



United Nations
UNCITRAL

UNCITRAL/UNIDROIT Webinar
MODEL LAW ON WAREHOUSE RECEIPTS PROJECT

26 March 2020

Summary Report

1. On 26 March 2020, UNIDROIT and UNCITRAL co-organised a webinar to discuss the feasibility of formulating international legislative guidance on Warehouse Receipts, possibly in the form of a model law (hereafter “Model Law on Warehouse Receipts” or “the proposed Model Law”). The purpose of the webinar was to consider global experiences with modernising warehouse receipts systems and emerging trends with a view to identifying the main legal issues in developing such an instrument. The webinar’s agenda is available in Annexe I to this document.
2. The webinar was attended by a multidisciplinary group of 31 selected participants from various geographic regions with experience in legal reforms of warehouse receipt systems or related regimes, such as those governing secured transactions. The participating experts represented academia, international and regional organisations active in the field and relevant private-sector stakeholders. The list of participants is available in Annexe II.
3. The webinar consisted of introductory remarks followed by three sessions: (I) global experiences with warehouse receipts reforms; (II) legal and practical issues in reforming warehouse receipts frameworks, including alignment with other regimes; and (III) common transactions and emerging issues. The webinar concluded with an open discussion on the aspects to be covered in the Model Law. This report reflects interventions in the order they were made.
4. The webinar was opened by *Professor Ignacio Tirado (Secretary-General, UNIDROIT)* and *Mr José Angelo Estrella Faria (Principal Legal Officer, Head Legislative Branch, UNCITRAL)* who welcomed all the participants and introduced the Model Law on Warehouse Receipts joint project under consideration.
5. *Mr Estrella Faria* outlined the evolution of the project from UNCITRAL’s perspective. The concept of UNCITRAL working on warehouse receipts originated from a secured transactions colloquium held at UNCITRAL in Vienna in 2017. The plenary session of UNCITRAL subsequently asked its Secretariat to conduct preparatory work with a view to tasking a corresponding project to the next available working group. At the 52nd session of the Commission, held in Vienna in 2019, a study prepared by the Kozolchyk National Law Center (NatLaw) on this topic was considered. The Commission confirmed its decision to pursue the project if and when a working group would become available. At that time, it was suggested that UNCITRAL could involve other partner organisations in the work. UNIDROIT was identified as a potential partner organisation as it already had a line of work on private law and agriculture, making a project on warehouse receipts well suited for its work programme. Furthermore, UNCITRAL did not have a working group immediately available, making joint work the most efficient mechanism to deliver the project, subject to approval by the governing bodies of both organisations. It was contemplated that in the first phase, an UNIDROIT Study Group could prepare an advanced draft model law which would then be submitted to the intergovernmental negotiation process at UNCITRAL. The final instrument would become a joint UNCITRAL-UNIDROIT instrument. It was stressed that the project would not be limited to agricultural commodities, but would acknowledge that this could be the instrument’s most common use in practice.

6. *Professor Tirado* expressed confidence in working jointly with UNCITRAL in this regard, and confirmed that such a project would be suitable for UNIDROIT's work programme. The project would need approval from the UNIDROIT Governing Council, as an exceptional inclusion in the triennial work programme 2020-2022, given that the current work programme had already been adopted in 2019. The conclusions of the meeting with regard to the scope of a Model Law and the proposed approach to the project would be submitted to the UNIDROIT Governing Council at its 99th session (Remote Meeting, April-May 2020) for consideration.

7. The opening of the webinar was followed by a presentation from *Mr Marek Dubovec* (*Executive Director, Kozolchyk National Law Center*) who detailed the background of how the proposal for a Model Law had developed, as well as its core elements. The above-mentioned study prepared by NatLaw, submitted to the UNCITRAL Commission in 2019, examined international best practices with regard to warehouse receipt financing reforms and relevant international instruments. The proposed work could build upon that guidance, as well as documents which had been published by other international organisations such as the World Bank (WB), the Food and Agricultural Organization of the United Nations (FAO), the European Bank for Reconstruction and Development (EBRD), the Organisation of American States (OAS), and the International Organization of Securities Commissions (IOSCO). Generally, the documents produced by these international organisations aligned in their approach to warehouse receipt legislation. However, there were also important aspects where documents produced by different international organisations diverged, such as with regard to single versus double receipts. Other instruments which could be drawn upon were the United Nations Convention on Contracts for the International Carriage of Goods Wholly or Partly by Sea (the Rotterdam Rules, 2009), the UNCITRAL Model Law on Secured Transactions (2016), and the UNCITRAL Model Law on Electronic Transferable Records (2017).

