
for issuance of
licence
7 applicant has satisfied all the conditions prescribed in this Act and
8 regulations made under this Act in respect of the type and category of licence
9 applied for.

10 (2) Prior to issuing a licence under this Part, the Agency shall
11 ensure that:

12 (a) the applicant is in possession of a warehouse, whether as a
13 lessee or owner;

14 (b) in the case of a lease, the regulations prescribe the minimum
15 lease period;

16 (c) upon inspection, the warehouse is suitable for warehousing of
17 the category of goods or products with all required appurtenances;

18 (d) the devices for safe storage of the goods or products in respect
19 of the particular class of licence applied for are available;

20 (e) the applicant's director or manager or its principal officer has
21 requisite experience and track record for warehouse operations and has not
22 been convicted by a court of competent jurisdiction or indicted in any
23 disciplinary proceedings on allegations of criminal action involving
24 dishonesty or financial impropriety and professional misconduct in the last
25 preceding seven years;

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

28 (g) the applicant is financially capable of conducting the business
29 of warehousing; and

30 (h) the applicant or warehouse operator gives the requisite

	1	undertaking to abide by all conditions for grant of the license and comply fully
	2	with the regulations made under this Act.
Execution of a bond	3	18. -(1) A warehouse operator applying for a licence to operate a
	4	warehouse shall, as a condition for the granting of the licence, execute and
	5	submit to the Agency for filling, a bond in the form and substance acceptable to
	6	the Agency to secure the faithful performance of the applicant's obligations as a
	7	warehouse operator.
	8	(2) Where the Agency determines that a previously approved bond is,
	9	or for any cause is or has become insufficient, it may require an additional bond
	10	or bonds to be given by the warehouse operator concerned, conforming with
	11	the requirements of this section, and, unless the additional bond is given within
	12	the time fixed by a written demand for it by the Agency, the licence of the
	13	warehouse operator may be suspended or revoked by the Agency.
Breach of bond obligation	14	19. A person injured by the breach of any obligation in respect of
	15	which a bond is given under section 18 of this Act is entitled to sue in person on
	16	the bond in court to recover the damages sustained by the breach.
Designation of a warehouse	17	20. -(1) Upon the filling and the approval by the Agency of a bond in
	18	compliance with the requirements of the Act, for the operation of a licensed
	19	warehouse, the warehouse may be designated as a licensed warehouse.
	20	(2) Except as provided under this Act, a warehouse shall not be
	21	designated as a licensed warehouse unless a license has been issued for the
	22	purposes stated under section 25 of this Act.
	23	(3) An individual who contravenes subsection (2), commits an
	24	offence and liable on conviction to imprisonment for a term of at least three
	25	years or a fine of N3,000,000 or both.
	26	(4) A body corporate who contravenes section (2), commit an offence
	27	and is liable on conviction to a fine of N10,000,000.
Issuance of a warehouse	28	21. -(1) A commercial warehouse operator is obliged to insure its
	29	warehouse structure and facilities for its own benefit.
	30	(2) A depositor of commodities or goods in a commercial warehouse

1 above a value stipulated by the Agency in the rules shall, at the point of
2 deposit in a licensed warehouse:

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

5 (b) request the warehouse operator to insure the commodities or
6 goods deposited on its behalf and at its cost; or

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

9 (3) The requirement for deposit or insurance shall not in any way
10 reduce the warehouse operators' duty of care over commodities or goods
11 deposited in the warehouse.

12 **22.**-(1) An applicant for a licence to operate a warehouse under this
13 Act, shall, as a condition for the grant, file or cause to be filed with the
14 Agency the name or list of commodities of goods proposed to be
15 warehoused and a copy of the proposed schedule of charges as a warehouse
16 operator.

Conditions to
operate warehouse

17 (2) A licensed warehouse operator shall not make a change in the
18 charges unless a notice of the change and its reasons have been filed and
19 approved by the Agency.

20 (3) Where the Agency receives a proposal for change of charges, it
21 shall afford the warehouse operator an opportunity to give reasons for the
22 requested changes within one month of the receipt of the request and grant or
23 refuse approval, not later than two months 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 the change of charges under this section may appeal to the Board.

28 **23.**-(1) The Agency may revoke, suspend, or refuse to grant a
29 license as considered appropriate after granting to the warehouse operator
30 the opportunity of being heard on the matter for any violation of the

Revocation of a
licence

1 provisions of this Act.

2 (2) A person aggrieved with the decision or action taken by the
3 Agency under subsection (1) may appeal to the Board.

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

8 (4) Without prejudice to the provision of subsection (3), the
9 warehouse operator is permitted, under the direction or supervision of the
10 Agency, to deliver commodities previously received either to the holders of
11 warehouse receipts or to other bonded warehouses.

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

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

Appointment
of Inspectors

19 **24.**-(1) The Agency may appoint or otherwise authorise persons or
20 groups of persons as inspectors ("Warehouse Inspectors").

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

23 (3) A Warehouse Inspector has powers to inspect premises and goods
24 kept in a warehouse to ensure that a warehouse operator observes the
25 provisions of this Act, its regulations and the terms and conditions contained in
26 a license issued by the Agency under this Act.

27 (4) A Warehouse Inspector or any other person with written
28 authorisation may, at any reasonable time during the day, enter into a
29 warehouse premises for the purpose of ensuring that the provisions of this Act
30 and its regulations are complied with.

