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**UNIDROIT Working Group on a Model Law on  
Warehouse Receipts**

***Fourth session (hybrid)***  
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**PRELIMINARY DRAFTING SUGGESTIONS FOR THE  
MODEL LAW ON WAREHOUSE RECEIPTS**

1. This document provides preliminary drafting suggestions for the future Model Law on Warehouse Receipts. At this stage, this document contains preliminary proposals for three possible chapters:

- i. Chapter I – Scope and general provisions (Page 2)
- ii. Chapter II – Issuance of a warehouse receipt (Page 5)
- iii. Chapter IV – Transfer of warehouse receipts. Protected holders and other transferees. Warranties. Miscellaneous provisions regarding transfer (Page 9)

2. The drafting aims to ensure consistency with existing UNCITRAL Model Laws, particularly the UNCITRAL Model Law on Secured Transactions (MLST), as well as other relevant international instruments.

3. The draft chapters have been revised based on the Working Group's discussions on the previous draft suggestions, presented to the Group at its third session (available in [Study LXXXIII – W.G.3 – Doc. 3](#)). The tables on the following pages for each of the chapters include proposed text for articles to be included in the future Model Law and items for discussion. The Working Group is invited to consider issues of substance as well as such of structure and form, as the present draft is of a preliminary nature.

4. The Secretariat is particularly grateful to Mr Marek Dubovec (Kozolchyk National Law Center, NatLaw) as well as Working Group members Mr Bruce Whittaker, Mr Jean-François Riffard and Mr Nicholas Budd for their contributions to this document.

## MODEL LAW ON WAREHOUSE RECEIPTS

### DRAFTING SUGGESTIONS

#### Chapter I. Scope and general provisions

| Suggested text   | Discussion  |
|--|---|
| <b>Article 1. Scope of application</b>   |   |
| <p>1. [This Law applies to warehouse receipts.] [This Law applies to the issuance, transfer and cancellation of warehouse receipts, and to rights and obligations in relation to warehouse receipts].</p>  | <p>It was suggested in the most recent meeting of the Working Group that the drafting committee should expand this paragraph along the lines of the second version, partly on the basis that the first version looked rather “lonely” in an article all by itself. The Group may wish to reconsider this, now that the definition of “warehouse receipt” has been moved to this article.</p>  |
| <p>OPTION 1:</p> <p>2. For the purposes of this Law, a warehouse receipt is a document issued by a warehouse operator that satisfies all the following requirements:</p> <p>(a) [it describes itself as a warehouse receipt;]</p> <p>(b) it sets out the name of the warehouse operator [and the location of the warehouse where the goods were deposited];</p> <p>(c) it sets out the nature and quantity of the goods covered by the warehouse receipt;</p> <p>(d) it contains an acknowledgement that the warehouse operator holds the goods on behalf of the holder of the document, and a promise to deliver the goods to the holder [on the date and in the manner] described in the document; and</p> <p>(e) it is signed by the warehouse operator.</p> <p>OPTION 1:</p> | <p>This consolidates both the definition of “warehouse receipt” that was previously in Article 2, together with the “essential elements” of a warehouse receipt that were previously in article 8(1), into one comprehensive provision.</p> <p>The two proposed definitions are identical in substance, but reflect two styles of drafting.</p> <p><u>Question to the Working Group:</u></p> <p>Since this is the very definition of the warehouse receipt, there is no doubt that the formal elements mentioned in it (signature, nature of the goods etc.) become in fact essential (substantive) conditions.</p> <p>The question that arises is now whether it is necessary to expressly specify the penalty for the absence of these particulars in a separate article, or whether it is sufficiently obvious that the document is not a warehouse receipt in their absence and therefore has no legal value in itself (for lack of an essential element), or at least will only have</p> |