8. At the domestic level, a number of jurisdictions, particularly in Africa, followed the practice found in some common law systems, where no specific warehouse receipt laws existed and warehouse receipts were instead governed by general contract law. However, increasingly these countries had adopted specific legislation on warehouse receipts. Other countries had a standalone warehouse receipts law complemented by commodity-specific legislation. There were also countries where the warehouse receipts system was part of a broader code, such as the U.S. Uniform Commercial Code dealing more broadly with documents of title in Article 7.

9. With regard to the scope of the proposed Model Law, it was proposed that consideration be given, *inter alia*, to the different types of warehouses which might be covered by warehouse receipts legislation. Participants stated that the discussion on the scope of a Model Law could also address: the form and content of a receipt to be validly issued; negotiability and other means of transferring warehouse receipts; whether receipts should be negotiable or non-negotiable; whether the proposed Model Law should contemplate only electronic receipts or also paper receipts and the conversion from one to another; and the issuance of warehouse receipts as a single or double instrument. These considerations could impact the adaptability of the proposed Model Law in different jurisdictions. It was noted that new credit products should perhaps be considered as well, for example those related to e-warehouse receipt platforms. The importance of regulatory structures was highlighted, with special regard to instances of reliance on financial regulators such as central banks and exchanges, which were critical for the warehousing industry.

SESSION I. Global experiences with warehouse receipts reforms

10. Chaired by Professor Henry Gabriel, the first panel represented international organisations and other experts active in the field. Speakers presented their experiences in providing support to countries reforming warehouse receipts systems in different parts of the world. The panel was composed of Mr David Ivanovic (Senior Private Sector Specialist, World Bank Group), Mr Adam

Gross (Director, Darhei Noam Limited), Professor Jean-François Riffard (University Clermont Auvergne) and Ms Philine Wehling (Legal Officer, UNIDROIT).

11. The panel presented two technical assistance projects on warehouse receipt financing reforms which were being implemented by the World Bank Group in Côte d'Ivoire and Senegal since 2013/2014. Both of these projects were aimed at increasing access to finance whilst targeting selected agricultural commodities. The projects' activities included developing legal and regulatory frameworks for the warehouse receipts systems; assessing existing storage infrastructures; sensitising stakeholders; and promoting investment in storage infrastructures and services.

12. Both case studies illustrated the importance of stakeholder involvement in warehouse receipts reforms to facilitate their successful implementation. Stakeholders of a warehouse receipts system included banks, warehouse operators, and agricultural producers. It was highlighted that a reformed framework for warehouse receipt finance could only be successful and widely utilised if stakeholders had an understanding of how to use it, which was not always the case. Therefore, substantial efforts were needed to raise awareness, build capacity, and improve the financial literacy of stakeholders.

13. It was noted that country conditions for establishing a warehouse receipts system varied considerably and, in addition to a legislative assessment, a readiness assessment evaluating the country conditions was important before any reform was initiated. Readiness assessments could include consideration of storage infrastructures and industry practices, commodities, financial institutions' inclination, and the demand for warehouse receipt financing. It was also useful to conduct live warehouse receipts pilot projects for specific commodities. Beyond their function as a financial instrument, warehouse receipts could also serve to make agriculture and agribusiness more competitive and offer better commercial opportunities to stakeholders.