1	25. The Agency shall ensure that:	Information of warehouse
2	(a) reliable data containing the identity of warehouse owners,	
3	warehouse operators, licensed inspectors, reports of inspection of	
4	warehouses as and a list of all revoked licenses are made available, on	
5	request, by any person or furnished periodically to the public;	
6	(b) its audited accounts and annual performance reports are made	
7	public;	
8	(c) in carrying out its operations under this Act, it is guided by the	
9	principles of accountability and transparency; and	
10	(d) it holds regular stakeholder consultations on its operations,	
11	policy and application of its rules and regulations.	
12	PART V - WAREHOUSE RECEIPTS	
13	26. A warehouse receipt shall only be issued by a warehouse	Issuance of a warehouse receipt
14	operator duly authorised and licensed to do so under this Act.	
15	27. -(1) A warehouse receipt drawn and issued by a warehouse	Proof of property rights in the goods
16	operator is prima facie proof of the holder having proprietary rights in the	
17	goods.	
18	(2) A person acquires proprietary rights in the goods, in relation to a	
19	warehouse receipt, if that person is entitled to the ownership of the goods:	
20	(a) in return for a binding commitment to extend credit, or for	
21	extension of an immediately available credit, whether or not drawn;	
22	(b) as security for, or in total or partial satisfaction of, a pre-existing	
23	claim;	
24	(c) by accepting delivery under a pre-existing contract for	
25	purchase; or	
26	(d) in return for any consideration sufficient to support a pre-	
27	existing contract.	
28	28. -(1) A warehouse receipt shall only be printed by the Agency or	Power to print warehouse receipt
29	at its order, and shall be in the form prescribed by the Agency in the	
30	regulations made under this Act.	

Contents of a
warehouse receipt

1 (2) A warehouse receipt shall be supplied exclusively to licensed
2 warehouse operators by the Agency.

3 (3) A warehouse receipt shall bear such security features as may be
4 prescribed in the regulations made by the Agency.

5 **29.**-(1) The warehouse receipt shall contain:

6 (a) the name of the warehouse operator;

7 (b) the location of the warehouse where the goods are stored;

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

9 (d) the consecutive number of the receipt;

10 (e) a statement as to whether the goods received shall be delivered to
11 the bearer or another person named or ordered;

12 (f) the rate of storage charges;

13 (g) a description of goods and packages containing the goods,
14 showing the quantity, numbers or weights of the goods inside their packages or
15 any other fuller description as the Agency may prescribe in the regulations;

16 (h) the grade or class of commodity received and standard description
17 according to the official classification of the commodity made pursuant to any
18 law and rule, except where the receipt conspicuously embodies a bold imprint
19 that it is not negotiable;

20 (i) the statement of amount of advances made or liabilities incurred
21 for which the warehouse operator claims a lien or arising contingent liabilities,
22 and if the precise amount of those advances made or for those liabilities
23 incurred is, at the time of the issue of the receipt, unknown to the warehouse
24 operator or to the agent of the warehouse operator, a statement of the fact that
25 advances have been made or liabilities are incurred and disclosing the purpose
26 or nature of such liabilities;

27 (j) if the goods are to be packed, processed, substituted or otherwise
28 transformed whilst in the Warehouse, a statement to that effect and a
29 description of the nature, size and quantity of what shall be the product of the
30 packing, processing or transformation;

1 (k) the expiry date of the goods, if any or any other information of
 2 the nature of the goods which does not impair the warehouse operator's
 3 obligation to deliver on the duty of care of the warehouse operator;

4 (1) the provision for endorsement of transfer by negotiation or
 5 charges on value of goods;

6 (m) the signature of the warehouse operator; and

7 (n) any other information as the Agency prescribes in the
 8 regulations.

9 (2) A warehouse operator is liable to the person injured, by
 10 information contained in a warehouse receipt, for damages caused by the
 11 omission of any term required to be included in the warehouse receipt under
 12 this Act.

13 (3) A warehouse operator may insert in receipts any other term and
 14 condition which are not contrary to the provisions of this Act or its
 15 regulations, or which are not ordinarily void.

16 **30.**(1) A warehouse receipt marked on its face as negotiable and
 17 issued to the bearer or to the order of a named person is known as a
 18 "Negotiable Warehouse Receipt" and be transferable by endorsement and
 19 delivery.

Warehouse receipt
 "negotiable
 instrument"

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

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

24 **31.** A warehouse receipt marked on its face as "Non-Negotiable"
 25 and issued to a named person shall be treated as a "Non-Negotiable
 26 Warehouse Receipt" and be transferable only by assignment and delivery.

Warehouse receipt
 marked as "non-
 negotiable
 instrument"

27 **32.** An alteration to a warehouse receipt is regarded as:

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

Effect of alteration
 on the warehouse
 receipt

30 (b) authorised when made with an implied or direct permission or

1 connivance of the warehouse operator and which renders a warehouse operator
2 and the perpetrator liable under this Act; or

3 (c) unauthorised when made without fraudulent intent, and made
4 without an implied or direct permission or connivance of the warehouse
5 operator and which renders the warehouse operator liable according to the
6 terms of the receipt.

Warehouse receipt
without alteration

7 **33.**-(1) A purchaser of a warehouse receipt for value without notice of
8 alteration shall acquire the same proprietary rights against the warehouse
9 operator which the purchaser would have acquired if the receipt had not been
10 altered at the time of purchase.

11 (2) A purchaser of a warehouse receipt is regarded to have had notice
12 of alteration, if before the purchase of the warehouse receipt, the purchaser or
13 his agent took part or influenced the alteration of the warehouse receipt.

14 (3) A purchaser of an altered warehouse receipt who has been found or
15 could reasonably be imputed with possession of notice of alteration commits
16 an offence under this Act and is liable to be prosecuted against under this Act in
17 the same way and manner as the warehouse operator.

Loss or destruction
of warehouse
receipt

18 **34.**-(1) Any loss, theft or destruction of the warehouse receipt shall be
19 reported by the holder of the warehouse receipt to the warehouse operator who
20 shall immediately report the loss to the Agency through the central registry.