| <b>Suggested text</b>  | <b>Discussion</b>  |
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| <p>2. For the purpose of this Law, a warehouse receipt is a document issued [and signed] by a warehouse operator, [describing itself as a warehouse receipt and], by which the warehouse operator :</p> <p>(a) acknowledges holding, in one of its warehouses whose location is specified the goods described in the document in nature and quantity, on behalf of the document holder and</p> <p>(b) promises to deliver the goods to the holder [at the time and in the manner] described in the document.</p> | <p>the value that the national law will give to such a document (for example “<i>commencement de preuve par écrit</i>”, a “prima facie evidence of the existence”) of a warehouse receipt in civil law. But this is probably more of a commentary.</p> <p>This might be discussed in the guide to enactment, rather than in the MLWR itself. By way of comparison, the 1988 Bills Convention has a similar structure. It says that it applies to international bills of exchange and then defines what they are, but does not seem to go on to say what happens if an instrument does not fall within the definition.</p>  |
| <p><b>Article 2. Definitions</b></p>   | <p>Further definitions will need to be added to this article as the other provisions of the Law are drafted.</p>   |
| <p>For the purposes of this Law:</p>   |  |
| <p>1. [“Depositor” means a person who deposits goods for storage with a warehouse operator.]</p>   | <p>The Working Group agreed to retain a definition of “depositor” in the Model Law but to consider modifications to the provision as drafted. Several experts stated that the definition of depositor should be linked to the storage agreement.</p>   |
| <p>2. “Holder” of a warehouse receipt means [the person who is in possession of the warehouse receipt].</p>  | <p>The Working Group agreed that the definition of “holder” should be modified to differentiate between the “possession” of a paper warehouse receipt and “control” of an electronic warehouse receipt, whereby the person “in control” of the electronic warehouse receipt was considered to have “possession” thereof. The main criticism was that this provision was drafted for paper receipts.</p> <p>The Working Group decided to keep it in square brackets and revisit it later with at least two questions in mind:</p> <ul style="list-style-type: none"> <li>- how it works for EWRs; and</li> <li>- how it works for warehouse receipts that are made out to order.</li> </ul> |

| <b>Suggested text</b>  | <b>Discussion</b>  |
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| 3. “Negotiable warehouse receipt” means a warehouse receipt that is made:<br>(a) to or to the order of a named person; or<br>(b) to bearer.  | This will need to be revisited once the Working Group progresses with draft Chapter IV on transfers of warehouse receipts. |
| 4. “Non-negotiable warehouse receipt” means a warehouse receipt that is made in favour of a named person only.   | This will need to be revisited once the Working Group progresses with draft Chapter IV on transfers of warehouse receipts. |
| 5. “Protected holder” means [...].   | This will need to be revisited once the Working Group progresses with draft Chapter IV on transfers of warehouse receipts. |
| 6. “Storage agreement” means an agreement between a warehouse operator and a depositor that sets out the terms on which the warehouse operator agrees to store goods deposited with it by the depositor. |  |
| 7. “Warehouse operator” means a person who is in the business of storing goods for other persons for reward.   |  |
| <b>Article 3. Party autonomy</b>   |  |
| 1. With the exception of articles [...], the provisions of this Law may be derogated from or varied by agreement.  |  |
| 2. An agreement referred to in paragraph 1 does not affect the rights or obligations of any person who is not a party to the agreement.  |  |
| <b>Article 4. International origin and general principles</b>  |  |
| In the interpretation of this Law, regard is to be had to its international origin and the need to promote uniformity in its application[ and the observance of good faith].                             |  |

## Chapter II. Issuance of a warehouse receipt

| Suggested text   | Discussion   |
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| <b>Article 6. Issuance of a warehouse receipt</b>  |  |
| <p>OPTION 1:<br/>A warehouse receipt must be issued by a warehouse operator after taking possession of the goods if requested by the depositor [and/or the holder].</p> <p>OPTION 2:<br/>A warehouse receipt must be issued by a warehouse operator after the warehouse operator takes possession of the goods, if the warehouse operator is requested to do so by the [person who is entitled to require the warehouse operator to deliver up the goods].</p> | <p>At its third session, the Working Group decided to add, for reconsideration, at the end of the sentence the bracketed text “if requested by the depositor, [and/or the holder]”.</p> <p>Two options are proposed for this article.</p>  |
| <b>Article 7. Form of a warehouse receipt</b>  |  |
| A warehouse receipt may be issued in [paper/physical/tangible] or electronic form.   | The drafting committee may wish to consider whether “paper” is a bit too medium-specific, and whether a more general term such as “physical” or “tangible” might be more appropriate. If it decides so, it should add an explanation for proposing another term, not least because the WG supported this provision as suggested.   |
| <b>Article 8. Content of a warehouse receipt</b>   |  |
| 1. A warehouse operator [must include] [shall include] [includes] the following terms/information in a warehouse receipt:  | <p>Previous Article 8.1 was moved to Article 1.2.</p> <p>Since the warehouse receipt has been defined as a unilateral act drawn up by the warehouse operator in Article 1, there is no longer any obstacle to adopting a formulation that places the burden of drafting the warehouse receipt, and thus of complying with the formal rules established by this model law, on the warehouse operator (in preference to the more neutral wording (A warehouse receipt [must contain] or [contains]...)) Regarding the choice</p> |