14. The panel also addressed experiences with warehouse receipts reform in Africa more broadly. It was noted that most legal elements concerning warehouse receipts were uncontroversial across different countries. However, there were four key areas which proved to be challenging during legislative reforms. First, there were two approaches regarding the format and content of receipts, namely for them to require a harmonised format, versus minimum standards; the latter was favoured by collateral managers as it allowed more flexibility for inclusion of sector-specific requirements. Another question with regard to the format and content was whether warehouse receipts should be static or dynamic documents, i.e. whether a dynamic revalidation or updating of electronic receipts was possible. Second, the design of a split or combine function of receipts, for which a legal underpinning was necessary, proved to be challenging; the split function allowed financiers to instruct an early part sale, while the combine function was particularly important for commodity exchanges where it was often necessary to combine several receipts into a single order. Third, the legal requirements for the expiry and renewal of warehouse receipts were often contested; for example, in one jurisdiction, receipts expired after one year. Finally, the question of who was legally authorised to issue warehouse receipts could cause issues, with different approaches regarding the authorisation of the warehouse or the warehouse operator.

15. It was highlighted that warehouse eligibility, oversight, and the regulatory framework for warehouses had high priority in reforms in Africa. That included warehouse guarantees through performance bonds, insurance, as well as settlement guarantee funds. The question of who may perform inspections and investigations was also challenging, in particular whether the regulator, an outsourced third party, or the pledgee on the warehouse receipt could undertake such actions. Another important aspect was how the separation of the warehousing business from other businesses could be legally enforced to avoid conflicts of interest. It was noted that system regulators had to manage key interfaces between banks, intermediaries, regulatory authorities, electronic exchanges, and central counterparty clearinghouses.

16. The panellists considered the recent introduction of a new type of warehouse receipt in the French commercial code in 2019, the *reçu d'entrepôt*. The legislator chose not to modernise the traditional form (*warrant des magasins généraux*), but to create an additional and new instrument. Unlike the traditional French *warrant des magasins généraux* which was a paper (double

document) warehouse receipt, the new *reçu d'entrepôt* was a wholly electronic document (single document) based on a centralised electronic registry. The objectives of the reform were to allow for real-time data to become available regarding the holders of agricultural products and stored quantities, and to facilitate trade in agricultural commodities. The security interest dimension of the new instrument was incidental (whereas it was central in the case of the traditional *warrant des magasins généraux*).

17. The panel noted that several lessons could be drawn from the recent reforms in France with a view to drafting a Model Law on Warehouse Receipts: The proposed Model Law would need to consider whether the warehouse receipt should be conceived as primarily fulfilling the role of a security right, or as an instrument aimed at promoting trade in certain goods or merchandise. Similarly, consideration was necessary to determine the nature of the instrument, in particular whether it should be a paper document (double document) or a wholly electronic document (single document). It was also noted that the correlation and harmonisation between a Model Law on Warehouse Receipts and the UNCITRAL Model Law on Secured Transactions would require special attention with regard to the security interest aspects of warehouse receipts.

18. The panel highlighted the importance of the procedural aspect of legislative warehouse receipts reforms for their successful implementation. The assessment of the existing legal and institutional framework, as well as the legislative drafting, needed to be based on a multidisciplinary and participatory approach involving all relevant public and private sector stakeholders. The involvement of all concerned stakeholders was important not only to delineate the shortcomings of existing systems in practice, but also to ensure that stakeholders were aware, supportive and would ultimately become users of the reformed warehouse receipts system.

19. The panel noted that the legislation governing a warehouse receipts system could generally be separated into two parts, one relating to the private law aspects of the receipt and the other relating to the regulation of warehouses. After considering the core elements commonly addressed in legislation, the panel highlighted the conceptual similarities across jurisdictions with regard to the private law aspects of warehouse receipts; in contrast to the regulation of warehouses, including their administration, licensing and oversight, and performance guarantees. It was noted that three major legislative approaches with regard to the form of warehouse receipt legislation could be observed across jurisdictions: (i) a comprehensive warehouse receipt system law containing provisions on both, warehouse receipts and warehousing; (ii) two separate specific laws on warehouse receipts and warehouses, respectively; and (iii) warehouse receipts regulated in the commercial or civil code, and warehousing in a specific law. The latter two approaches reflected the distinction between the private law aspects of warehouse receipts and the warehousing framework. Following this, the panellists considered the private law elements of a warehouse receipts system which had been proposed for inclusion in an international Model Law on Warehouse Receipts.