21 (2) If a negotiable warehouse receipt has been lost, stolen or
22 destroyed, a duplicate may be issued by the warehouse operator provided that
23 the request of the holder is accompanied by:

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

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

27 (c) notice of loss, theft or destruction filed at the central registry in the
28 format stipulated by the regulations;

29 (d) proper and reliable identification; and

30 (e) payment of reasonable costs of the operator to be stipulated on the

1 face of the receipt.

2 (3) The Board may, by order, publish in requirements for the
3 issuance of duplicate receipts.

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

6 (5) A warehouse operator shall not deliver goods which are subject
7 of a loss or missing warehouse receipt except with prior notification to the
8 central registry and issuance of a duplicate receipt in respect of the goods
9 concerned.

10 (6) A person who fraudulently obtained, using an original
11 warehouse receipt which has been reported missing or a warehouse receipt
12 in respect of which a duplicate receipt has been issued, commits an offence
13 and is liable on conviction to imprisonment for a term of five years without
14 an option of fine.

15 (7) A person who, after endorsing and delivering a warehouse
16 receipt to another, fraudulently reports it missing and obtains a duplicate
17 receipt, commits an offence and is liable on conviction to imprisonment for a
18 term of five years without an option of fine.

19 **35.**-(1) A warehouse receipt upon the face of which the word
20 'duplicate' is plainly placed shall be a representation and warranty by the
21 warehouse operator that such warehouse receipt:

Duplicate
Warehouse
receipt

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

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

25 (2) A duplicate receipt issued shall have the same standing as the
26 original and shall not impose upon the warehouse operator any less or
27 additional liability.

28 **36.** All warehouse receipts on commodities financed by banks
29 shall be traded on a commodity exchange.

Trading in
warehouse receipts
on commodity
exchanges

1 PART VI - RIGHTS AND OBLIGATIONS OF A WAREHOUSE OPERATOR

Application of
provisions on
pioneer statusCap. N117, LFN,
2004Obligation of a
Warehouse
Operator to deliver

2 37. A licensed warehouse operator may be considered for pioneer
3 status in accordance with the Nigerian Investments Promotion Commission
4 Act.

5 38.-(1) Except as provided under this Act or any regulation made by
6 the Agency, a warehouse operator shall deliver stored goods upon demand
7 made by the holder of the warehouse receipt or depositor, if the holder or
8 depositor:

9 (a) makes full payments for the warehouse operator's charges for
10 storage and other services relating to the goods;

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

12 (c) Satisfies the warehouse operator of the identity of the individual
13 taking possession of goods or where payment in lieu of lien has not been made,
14 after deducting the exact quantity of the goods, value of which at open market
15 value as at that date, is equal to accrued lien due to the warehouse operator, plus
16 ancillary costs if, any.

17 (2) A warehouse operator shall not issue negotiable warehouse
18 receipts for goods in respect of which the warehouse operator, its directors or
19 its staff have interest except it has obtained a license in that regard permitting
20 the warehouse operator to trade in goods which he warehouses.

21 (3) A warehouse operator shall not trade in goods which it is licenced
22 to store, except as may be permitted by regulations made by the Agency.

23 (4) Where a warehouse operator by regulation is permitted to trade in
24 its own goods and in fulfilling any additional condition for grant of the licence,
25 the warehouse operator shall ensure that:

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

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

30 (c) it issues receipt in respect of its goods indicating that the goods

1 belong to it; and

2 (d) it observes such other conditions as the Agency may impose by
3 regulations.

4 **39.**-(1) Subject to section 43 of this Act, a warehouse operator shall
5 deliver the goods in accordance with the demand by a warehouse receipt,
6 holder or, as the case may be, the depositor.

Obligation to
deliver in
accordance with
the demand of
the holder

7 (2) Where a warehouse operator refuses to deliver the goods as
8 demanded by the holder or depositor of a warehouse receipt the, burden is on
9 the warehouse operator to establish the existence of any lawful excuse for
10 the refusal.

11 (3) Where a warehouse operator refuses to deliver the goods as
12 demanded by the depositor or holder of a warehouse receipt because of the
13 reason that the warehouse receipt was altered, the holder or depositor who
14 had notice of alteration shall be prevented from making further demands
15 based on any proprietary rights in the warehouse receipt than those provided
16 on the altered warehouse receipt.

17 **40.** Subject to sections 42 and 43 of this Act, a warehouse operator
18 shall deliver goods only after being satisfied that:

Justification for
delivery of goods

19 (a) the person receiving the goods is lawfully entitled to the
20 possession of the goods; and

21 (b) by the terms indicated in the warehouse receipt issued for
22 particular goods, that person is entitled to delivery, either by himself or on
23 his written authorisation, to another person.

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

Liability for
wrongful delivery
of goods

27 (2) A warehouse operator who:

28 (a) is informed that the person who claims delivery of the goods is
29 not in fact lawfully entitled to the possession of the goods,

30 (b) ignores the information not to make delivery of the goods under

1 paragraph (a), and

2 (c) had information or knowledge that the delivery about to be made
3 was to a person not lawfully entitled to the possession of the goods, and
4 proceed to deliver the goods; commits an offence and is liable:

5 (i) for conversion to all persons having proprietary rights in or in the
6 possession of the goods in the exact market value of the goods wrongfully
7 delivered, and

8 (ii) on conviction to imprisonment for a term of five years.