| Suggested text  | Discussion  |
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|   | between [must include], [shall include], or [includes] see commentary on former Article 3 below.  |
| (a) [Information to be determined by the enacting State that identifies the depositor];                               |   |
| (b) Whether the warehouse receipt is issued to a named person or to bearer;   |   |
| (c) A unique identification number for the receipt; and   |   |
| (d) The date of issue of the receipt.   |   |
| 2. [If a warehouse receipt does not state that it is issued to a named person, it is issued to bearer.]               | <p>This formulation deleted the reference to the distinction between “to a named person” and “to the order of a named person”, which originally appeared in b) of para. 1 of this article, before moving to para. 2.</p> <p>Similarly, para. 2 was placed in square brackets for the Working Group’s consideration.</p>   |
| <del>3. If a warehouse receipt does not contain the information required by paragraph 1, [it is null and void].</del> | <p>The question that arises with regard to the sanctions for the absence or erroneous nature of the required information is what the "must" refers to. To the validity of the warehouse receipt or to its effectiveness? In other words, should the sanction be the nullity (old Article) or a simple practical inefficiency of the warehouse receipt, which engages the responsibility of the warehouse operator who had the obligation to deliver a warehouse receipt allowing to fulfil its function (and thus to contain the necessary mentions for that).</p> <p>In the previous discussions of the Working Group, it was decided that a warehouse receipt that meets the essential requirements of Article 1, but that does not contain the statements required by Article 8, would not be invalid but merely useless.</p> <p>The question which then arises is whether the use of the term "must" in Article 8.1 remains appropriate, this term being traditionally attached, at least in the civil law tradition, to the sanction of "nullity".</p> |

| <b>Suggested text</b>   | <b>Discussion</b>  |
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| 3. A warehouse operator may also include the following information in a warehouse receipt:  | New wording to align with Article 8, para. 1.  |
| (a) A statement of the period of the storage, if it is for a fixed period;  |  |
| (b) The name of the insurer, if any, who has insured the goods;   |  |
| (c) The amount of the storage fees if they are determined or, if they are only determinable, how the fees are calculated;   |  |
| (d) A description of the quality of the goods; and  |  |
| (e) Any other terms and conditions, as long as they are not contrary to the other mandatory provisions of this Act [and do not affect the obligation to deliver].   |  |
| 4. If a warehouse receipt does not include a statement of the period of the storage, the receipt is effective for an indefinite period. If a warehouse receipt does not include a description of the quality of the goods, the goods are taken to be of [merchantable quality].   |  |
| <p>OPTION 1:</p> <p>5. An incorrect statement in a warehouse receipt of information referred to in this Article 8, does not affect the validity of the receipt, this is without prejudice to any [damages] [liability] that the [issuer] [warehouse operator] might have for the inaccuracies of this information.</p> <p>OPTION 2:</p> <p>5. [An incorrect or insufficient statement in a warehouse receipt of information referred to in this Article 8 does not affect its characterisation or validity as a warehouse receipt. However, this does not affect any [damages] [liability] that the warehouse operator might have under other law.]</p> | <p>This wording is the result of the discussion in which it was accepted by the group, that non-compliance with the provisions of Article 8 was not sanctioned by nullity but by the practical ineffectiveness of the warehouse receipt, and therefore by the possible liability of the warehouse operator. In this respect, the term warehouse operator seems preferable to issuer.</p> <p>The Drafting Committee believes that Option 1 is preferable since the issue of recharacterization is now covered by Article 1.</p> <p><u>Question to the Working Group:</u></p> <p>Should the MLWR refer to the broad concept of liability, or to the narrower one of damages?</p> |