20. Participants queried whether the scope of the proposed Model Law should also include the institutional framework for warehouses, including warehouse licensing and oversight as well as performance guarantees, or whether it should be confined to the private law aspects concerning a warehouse receipt. A participant noted that the private law aspects would be the natural candidate for work by UNCITRAL and UNIDROIT and that the institutional frameworks might not lend themselves to international legal harmonisation. However, it was also noted that States often pursued legislative reforms in an integrated fashion which included non-private law aspects, for example measures to promote confidence in the system or raise the standards of service provision. It was suggested that the proposed Model Law could be accompanied by a guide to enactment or an explanatory note, which could describe the experience of international organisations with regard to the institutional aspects. Participants agreed that such an explanatory note would be important because a Model Law would need to be adapted to domestic legal conditions, and to examine options with regard to specific elements of a warehouse receipts system.

21. A participant queried whether the reforms of warehouse receipts systems in Africa improved access to credit for smallholders, noting that smallholders were sometimes unwilling to use receipts because of their reluctance to commingle goods. It was important to sensitise

smallholders to new reforms, but whether they utilised warehouse receipts systems would depend on the particular commodity, value chain, and aggregation mechanism.

SESSION II: Legal and practical issues in reforming warehouse receipts frameworks, including alignment with other regimes, such as those governing secured transactions

22. Session II of the webinar focussed on existing frameworks relating to warehouse receipts and some of the legal and practical considerations which needed to be taken into account in any reform project. The session was composed of presentations by Mr Nicholas Budd (International Expert, former partner at White and Case and Dentons), Mr Jean Saint-Geours (Senior Economist, World Bank Group), and Professor Andrea Tosato (University of Nottingham). All panellists had extensive experience working with international development banks and organisations involved in establishing, reforming and utilising warehouse receipts systems.

23. The panellists highlighted the importance of designing a warehouse receipt as an easily transferable title document, which could increase the financing and trading of commodities covered by warehouse receipts. An important objective of many warehouse receipts reforms was to encourage trade and lending against the receipts by reducing the necessity of investigating title to goods and documents, thereby increasing trade volume and reducing transaction costs. In this respect, the *nemo dat* exemptions found in English and US laws were highlighted as key factors for the acceptance of title documents by purchasers and financiers. The *nemo dat* exemption protected good-faith purchasers of warehouse receipts with conflicting title claims.

24. The panel noted that the conditions of a *nemo dat* exclusion as codified in UCC Article 7 could be summarised as follows: (i) the document needed to be in a negotiable form delivered or endorsed to a purchaser for value without actual or constructive notice of prior equities; and (ii) the transaction involved commercial counterparties without notice of irregularities. If these conditions are met, the title to the document and the title to the goods they represent pass to the buyer against an owner claiming to benefit from the general *nemo dat* rule. However, the *nemo dat* exclusion had not been established in a uniform manner in several common law and civil law systems, and consideration needed to be given to this exclusion in preparing a Model Law on Warehouse Receipts. It was suggested that the *nemo dat* exemption was an important factor for the acceptance of warehouse receipt financing and should be clearly defined in the Model Law.

25. Furthermore, the panellists noted that, when developing a Model Law, consideration should be given to whether the duality of negotiable and non-negotiable documents was useful in electronic documents, as well as the risks posed by negotiable paper documents in a lightly regulated environment.

26. The panellists noted the importance of warehouse receipt financing and highlighted the significance of the introduction of appropriate legislation and regulation. The panellists identified a step-by-step approach in implementing warehouse receipts systems, which started with a readiness assessment, followed by the introduction of appropriate legislation and regulation, alongside institutional support to licensing bodies, as well as sensitisation and training of all the stakeholders involved in the warehouse receipts system. As noted during the first session, panellists emphasised that in developing warehouse receipts systems, cross-sectoral support for the stakeholders in a particular sector also played an important role in augmenting the performance of the system.