Exception to
obligation to
deliver

9 **42.** The warehouse operator is not liable for failure to deliver the
10 goods to the depositor, owner of the goods or a holder of a warehouse receipt
11 given for the goods at the time of the deposit of the goods, even if such receipt is
12 negotiable, in a situation where goods have been lawfully sold or disposed of:

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

14 (b) to satisfy the warehouse operator's lien:

15 Provided that in each case, the warehouse operator shall have given
16 prior notice of sale to the owner or holder of the warehouse receipt and shall
17 pay over to the owner sale proceeds in excess of his due lien.

Liability for
failure to cancel
warehouse receipt
after the delivery
of goods

18 **43.-(1)** Except as otherwise under this Act, where a warehouse
19 operator delivers goods for which he had issued a negotiable receipt, he shall
20 retrieve and cancel the receipt.

21 (2) Where a warehouse operator fails to retrieve or cancel the receipt
22 as provided for under subsection (1), and a third party purchaser without notice
23 acquires title to the receipt, the warehouse operator remains liable for the
24 market value of the goods.

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

Liability for failure
to cancel or mark
warehouse receipt
after delivery in
parts of goods

29 **44.-(1)** Except as otherwise under this Act, where a warehouse
30 operator delivers part of the goods for which he had issued a negotiable

1 warehouse receipt he shall:

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

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

6 (2) Upon cancellation or endorsement of a warehouse receipt as
7 provided under subsection (1), a warehouse operator shall immediately
8 register the cancellation or endorsement with the central registry.

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

13 (4) Where a receipt is not retrieved or cancelled as provided under
14 subsection (1) and the purchaser acquires title to the receipt before or after
15 the delivery of any portion of the goods, the warehouse operator remains
16 liable.

17 **45.** A warehouse operator who fails to comply with the provisions
18 of section 35 of this Act is liable:

Liability for loss
or theft of a
warehouse receipt

19 (a) for failure to deliver goods to a person who acquires in good
20 faith, a lost, stolen or destroyed warehouse receipt without notice that a
21 duplicate receipt has been issued or goods already delivered; and

22 (b) on conviction to imprisonment for a term of at least one year.

23 **46.-(1)** A warehouse operator shall take all necessary precautions
24 to ensure that the delivery of goods is made to a person who has lawfully
25 obtained a warehouse receipt.

Delivery of goods
to persons with
valid title or right

26 (2) A warehouse operator's title or right to the possession of goods
27 shall only be derived:

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

30 (b) by a warehouse operator lien on the goods.

1 (3) Unless the title or right to possession of the goods by a warehouse
2 operator is obtained in accordance with provisions of subsection (2) no title or
3 right to possession of goods shall exonerate the warehouse operator from
4 liability for refusing to deliver the goods according to the terms indicated on
5 the warehouse receipt.

Liability for
wrongful
description of
goods

6 47. Subject to the provisions of section 46 (2) of this Act, a warehouse
7 operator is liable to the holder of a warehouse receipt for the goods named in
8 the receipt not being in existence or by failure of the goods delivered not
9 corresponding with the description in the warehouse receipt, subject only to
10 changes that may occur in the goods, over time when stored in accordance with
11 the conditions specified under this Act or by regulations made under this Act.

Registration
of warehouse
receipts

12 48. A warehouse operator shall register in favour of a depositor of
13 goods in the central registry every warehouse receipt issued by the warehouse
14 operator at a fee to be approved by the Agency.

Liability for loss
or injury to goods

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

20 (2) Despite the provision of subsection (1), the owner of the goods is
21 required to disclose to the warehouse operator any peculiarity associated with
22 the goods to be stored.

Separation or
mixing of fungible
goods

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

26 (2) Where packing, processing, substitution or other transformation
27 of goods are authorised 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), are owned in
30 common by the persons entitled to them and the warehouse operator is

1 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 receipts.

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

12 **51.**-(1) Subject to regulations made by the Agency, a warehouse
13 operator's lien on goods deposited or the proceed of such goods shall derive
14 from all:

Warehouse
operator's right
to lien

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

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

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

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

23 (2) The term, "warehouse operator's lien", used in subsection (1)
24 means the right of a warehouse operator to recoup fees and charges for
25 services rendered or supplied or repayment of sums advanced in accordance
26 with the provisions of subsection (1) and the term "right of lien" shall be
27 construed accordingly.

28 **52.** A warehouse operator's lien may be enforced subject to the
29 provisions of section 51 of this Act against:

Enforcement of
lien

30 (a) all goods, whenever deposited, belonging to the person who is

	1	liable as debtor for the claims in regard to which the lien is asserted; and
	2	(b) the established interest of the depositor in any other goods
	3	deposited with the warehouse operator, whether or not deposited by the debtor
	4	himself, provided that such exercise of lien shall only be to the extent and value
	5	of the established debtor's interest in these other goods.
Loss of right of lien	6	53. A warehouse operator loses the right to the lien upon the goods
	7	by:
	8	(a) surrendering possession of the goods; or
	9	(b) refusing to deliver the goods upon demand made in accordance
	10	with the provisions of this Act.
Statement of charges under lien	11	54. Where a negotiable receipt is issued for goods, the warehouse
	12	operator shall have no lien on goods except for charges for storage, processing
	13	or such other endorsements on the face of the receipt as may be prescribed by
	14	regulations made under this Act provided that no lien shall be exercised against
	15	a third party purchaser for value over any sum or liability not expressed on the
	16	face of a negotiable receipt.
Failure to satisfy lien	17	55. A warehouse operator who has a valid lien against the person
	18	demanding the goods may refuse to deliver the goods until the lien is satisfied.
Other remedies	19	56. Other remedies available under the law that a creditor may have
	20	against a debtor for the collection from a depositor of all charges and advances
	21	which the depositor has expressly or impliedly contracted with a creditor, shall
	22	also be available to a warehouse operator notwithstanding the warehouse
	23	operator's lien on the goods.
Methods of enforcement of lien	24	57. A warehouse operator's lien may be satisfied by:
	25	(a) the sale of a portion of the deposited goods in satisfaction of the
	26	lien and any cost associated with the sale at the prevailing market price;
	27	(b) other remedies allowed by law for the enforcement of a lien
	28	against personal property; or
	29	(c) any other action for recovery of the warehouse operator's claim.