| Suggested text   | Discussion   |
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| <p><b>Article 9. Electronic warehouse receipts</b></p>   | <p>This article provides a functional equivalence rule for the use of warehouse receipts by setting forth the requirements to be met by an electronic record. The Working Group agreed that the content of this suggested article should generally remain in Chapter II (Report of second session, para. 51). The wording of the article will be revised based on the outcome of the Working Group’s discussions at its fourth session and taking into account the drafting suggestions presented in Study LXXXIII – W.G.4 – Doc. 4.</p> |
| <p>1. An electronic warehouse receipt that contains the information set out in article 8, paragraphs 1 and 2, shall not be denied legal effect, validity or enforceability on the sole ground that it is in electronic form provided that a reliable method is used:</p>   |  |
| <p>(a) To identify that electronic record as the electronic transferable record;</p>   |  |
| <p>(b) To render that electronic record capable of being subject to control from its creation until it ceases to have any effect or validity; and</p>  |  |
| <p>(c) To retain the integrity of that electronic record.</p>  |  |
| <p>2. The criterion for assessing integrity shall be whether information contained in the electronic transferable record, including any authorized change that arises from its creation until it ceases to have any effect or validity, has remained complete and unaltered apart from any change which arises in the normal course of communication, storage and display.</p> |  |
| <p><b>Article 10. Loss of a warehouse receipt</b></p>  |  |
| <p>1. In the event of the loss or destruction of a warehouse receipt [the depositor, or any person to whom the warehouse receipt has been lawfully transferred,] may require the warehouse operator to issue a replacement warehouse receipt, by providing:</p>  | <p>The bracketed part might be replaced with “the holder”, depending on how that term will be defined in Chapter I.</p>  |
| <p>(a) Such proof of its entitlement to the warehouse receipt; and</p>   |  |
| <p>(b) Such indemnity in relation to the issue of the replacement warehouse receipt and security in support of that indemnity,</p>   |  |
| <p>as the warehouse operator may reasonably require.</p>   |  |



| <b>Suggested text</b>   | <b>Discussion</b>   |
|---|---|
| <p>2. If the warehouse operator refuses to issue a replacement warehouse receipt pursuant to the preceding paragraph, [the depositor or any person to whom the warehouse receipt has been lawfully transferred] may apply to the Court to obtain an order to issue a replacement warehouse receipt, including by way of proceedings in the form of [the expeditious proceedings to be specified by the enacting State]. In the case of a negotiable warehouse receipt, the claimant shall deposit with the Court adequate security to indemnify the warehouse operator against claims by a lawful holder of the original warehouse receipt.</p> | <p>The bracketed part might be replaced with “the holder”, depending on how that term will be defined in Chapter I.</p> |

## **Chapter IV. Transfer of warehouse receipts. Protected holders and other transferees. Warranties. Miscellaneous provisions regarding transfer**

**Note:** The following draft Chapter IV is based on the drafting suggestions submitted to the Working Group at its third session, while the structure and content were substantially revised following the discussions at that session. The previous articles referred to under the discussion column refer to the version presented at the third session (available in [Study LXXXIII – W.G.3 – Doc. 3](#)).

### **Part A. How a warehouse receipt may be transferred**

| <b>Suggested text</b>   | <b>Discussion</b>   |
|---|---|
| <b>Article 11. Transfer of a negotiable warehouse receipt</b>   | Previous Article 11   |
| 1. A [tangible/paper] negotiable warehouse receipt may be transferred by a person:  | The Working Group may wish to consider whether the Model Law should refer to warehouse receipts that are not electronic warehouse receipts as being in “tangible” form, or alternatively as being in “paper” form.<br><br>“Paper” is a more traditional term and is used for example in UNCITRAL’s Model Law on Electronic Transferable Records. It could however be too narrow, as it might not include non-electronic WRs that are printed on some other form of material, such as a polymer material. If that is a concern, then “tangible” might be preferable. |
| (a) by endorsement and delivery, if the receipt is issued or endorsed to the order of that person; or   |   |
| (b) by delivery, if the person is in possession of the receipt and: <ul style="list-style-type: none"> <li>(i) the receipt is issued in bearer form; or</li> <li>(ii) the receipt is endorsed in blank or to bearer.</li> </ul> |   |

| Suggested text   | Discussion   |
|--|--|
| <p>2. If a negotiable warehouse receipt states that the goods are deliverable to the order of a named person, the delivery of the receipt to that person by the [issuer/warehouse operator] has the same effect as if the receipt had been transferred to that person.</p> | <p>The Working Group may wish to consider whether the Model Law should refer to the person who issues a WR as being the “issuer”, or the “warehouse operator”.</p> <p>Note that draft article 1 defines a warehouse receipt to be a document “that is issued by a warehouse operator”. This means that either term could work as a matter of drafting.</p> |
| <p>[3. An electronic negotiable warehouse receipt may be transferred by transfer of control over the electronic warehouse receipt.]</p>  | <p>To be considered further as part of the broader consideration of the application of the Law to electronic warehouse receipts.</p>   |
| <p><b>Article 12. Transfer of a non-negotiable warehouse receipt</b></p>   | <p>Previous Article 16</p>   |
| <p>Subject to the terms of the warehouse receipt and the storage agreement, a non-negotiable warehouse receipt may be transferred by means of an assignment that is notified to the [issuer/warehouse operator].</p>   |  |