27. Examining case studies of warehouse receipts reforms in seven countries across Sub-Saharan Africa, the panel noted that value chain participants required financing to enable value-added production, aggregation, processing, manufacturing, distribution and trade of their commodities, especially to counteract challenges such as the lack of a strong balance sheet, track record, bankable collateral, and/or confidence to use formal banking channels. The lack of financing was addressed, especially in Africa, by utilising different models of Collateral Commodity Finance (CCF) under Collateral Management Agreements which largely applied to high value commodities

with larger transaction sizes. Warehouse receipt financing had the potential to extend CCF to a greater number of smaller stakeholders by sharing the costs of storage, certification and control across multiple borrowers. Warehouse receipt financing allowed for deferred sales of commodities and greater aggregation, which enhanced financing possibilities for producers and positively impacted their production and output. More broadly, warehouse receipt financing benefitted all stakeholders involved, including exporters, processors, financiers, producers, cooperatives, as well as the value chain in general.

28. In order to realise the benefits of warehouse receipt financing for all stakeholders, the panellists noted that it was important to implement a system which offered certainty and security to all participants, while at the same time incentivising participation. With regard to the instrument itself, the panellists noted that a warehouse receipt should be a document of title issued by a storage operator to a depositor. The receipt should define the quality, quantity and location of the commodity, and the terms of storage. The quality and quantity of the commodity should be guaranteed by the storage operator. The warehouse receipt could be pledged by a depositor to a financier as collateral security against a loan, and was typically defined as a negotiable instrument to facilitate liquidation.

29. The panellists discussed which aspects should or should not be within the scope of the projected Model Law. They suggested that the proposed Model Law ought to include provisions on the following aspects: certain elements of the storage contract, which could encompass the rights and obligations of the parties; the use of the warehouse receipt as a deposit receipt and as evidence of the storage contract; the warehouse receipt as a document of title; its transferability and negotiability; and the use of warehouse receipts as collateral. It was further suggested that the following items should not be included in the scope of a Model Law: rules and procedures governing the accreditation, licensing, and operation of warehouses; financial regulation principles and rules governing the manner in which financial institutions dealt with warehouses; and competition law rules and principles.

30. In focusing on the items which should fall within the Model Law's scope, the panellists examined existing guidance documents and instruments such as those developed by the World Bank Group, UNCITRAL, and other international organisations. The panellists also considered domestic secured transactions laws (including the UCC), especially with regard to delineating obligations, rights and responsibilities of the parties to any contract.

31. One participant queried the link between regulation of the storage contract and the issuance of the warehouse receipt. Some panellists noted that the proposed Model Law might consider not regulating storage contracts per se, but include the necessary elements for a storage contract to enable the use of warehouse receipt financing. Participants expressed some concern regarding the inclusion of provisions concerning the storage contract within the Model Law, as storage contracts operated in different manners across jurisdictions. Participants suggested that it was important to separate rules on warehouse receipts from the underlying storage contracts and that further discussions would be necessary to determine the extent to which storage contracts should be addressed.

32. A participant queried which party would serve as the regulator for a warehouse receipts system. The panellists noted the challenges associated with regulating such systems, and that commodity exchange operators could be a reasonable candidate. A participant noted the importance of the proposed Model Law recommending a uniform and feasible approach which could be adopted by any State. As such, the scope of the proposed Model Law would be dependent upon the level of uniformity experts could identify within particular areas.

SESSION III. Model/common transactions and emerging issues, including supply chain financing, electronic exchanges, blockchain, etc. relating to warehouse receipts

33. The third session of the webinar focussed on new technologies and their impact on the use and regulation of warehouse receipts. The session included presentations by Ms Jeannette Tramhel (Senior Legal Officer, OAS), Ms Bukola Awosanya (Head of Agriculture, Sterling Bank Plc, Nigeria), and Mr Luis Macias (CEO & Founder, GrainChain Inc., Mexico).