- 1 **58.**-(1) Where the goods are: Perishable and
hazardous goods
- 2 (a) perishable in nature,
- 3 (b) likely to deteriorate in value,
- 4 (c) in a state of foul odour,
- 5 (d) corrosive and leaking,
- 6 (e) highly inflammable or explosive, and
- 7 (f) likely to cause injury to life and other property, the warehouse
- 8 operator shall give notice to the owner or 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 sell
- 12 the goods with or without advertising and satisfy any lien he may have on the
- 13 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.
- 18 PART VII - NEGOTIATION AND TRANSFER OF WAREHOUSE RECEIPTS
- 19 **59.**-(1) A negotiable warehouse receipt is negotiated by its Requirements of
negotiation and
transfer of a
warehouse receipt
- 20 endorsement by the transferor and delivery to the transferee and registration
- 21 of the interest transferred at the central registry, provided that the non-
- 22 registration of the transferred interest does not at any time give any
- 23 advantage to the transferor of the interest except otherwise expressly
- 24 provided by regulations.
- 25 (2) Registration of a notice of transfer of interest is a notice to the
- 26 whole world of the transfer.
- 27 (3) A negotiable warehouse receipt is duly negotiated when
- 28 negotiated as provided in subsection (1) to another person in good faith and
- 29 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 to the extent that such activities are authorised by
5 the depositor and noted on the warehouse receipt, the packed, processed,
6 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 receipt
9 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 fees
14 endorsed on the warehouse receipt.

15 (2) Title and rights acquired under subsection (1) are not defeated by
16 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 or
22 its negotiation is enjoined by court order, and the warehouse operator shall not
23 be compelled to deliver the goods in accordance with any judicial process until
24 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.

	1	where it is proved that there was an agreement to that effect between the
	2	transferor and the transferee.
Rights and obligations of a transferor and a transferee of a negotiable warehouse receipt	3	64. -(1) The transferee of a negotiable warehouse receipt for value and
	4	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 does not make the transferee liable for any default or fraudulent
	11	act on the receipt occasioned by the warehouse operator or previous endorsers.
Warranties on negotiation of the warehouse receipt	12	65. -(1) The negotiation of transfer by delivery, endorsement and
	13	registration of new interest in the warehouse receipt for value, is an adequate
	14	proof or warranty for a third party purchaser for value without notice that the
	15	person who negotiates, transfers, delivers and, in the case of non-negotiable
	16	warehouse receipts, assigns that warehouse receipt does so because:
	17	(a) the receipt is genuine; and
	18	(b) he 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 for
	22	that particular purpose.
	23	(3) Warranty is not implied in respect of other liabilities endorsed on
	24	the warehouse receipt.
	25	PART VIII - ESTABLISHMENT OF THE CENTRAL REGISTRY
Establishment of Central Registry for warehouse receipt	26	66. There is established the Central Registry for Warehouse Receipts
	27	(in this Act referred to as "the Central Registry") which shall be operated by the
	28	Agency and located in the Federal Capital Territory, Abuja.
The Registrar, staff and other officers of the registry	29	67. -(1) The Secretary to the Agency shall be the Registrar of the
	30	Central Registry and responsible for registering warehouse receipts or any

1 transaction relating to a warehouse receipt issued under this Act.

2 (2) The Agency may, with the approval of the Board, appoint a
3 Deputy Registrar and other officers to assist the Registrar in the discharge of
4 its duties under this Act, provided that both the Registrar and the Deputy
5 Registrar shall be legal practitioners of at least 10 years post call experience.

6 **68.**-(1) The Registrar shall receive and register warehouse receipts
7 issued under this Act and register any cancellation, modification or
8 endorsement to the warehouse receipts and do all such other things as the
9 Board or the Agency may direct.

Registration of
warehouse receipts

10 (2) A warehouse operator issuing a negotiable warehouse receipt
11 shall, at the cost or fee prescribed by the Agency, cause the warehouse
12 receipt to be registered at the Central Registry.

13 (3) An original duplicate copy of a warehouse receipt delivered by
14 a warehouse operator to the Registrar for registration or otherwise may be
15 registered in the manner prescribed by regulations.

16 **69.**-(1) A warehouse receipt issued in accordance with the
17 provisions of this Act shall be delivered to the Registrar for registration
18 within 14 days of issuance and transfer of interest shall be registered subject
19 to regulations by Agency within three working days of delivery and
20 endorsement.

Registration and
certification of
warehouse receipts

21 (2) A certificate of registration signed by the Registrar IS
22 conclusive evidence of registration of interest in a warehouse receipt.

23 **70.**-(1) The Registrar shall maintain a Register containing, in a
24 consecutive or chronological order, all transactions carried on at the Central
25 Registry.

Maintenance of
a register and
on-line operations

26 (2) Provision shall be made at the Central Registry for online
27 operations.

28 (3) The Agency may by regulations prescribe the modalities for
29 online transactions at the Central Registry.

1 exceeding five years or a fine not below N3,000,000 or both.

2 (2) A person who continues to operate a commercial warehouse
3 after the suspension or revocation of its operating license in accordance with
4 the provisions of this Act, commits an offence and is liable on conviction to a
5 term of imprisonment for a term not exceeding five years or a fine not
6 exceeding N2,000,000 or both.