**Part B. Rights of a transferee of a warehouse receipt**

*Division (I). Rights of a transferee generally*

|   |                               |
|---|-------------------------------|
| <p><b>Article 13. Rights of a transferee generally</b></p>  |                               |
| <p>A person to whom a warehouse receipt has been transferred acquires such title to the receipt and the goods as the person who transferred the receipt was able to convey.</p> | <p>Previous Article 12(1)</p> |

*Division (II). Rights of a protected holder of a negotiable warehouse receipt*

| <b>Suggested text</b>   | <b>Discussion</b>   |
|---|---------------------|
| <b>Article 14. Transfer of a negotiable warehouse receipt to a protected holder</b>   | Previous Article 13 |
| (a) A person is a protected holder of a negotiable warehouse receipt if:  |                     |
| (i) the receipt has been transferred to the person in the manner described in Article 11; and   |                     |
| (ii) the person [took] [acquired] the receipt in good faith, for value and without [notice/knowledge] of any [defect in the title of [the person who transferred it/any previous holder]] [defence against it or any claim to it on the part of any person],  |                     |
| [unless it is established that the transfer is not in the ordinary course of business or financing.]  |                     |
| (b) A person is not taken to have [notice/knowledge] of a claim to a negotiable warehouse receipt for the purposes of paragraph (a)(ii) merely because information relating to that claim has been recorded in a register [maintained under another law].   |                     |
| <b>Article 15. Rights of a protected holder of a negotiable warehouse receipt</b>   | Previous Article 14 |
| 1. A protected holder of a negotiable warehouse receipt acquires:   |                     |
| (a) title to the receipt;   |                     |
| (b) title to the goods represented by the receipt; and  |                     |
| (c) the benefit of the obligation of the warehouse operator to hold and deliver the goods in accordance with the terms of the receipt, free of any defences or claims by the warehouse operator [or third parties] other than defences or claims that arise under the terms of the receipt or under this Law. |                     |

| Suggested text   | Discussion   |
|--|--|
| <p>2. The title and rights acquired by a protected holder under paragraph 1 are not defeated even if:</p>  |  |
| <p>(a) the transfer to the protected holder or any prior transfer constituted a breach of duty by the person transferring the receipt;</p>   |  |
| <p>(b) a previous [owner of or claimant to/holder of] the receipt lost possession [or control] of the receipt, as a result of fraud, duress, theft, conversion, misrepresentation, mistake, accident or similar circumstances; or</p>  |  |
| <p>(c) the goods or the receipt had been previously sold or transferred to a third person.</p>   |  |
| <p>3. [The title and rights of a protected holder of a negotiable warehouse receipt are also not defeated by any retention-of-title or equivalent right [the enacting State to specify the appropriate right granted to sellers] that any person may hold in or in relation to the goods.]</p> | <p>Previous Article 20</p> <p>The Working Group may wish to consider whether this provision should stay here, or whether it should be moved to the chapter dealing with priority issues.</p> <p>It might be appropriate to keep it here, for example, because it deals with the rights of a protected holder. On the other hand, it might be said that the preceding provisions in this division deal more with “chain of title” issues, rather than competitions between a protected holder and a third party. If the provision is viewed in this way, it might be more appropriate to locate it with other provisions that deal with third-party claims.</p> |