34. A panellist presented the work undertaken by OAS in the area of electronic warehouse receipts and outlined its interest towards coordinating efforts with UNIDROIT and UNCITRAL in relation to work in this area. In 2012, OAS examined the introduction of electronic warehouse receipts to address the credit gap in the agricultural sector. A report was published in 2016 based on a comprehensive study involving a wide range of stakeholders and international organisations. The OAS Principles for Electronic Warehouse Receipts for Agricultural Products were adopted in the same year. They sought to (i) encourage secured lending; (ii) improve access to credit, particularly for small-scale agricultural producers without access to conventional forms of collateral; (iii) facilitate and encourage a transition from paper-based to electronic warehouse receipts; and (iv) to pursue efforts towards further harmonisation and codification at regional and international levels in the field of secured lending, as consistent with international instruments in the area.

35. It was noted that the OAS Principles applied to electronic warehouse receipts which were used for agricultural products in general, without differentiation by sector. These principles were intended to operate in conjunction with a modern secured transactions regime, which was consistent with international standards developed by organisations such as UNCITRAL. They were designed to support and supplement existing domestic frameworks on secured lending, insolvency, e-commerce, and e-signatures. Further discussion covered parts of the OAS Principles, including definitions, rights and obligations of the parties, issuance of receipts, requirements for warehouse operators and electronic warehouse receipt providers, as well as the determination of priorities.

36. A panellist noted some of the challenges faced in drafting the OAS Principles, which might also be encountered in developing an international Model Law. These included the consideration of a transition from paper-based to electronic warehouse receipts, differences in civil law and common law approaches, and variations between the recognition of different types of instruments in different jurisdictions. The panel noted the significant contribution that warehouse receipt financing could make towards the accomplishment of United Nations Sustainable Development Goal 2 to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

37. The panellists introduced different commercial initiatives which relied upon blockchain technology to apply the use of warehouse receipt financing to commodity markets. These initiatives were based on cross-sectoral collaborations between financial institutions, commodity exchanges, and agricultural producers. They created blockchain-based warehouse receipts systems that function without a central authority, allowing users to transact with one another transparently and execute most actions with regard to warehouse receipts directly, including creating, issuing, transferring and recording value and/or assets, executing transactions, and exercising rights. Thus, the use of blockchain created a decentralised system which enhanced data integrity and security, provided transparency and traceability of information, enabled real-time processing of transactions, as well as flexibility for commodity producers to enter into arrangements according to their own requirements.

38. The panellists noted the usefulness of blockchain technology, Internet of Things (IoT) devices and automation to connect stakeholders directly. These innovations allegedly increased trust in transactions, produced reliable data with regard to quality and quantity, empowered small and midsized producers, and allowed producers to expand their operations. The panel highlighted that the use of blockchain-based warehouse receipts offered benefits for all participants in the value chain. Amongst others, it allowed producers, sellers and buyers to access a larger market, to access real-time inventory data, and to execute instant payment, delivery and transfer of title. Similarly, the use of blockchain-based warehouse receipts provided lenders with greater capacity to track commodities. This allowed producers, sellers, buyers, and financiers alike to operate with lower levels of risk and a greater degree of certainty when entering into transactions.

39. A panellist noted how several systems enabling different tools, such as one relating to supply chains, one to logistics, and one to trade, could create an ecosystem whereby the entire contracting and financing process was moved onto a blockchain which greatly simplified and expedited transactions. However, a panellist added that existing processes in this area had risks and challenges, including: difficulties in the due diligence process; liens registered outside the system; burdens on buyers to actively search records; lack of guarantees of obtaining a clean title; and delays in payments. Through electronic warehouse receipts legislation, blockchain systems could be further facilitated and improved by streamlining instrument filing and registration mechanisms, including liens. Such systems would reduce lead times for transactions, increase efficiency, reliability, traceability and international trade. The panel drew upon an example from Honduras which had introduced a vertical integration model that resulted into expediting loans and financing for small scale farmers, and enabling banks and financial institutions to lend with greater confidence.

40. The participants noted the challenges posed by the incorporation of technology into existing domestic legal frameworks for warehouse receipts, specifically regarding negotiability and document representation. Any Model Law which was to be developed should consider and address the challenges posed by new technologies.