7 **76.** A warehouse operator, its employee, agent, or servant who
8 issues or aids in the issuance of a receipt knowing that the goods for which
9 such receipt is issued have not been received by the warehouse operator, or
10 are not under his direct control at the time of issuing such receipt, commits
11 an offence and is liable on conviction to imprisonment for a term not
12 exceeding five years or a fine not exceeding N5,000,000 or both.

Issuance of false
receipts where
goods have not
been received

13 **77.** A warehouse operator, its employee, agent or servant who
14 fraudulently issues or aids
15 in the fraudulent issuance of a receipt for goods knowing that the receipt
16 contains a false statement, commits an offence and is liable on conviction to
17 imprisonment for a term not exceeding three years or a fine of at least
18 N1,000,000 or both.

False statement
contained in a
warehouse receipt

19 **78.**-(1) A warehouse operator, its employee, agent or servant who
20 issues or aids in the issuance of a duplicate or additional negotiable receipt
21 for the same goods or any part thereof which is outstanding an uncanceled,
22 without plainly placing on the face of the warehouse receipt the word
23 "Duplicate", commits an offence and is liable on conviction to
24 imprisonment for a term not exceeding five years or to a fine of at least
25 N1,000,000 or both.

Issuance of
unmarked duplicate
receipts

26 (2) The subsection (1) does not apply where a duplicate of a
27 Warehouse Receipt is issued in accordance with the provisions of this Act.

28 **79.**-(1) Where there are deposited with or held by a warehouse
29 operator goods of which he or his agent or servants are employees, owners
30 without appropriate licensing, either solely or jointly or in common with

Consequences for
non-declaration
by warehouse
operator of interest
in goods

1 others then such warehouse operator, his employees, agents or servants who
2 are aware of this ownership and issues or aids in issuing a negotiable receipt for
3 such goods without the licence to do so, commits an offence and is liable on
4 conviction to imprisonment for a term not exceeding three years or a fine not
5 below N5,000,000 or both.

6 (2) A warehouse operator licensed to trade in goods which he stores
7 who fails to comply with the terms and conditions of such licence is liable to a
8 fine of the sum imposed by the Agency and revocation for its licence to operate
9 a commercial warehouse or such other conditions as the Agency may impose.

Delivery of goods
without obtaining
negotiable receipt

10 **80.** A warehouse operator or any of its employees, agents or servants
11 who delivers goods out of the possession of such warehouse operator, knowing
12 that a negotiable receipt the negotiation of which would transfer the right to the
13 possession of such receipt is outstanding and uncanceled, without obtaining
14 possession of that warehouse receipt at or before the time of such delivery, and
15 cancelling same, commits an offence and is liable on conviction to
16 imprisonment for a term not exceeding two years or to a fine of at least
17 N500,000 or both.

Negotiation of
receipt for
mortgaged goods

18 **81.** A person who:

19 (a) deposits goods to which he has no title or upon which there is a lien
20 or mortgage, or

21 (b) takes for such goods a negotiable receipt which he afterwards
22 negotiates for value with intent to deceive and without disclosing his want of
23 title or the existence of lien or mortgage, commits an offence and is liable on
24 conviction to imprisonment for a term not exceeding seven years or a fine not
25 exceeding N5,000,000 or both.

Obstructing a
warehouse
Inspector

26 **82.** A person who obstructs a Warehouse Inspector or any other
27 authorised person in the exercise of the power conferred upon him by this Act
28 or who neglects or refuses to produce to a Warehouse Inspector or any other
29 authorised person, any goods, document, book of accounts or other such
30 records, commits an offence and is liable on conviction to imprisonment to a

1	term for three months or a fine not exceeding N500,000.	
2	83. A person who falsifies, tampers with or in any way alters a	Alteration of
3	registered document, interest or record of the Central Registry, commits an	document
4	offence and is liable on conviction to imprisonment for a term not exceeding	
5	seven years or a fine of at least N5,000,000 or both.	
6	84. A person who aids or abets the commission of an offence under	Aiding and Abetting
7	this Act, commits an offence and is liable on conviction to imprisonment for	
8	a term of three years or a fine in the same amount as prescribed for the	
9	offence or both.	
10	85. A person who contravenes any of the provisions of this Act, to	General penalty
11	which no specific penalty is provided commits an offence and is liable on	
12	conviction, for every such offence, to imprisonment for a term not	
13	exceeding two years or a fine not below N1,000,000 or both.	
14	PART XI - FINANCIAL PROVISIONS	
15	86. -(1) The Agency shall establish a Fund (in this Act referred to as	Funds of the
16	"the Fund") into which shall be paid and credited:	Agency
17	(2) The funds of the Agency shall consist of:	
18	(a) such sums of money as may be appropriated by the National	
19	Assembly;	
20	(b) money borrowed by the Agency;	
21	(c) money derived from the sale of warehouse receipt books; and	
22	(d) any other money, gift or grant received by or donated or made	
23	available to the Agency for the purpose of performing its functions by this	
24	Act.	
25	87. The Agency shall perform its functions in accordance with	Sound financial
26	sound and internationally accepted financial principles.	principles
27	88. The Agency shall open and maintain such bank accounts as are	Bank accounts
28	necessary for the performance of its functions in accordance with extant	
29	rules and regulations of the Federal Government.	