| Suggested text   | Discussion  |
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| <p><b>[Article 16. Rights of a protected holder defeated in certain cases</b></p>  | <p>Previous Article 15</p> <p>Again, the Working Group may wish to consider whether this provision should stay here, or whether it should be moved to the chapter dealing with priority issues. See the discussion in the previous comment.</p> |
| <p>Despite Article 15, a warehouse receipt confers no right in goods against a person who, before issuance of the receipt, had a legal interest or a security right in the goods and who did not:</p>  |   |
| <ul style="list-style-type: none"> <li>(a) deliver or entrust the goods or any receipt covering the goods to the depositor with any actual or apparent authority to ship, store or sell the goods;</li> <li>(b) otherwise grant to such person any power to transfer, express or implied, of such receipt or the goods; or</li> <li>(c) acquiesce in the procurement by the depositor or any representative of such receipt.]</li> </ul> |   |
| <p><b>Article 17. Impact on protected holder of a subsequent sale of a warehouse receipt in possession of the seller</b></p>   | <p>Previous Article 19</p> <p>Again, the Working Group may wish to consider whether this provision should stay here, or whether it should be moved to the chapter dealing with priority issues.</p>   |
| <p>If:</p> <ul style="list-style-type: none"> <li>(a) a person has sold or granted a security right over a negotiable warehouse receipt, or has sold or granted a security right over goods for which a negotiable warehouse receipt has been issued; and</li> <li>(b) the person remains in possession of the negotiable warehouse receipt,</li> </ul>  |   |

|   |  |
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| a subsequent transfer of the negotiable warehouse receipt to a protected holder has the same effect as if the person who purchased or took the security right had expressly authorised the subsequent transfer. |  |
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*Division (III). Rights of a transferee who is not a protected holder*

| <b>Suggested text</b>   | <b>Discussion</b>   |
|---|---|
| <b>Article 18. Rights of a transferee other than a protected holder of a negotiable warehouse receipt</b>   | Previous Article 12(2), (3)   |
| <p>1. A transferee of a warehouse receipt, other than a protected holder of a negotiable warehouse receipt, is entitled to notify the [issuer/warehouse operator] of the transfer. The [issuer/warehouse operator] is obliged to acknowledge a transfer upon receipt of notification, unless the terms of the receipt or the associated storage agreement provide otherwise. If the [issuer/warehouse operator] acknowledges the transfer, the transferee also acquires the benefit of the warehouse operator's obligation to hold and deliver the goods in accordance with the terms of the receipt and the storage agreement.</p> | <p><u>Concerning para. 1, second sentence:</u> The Working Group may wish to consider whether this is an appropriate rule.</p> <p><u>Concerning para. 1, third sentence:</u> It is noted for the Working Group's benefit that the transferee also acquires title to the receipt itself, and to the goods, under article 13. Under article 13, however, the transferee only acquires such title to the receipt and the goods as the transferor <i>is able to convey</i>. The Working Group may wish to consider whether a similar limitation is needed here.</p> |
| <p>2. Prior to notification to the [issuer/warehouse operator] in accordance with paragraph 1, the ownership of the transferee of the goods may be defeated by a [judicial levy of an attachment or execution][analogous claim] upon the goods by a creditor of the transferor, or by a notification to the [issuer/warehouse operator] from the transferor or a subsequent transferee from the transferor of a subsequent sale of the goods by the transferor.</p>   | <p>The Working Group may wish to consider whether it needs to be clarified that the "creditor of the transferor" could include non-consensual creditors.</p>  |

**Part C. Liabilities of a transferor of a warehouse receipt**

| <b>Suggested text</b>   | <b>Discussion</b>   |
|---|---------------------|
| <b>Article 19. Warranties on transfer of a warehouse receipt</b>  | Previous Article 17 |
| 1. A person who transfers a warehouse receipt for value warrants to the person to whom it transfers the receipt, unless agreed otherwise, that:   |                     |
| (a) the receipt is genuine;   |                     |
| (b) it does not know of any fact that would impair the receipt's validity [or worth]; and   |                     |
| (c) [the transfer is rightful and effective with respect to the title to the receipt and the goods it covers.]  |                     |
| 2. Despite paragraph 1, a collecting bank or other intermediary that is entrusted with warehouse receipts on behalf of another or with collection of a bill of exchange or other claim against delivery of warehouse receipts warrants by the delivery of a warehouse receipt only that it is authorised to do so and is acting in good faith[, even if the collecting bank or other intermediary has acquired or made advances against the claim or bill of exchange to be collected]. |                     |
| <b>Article 20. Transferor not a guarantor</b>   | Previous Article 18 |
| A person who transfers a warehouse receipt is not liable by virtue of the transfer for any failure by the warehouse operator or any previous transferor of the receipt to fulfil their obligations in relation to the receipt.  |                     |