Open Discussion: Aspects to be covered in the Model Law

41. Drawing from all the preceding sessions, participants discussed the scope of the proposed future Model Law project. There was agreement on the need for and feasibility of international legislative guidance on Warehouse Receipts (possibly in the form of a model law). It was highlighted that the project could focus on the private law dimension of a warehouse receipts system. With regard to differently regulated elements such as negotiability, it was noted that UNCITRAL and UNIDROIT were suitably positioned to develop a Model Law which would be adaptable in any legal system.

42. The main conclusions and recommendations of the webinar could be summarised as follows:

(a) There was a need for international legislative guidance on Warehouse Receipts (possibly in the form of a model law), as many countries needed to modernise their national legal frameworks for warehouse receipts and address the challenges and opportunities brought by new technologies.

(b) Such guidance should lead to increased harmonisation, which would be desirable in the sector.

(c) The need had been identified by international organisations working on the ground in developing and middle-income jurisdictions. Moreover, both the need and the importance of that work was consistent with previous work undertaken by global (FAO, WB, IFC) and regional (OAS) intergovernmental organisations.

(d) Participants agreed that the drafting of a global legislative standard on Warehouse Receipts was feasible, as generally the core regulation of the topic was conceptually similar across jurisdictions, including those with divergent legal cultures.

(e) The global nature of UNCITRAL and UNIDROIT, as well as their expertise, would make them especially suitable to undertake such a project.

(f) With regard to the scope of such guidance, and on the assumption that it could take the form of a model law, the participants agreed on the following:

(i) The guidance should be as comprehensive as possible, covering both negotiable and non-negotiable instruments. Most participants agreed that both electronic and paper-based warehouse receipts ought to be included. The participants considered it crucial for a model law to be designed in a flexible manner in order to

accommodate for different legal and contextual framework conditions of diverse jurisdictions, and in any case consider the special needs of smallholders and small and medium-sized enterprises (SMEs). Further details in this regard should be considered once the project was approved.

(ii) It was agreed that a model law should focus on the private law aspects of the warehouse receipts system.

(iii) Consideration of the negotiability of the warehouse receipts was a paramount part of the project.

(iv) Electronic platforms, DLT systems and other technological mechanisms already in use in many developed systems should be addressed in a model law.

(v) There was agreement on the importance of considering the institutional and regulatory framework of the operation of warehouses. However, those and other regulatory matters (such as financial services and prudential supervision) should not be the focus of the work and should be best addressed in a guide to enactment/users guide, to be drafted at a later stage.

(g) Participants underscored that a model law should be suitable for integration into the broader existing legal framework of any country.

(h) The project would need to be consistent with UNCITRAL's Model Law on Secured Transactions as well as with other relevant existing instruments of both institutions.

43. *Professor Tirado and Mr Estrella Faria* thanked all the participants and concluded the webinar.

ANNEXE 1



United Nations
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Agenda

Webinar

Model Law on Warehouse Receipts Project

Thursday 26 March 2020

The webinar, co-organised by the International Institute for the Unification of Private Law (UNIDROIT) and the United Nations Commission on International Trade Law (UNCITRAL), will discuss global experiences with modernizing frameworks and emerging trends identifying the main legal issues leading to the development of a Model Law on Warehouse Receipts. The need for a Model Law stems from problems identified on the ground by international institutions working on access to finance, particularly in the agricultural sector. A comprehensive, modern, and state of the art legal text will help countries modernise their systems, lowering the cost of credit, enhancing its availability, and facilitating transactions with agricultural commodities. Moreover, this new instrument should aid harmonisation at the international level, facilitating cross-border transactions and the establishment of electronic exchanges for warehouse receipts.

The webinar will seek input from academia, stakeholders, institutional actors and organisations active in the field. It will run from **14:00 to 19:00 (CET) on Thursday 26 March**.