Borrowing powers	1	89. The Agency may, with the approval of the Board, borrow such
	2	sums of money as may be required for the efficient performance of its functions
	3	under this Act.
Annual financial estimates	4	90. -(1) The Director-General shall, not later than four months before
	5	the end of each financial year, prepare and submit to the Board for approval
	6	estimates of income and expenditure of the Agency for the next financial year
	7	and may, at any time before the end of each financial year, prepare and submit
	8	to the Board for approval any estimate supplementary to the estimates of the
	9	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 approved estimates shall be presented to the National
	15	Assembly for annual budgetary appropriation.
Accounts	16	91. -(1) The Board shall ensure that the Agency keeps proper accounts
	17	and records of its transactions and affairs.
	18	(2) The Board shall also ensure that:
	19	(a) all money received by the Agency are properly accounted for;
	20	(b) all payments of money are correctly made and properly
	21	authorised; and
	22	(c) adequate control is maintained over the Agency's property and its
	23	expenditure.
	24	(3) 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 a balance sheet, a profit and loss account, and
	28	application of funds statement.
Audit	29	92. -(1) The accounts of the Agency shall, in respect of each financial
	30	year, be audited by the Auditor-General for the Federation or an auditor

1 appointed by the Auditor-General for the Federation.

2 (2) The Board shall ensure that, within four months after the close
3 of each financial year, the statement of accounts referred to in section 91 (3)
4 of this Act is submitted for auditing.

5 (3) The Auditor-General for the Federation or any auditor
6 appointed by him shall have access to all books of accounts, vouchers and
7 other financial records of the Agency and is entitled to any information and
8 explanation required in connection with such books, vouchers or records.

9 (4) The Auditor-General for the Federation shall, within two
10 months after the receipt of the statement of accounts referred to in
11 subsection (2), audit the accounts and deliver to the Board the audited
12 account together with the auditor's report.

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

17 **93.**-(1) The financial year of the Agency shall be in accordance Financial year
18 with the Financial Year Act or in accordance with any other Act passed by Cap. F27, LFN,
19 the National Assembly for that purpose. 2004

20 (2) Except that the first financial year of the Agency may be a
21 shorter period commencing on the date on which the Agency is established
22 and ending as nearly as possible to the financial year end for that particular
23 year, but, not later than four months thereof, but if established, any time from
24 October in any year the first financial year end shall be the financial year end
25 for the next year.

26 **94.** The Board shall, not later than three months after the end of a Publication of
27 financial year, ensure that it prepares and widely publishes an annual performance
28 performance report containing and reflecting an assessment of the Agency's reports
29 performance of its goals for the year, complaints received and dealt with and
30 such other issues as the Minister may direct the Board to report to the public.

1 terms of its contracts with insurance and bonding companies.

2 **99.** The Agency or its appointed agent may inspect any licensed
3 warehouse with a view to investigating and ascertaining the:

Inspection of
warehouse by
the agency

4 (a) storage facilities in the warehouse;

5 (b) classification of goods;

6 (c) weighing arrangement;

7 (d) certification of goods; and

8 (e) compliance with the provisions of this Act.

9 **100.-(1)** The Board may, by notice published in the Federal
10 Government Gazette, classify a licensed warehouse in accordance with its:

Classification
of warehouses

11 (a) single or group of commodities which it is licensed to store;

12 (b) ownership;

13 (c) location;

14 (d) surroundings;

15 (e) capacity;

16 (f) conditions or other qualities; and

17 (g) such other classification as the Board may prescribe.

18 (2) The Board may prescribe different types of licences that may be
19 issued relating to different classes of warehouses with a view to maintaining
20 standards.

21 **101.** The Agency shall, in consultation with the Board and by
22 notice published in the Federal Government Gazette, prescribe the fees to be
23 charged in respect of:

Fees

24 (a) examination and inspection of warehouses;

25 (b) licences issued under the Act;

26 (c) renewal of licences;

27 (d) issue of negotiable warehouse receipt books; and

28 (e) performing such other functions conferred on it under this Act

29 or by regulations made under this Act.

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

1 **102.** A member of the Board or any employee or other person
2 performing any function of the Agency under the direction of the Board is not
3 personally liable for any civil proceeding or for any act or omission carried out
4 in good faith, in accordance with the law, rules and regulations and in the
5 regular performance of his functions.

Regulations

6 **103.**-(1) The Board may make regulations generally for the carrying
7 out of the provisions and purposes of this Act and may, in particular make
8 regulations:

9 (a) prescribing the procedures and limits of negotiation of a
10 negotiable warehouse receipt;

11 (b) prescribing a standard format of a warehouse receipt;

12 (c) determining the standards or requirements for allowing a
13 warehouse operator to sell or dispose of goods, which are perishable or
14 hazardous;

15 (d) determining the manner of keeping depositors goods in a
16 warehouse;

17 (e) determining goods which may be mixed in the warehouse receipt;

18 (f) prescribing ways of recovering the warehouse operator's lien by
19 sale of goods;

20 (g) prescribing conditions for the registration of the warehouse;

21 (h) prescribing conditions that may be inscribed on the warehouse
22 licence;

23 (i) prescribing warehouse registration and licence application
24 procedure;

25 (j) prescribing warehouse registration and licence appeal procedure;

26 (k) prescribing the qualifications of the employees that may be
27 employed by a warehouse operator;

28 (l) prescribing procedure for dispute resolution pursuant to this Act;
29 and

30 (m) allowing warehouse operators to trade in goods they are licensed

1 to store and prescribing detailed and strict conditions for such trade if and
2 when allowed.

3 (2) Regulations made under subsection (1) shall be published In
4 the Federal Government Gazette.