Agenda	
14:00 – 14:20	<p>The Model Law on Warehouse Receipts Joint Project: UNCITRAL and UNIDROIT</p> <p><i>Prof. Ignacio Tirado (Secretary-General, UNIDROIT)</i> <i>José Angelo Estrella Faria (Principal Legal Officer, Head Legislative Branch, UNCITRAL)</i></p>
14:20 – 14:45	<p>The core elements of a proposal for the Model Law as presented to the UNCITRAL Commission</p> <p><i>Marek Dubovec (Executive Director, Kozolchyk National Law Center)</i></p>
Session 1: Global experiences with warehouse receipts reforms	
14:45 – 15:40	<p><i>David Ivanovic (Senior Private Sector Specialist, World Bank Group)</i> <i>Adam Gross (Director, Darhei Noam Limited)</i> <i>Prof. Jean-François Riffard (University Clermont Auvergne)</i> <i>Philine Wehling (Legal Officer, UNIDROIT)</i></p> <p>Questions and discussion</p>
15:40 – 16:00	<i>Coffee Break</i>

Session 2: Legal and practical issues in reforming warehouse receipts frameworks, including alignment with other regimes, such as those governing secured transactions	
16:00 – 17:15	<p><i>Nicholas Budd (International Expert, former partner at White and Case and Dentons)</i> <i>Jean Saint-Geours (Senior Economist, World Bank Group)</i> <i>Prof. Andrea Tosato (University of Nottingham)</i></p> <p>Questions and discussion</p>
<i>17:15 – 17:30</i>	<i>Coffee Break</i>
Session 3: Model/common transactions and emerging issues, including supply chain financing, electronic exchanges, blockchain, etc. relating to warehouse receipts	
17:30 – 18:15	<p><i>Jeannette Tramhel (Senior Legal Officer, OAS)</i> <i>Bukola Awosanya (Head of Agriculture, Sterling Bank Plc, Nigeria)</i> <i>Luis Macias (CEO & Founder, GrainChain Inc., Mexico)</i></p> <p>Questions and discussion</p>
Open Discussion: Aspects to be covered in the Model Law	
18:15 – 19:00	<p><i>Prof. Ignacio Tirado (Secretary-General, UNIDROIT)</i> <i>José Angelo Estrella Faria (Principal Legal Officer, Head Legislative Branch, UNCITRAL)</i></p>
19:00	Closing Remarks

ANNEXE 2**JOINT UNCITRAL/UNIDROIT WORKSHOP****WEBINAR ON WAREHOUSE RECEIPTS
26 March 2020****LIST OF PARTICIPANTS**

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**UNCITRAL
UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW**

Mr José Angel ESTRELLA FARIA	Principal Legal Officer, Head Legislative Branch
Mr Jae Sung LEE	Legal Officer
Ms Bruna MACEDO	Intern

* * *

SPEAKERS

Mr Henry GABRIEL	Professor, Elon University (United States of America) <i>(Chair of the Meeting)</i>
Ms Bukola AWOSANYA	Head of Agriculture, Sterling Bank Plc (Nigeria)
Mr Nicholas BUDD	International Expert, former partner at White and Case and Dentons (France)
Mr Marek DUBOVEC	Executive Director, Kozolchyk National Law Center (NATLAW) (United States of America)
Mr Adam GROSS	Director, Darhei Noam Limited (United Kingdom)
Mr David IVANOVIC	Senior Private Sector Specialist, World Bank Group (Ghana)
Mr Luis MACIAS	CEO & Founder, GrainChain Inc. (Mexico)
Mr Jean-François RIFFARD	Professor, University Clermont Auvergne (France)
Mr Jean SAINT-GEOURS	Senior Economist, World Bank Group (United States of America)
Mr Andrea TOSATO	Assistant Professor of Commercial Law, University of Nottingham (United Kingdom)
Ms Jeannette TRAMHEL	Senior Legal Officer, Organisation of American States (United States of America)

* * *

EXPERTS

Mr Amar AL-SALEH	Associate Director, Senior Counsel, European Bank for Reconstruction and Development (EBRD) (United Kingdom)
Ms Elsa AYALA	Executive Director, Association of General Warehouses (Mexico)
Ms Carmen BULLON	Legal Officer, Food and Agriculture Organization of the United Nations (FAO) (Italy)
Ms Sharla DRAEMEL	Attorney-Adviser, Office of Private International Law, Office of the Legal Adviser, Department of State (United States of America)
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