5 **104.** In this Bill:

Interpretation

6 "Agency" means the Nigerian Independent Warehouse Regulatory Agency
7 established under section 1 (1) of this Act;

8 "appropriate authority" means the Minister in charge of trade and
9 investment;

10 "Arbitral Panel" or "Panel" means the panel established under section 73
11 (1);

12 "Board" means the Governing Board of the Agency established under
13 section 2 (1) of this Act;

14 "bond", has the meaning ascribed to it by section 18 of this Act;

15 "Central Registry" means the Central Registry established under section 66
16 of this Act;

17 "commodity" includes raw, conditioned, agricultural produce, solid
18 minerals or products in liquid or gaseous form and such other goods as the
19 Agency shall from time to time, following a viability study and after
20 stakeholder consultation with approval of the Minister designate as
21 commodities for storage in commercial Warehouse;

22 "commingle" means the storage of commodities by class, under
23 circumstances other than identity preserved;

24 "conditioning" include the process of drying and cleaning of commodities;

25 "Court" means the Federal High Court;

26 "depositor" means any person who deposits a commodity in a warehouse for
27 storage, handling, or shipment, or who is the owner or legal holder of an
28 outstanding warehouse receipt or who is lawfully entitled to possession of
29 the commodity;

- 1 "delivery" means voluntary transfer of possession from one person to another;
- 2 "fungible goods" means goods of which any unit, from its nature or by
3 mercantile custom, treated as equivalent of any other unit;
- 4 "goods" means commodities;
- 5 "holder" means a person who is in possession of a warehouse receipt whether
6 negotiable or non-negotiable, and who has proprietary interest in the goods;
- 7 "identity preserved" means the handling of a commodity in such a manner that
8 guarantees the return of the actual quality and quantity of the commodity to the
9 depositor;
- 10 "licence" means a licence issued under this Act and includes any renewal and
11 amendment of the license except where the context otherwise requires;
- 12 "licensed warehouse" means any warehouse for which the Agency, subject to
13 other terms and requirements of the Act, has issued a licence;
- 14 "Minister" means the Minister responsible for trade and investment;
- 15 "order" means an order by endorsement on the warehouse receipt;
- 16 "person" means any individual, corporation, two or more persons having a
17 joint or common interest, or other legal or commercial entity;
- 18 "prescribe" means prescribe in the regulations;
- 19 "President" means the President of the Federal Republic of Nigeria;
- 20 "revocation" means the permanent removal of a warehouse operator's license
21 by the Agency pursuant to the powers conferred on it under this Act;
- 22 "suspension" means the temporary removal of a licence actuated by any action
23 or measure taken pursuant to the provisions of this Act;
- 24 "warehouse" or "commercial warehouse" means any building, structure or
25 other protected enclosure approved by the Agency to be used or useable, for the
26 storage or conditioning of commodities or buildings used for storage purposes
27 or including operation of a warehouse which issue or purport to issue
28 warehouse receipt;
- 29 "warehouse operator" means:
- 30 (a) a person registered under this Act engaged in the business of

1 operating a warehouse for receiving, storing, shipping or handling of
2 commodities for compensation and includes the agent or employee the
3 scope of whose actual or apparent authority renders such person to exercise
4 rights or become liable under the Act; and

5 (b) includes directors and shareholders of a limited liability
6 company licensed under this Act; and

7 "warehouse receipt" means a document of title to specific goods of a certain
8 quality and quantity stored in a licensed, bonded and named warehouse
9 which may be negotiable or non-negotiable.

10 **105.** This Bill may be cited as the Warehouse Receipts and Other Citation
11 Related Matters Bill, 2020.

12 SCHEDULE

13 *Section 4 (3)*

14 MEETINGS OF THE BOARD

15 *Convening Meetings*

16 1.-(1) The Chairman shall convene the first meeting of the Board as
17 soon as is practicable after the appointment and inauguration of the Board
18 and thereafter the Board shall meet for the transaction of business at times
19 and places that may be decided upon by the Board but the Board shall meet
20 once every three months.

21 (2) The Chairman or, in the absence of the Chairman, a member of
22 the Board appointed by the Board to act as Chairman may call a special
23 meeting of the Board, or shall call a special meeting upon a written request
24 by a majority of the members of the Board.

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

28 *Quorum*

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

1 *Decision Making*

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

5 *Disclosure of Interest*

6 4.-(1) A member of the Board who has any pecuniary interest in a
7 matter being considered or about to be considered by the Board shall, as soon as
8 possible after the relevant facts have come to his knowledge, disclose the
9 nature of his interest to the Board.

10 (2) A disclosure of interest under subparagraph (1) of this paragraph
11 shall be recorded in the minutes of the meeting of the Board and the member
12 making the disclosure shall not, unless the Board otherwise determines in
13 respect of that matter:

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

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

16 (3) For the purpose of the making of a decision by the Board under
17 subparagraph (2) of this paragraph the member who has made the disclosure
18 shall not:

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

21 (b) Influence any other member or take part in the making of the
22 determination by the Board.

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

24 5.-(1) The Board may co-opt any person to any meeting of the Board
25 to assist it on any matter if the Board is satisfied that such person's
26 qualifications and experience are likely to benefit the Board.

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

1 *Minutes of Meetings*

2 6.-(1) The Board shall cause the minutes of its meetings to be
3 recorded and kept and the minutes of each meeting shall be reviewed and
4 adopted by the Board at the next meeting and signed by the Chairman of the
5 meeting.

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

9 *Board to Regulate its Own Procedure*

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

12 *Seal of the Agency*

13 8.-(1) The Common seal of the Agency shall be such device and in
14 such form as the Board may determine and shall be authenticated by the
15 signatures of the Director-General and the Secretary.

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

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

20 (4) Every document purporting to be an instrument issued by the
21 Agency and to be sealed with the seal of the Agency authenticated in the
22 manner prescribed in subparagraphs (2) and (3) of this paragraph shall be
23 received in evidence and be deemed to be such an instrument without further
24 proof unless the contrary is shown.

25 (5) The seal of the Agency shall be kept in the custody of the
26 Secretary.

EXPLANATORY MEMORANDUM

This Bill seeks to establish the Nigerian Independent Warehouse Regulatory Agency for the regulation of standards of storage and operations of warehouses in Nigeria.