

Warehouse Receipt Act, R.S.B.C. 1996, c. 481

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WAREHOUSE RECEIPT ACT [RSBC 1996] CHAPTER 481

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Definitions

1 In this Act:

"**action**" includes counterclaim and set-off;

"**fungible goods**" means goods of which any unit is, from its nature or by mercantile custom, treated as the equivalent of any other unit;

"**goods**" includes all property other than things in action, money and land;

"holder" means

(a) in relation to a negotiable receipt, a person who has possession of the receipt and a right of property in it, and,

(b) in relation to a nonnegotiable receipt, a person named in it as the person to whom the goods are to be delivered or the assignee of that person;

"negotiable receipt" means a receipt which states that the goods specified in it will be delivered to bearer or to the order of a named person;

"nonnegotiable receipt" means a receipt which states that the goods specified in it will be delivered to the depositor or to another named person;

"purchaser" includes mortgagee and pledgee;

"receipt" means a warehouse receipt;

"to purchase" includes to take as mortgagee or as pledgee;

"warehouse receipt" means an acknowledgment in writing by a warehouse of the receipt for storage of goods not owned by the warehouse;

"warehouseer" means a person who, for reward, receives goods for storage.

Form of receipts

2 (1) A receipt must contain all of the following particulars:

(a) the location of the warehouse or other place where the goods are stored;

(b) the name of the person by whom or on whose behalf the goods are deposited;

(c) the date of issue of the receipt;

(d) a statement either

(i) that the goods received will be delivered to the person by whom or on whose behalf the goods are deposited, or to another named person, or

(ii) that the goods will be delivered to bearer or to the order of a named person;

(e) the rate of storage charges;

(f) a description of the goods or of the packages containing them;

(g) the signature of the warehouseer or the authorized agent of the warehouseer;

(h) a statement of the amount of any advance made and of any liability incurred for which the warehouseer claims a lien.

(2) If a warehouseer omits from a negotiable receipt any of the particulars set out in subsection (1), the warehouseer is liable for damage caused by the omission.

(3) A receipt must not be considered not to be a warehouse receipt because of the omission of any of the particulars set out in subsection (1).

(4) A warehouseer may insert in a receipt issued by the warehouseer any other term or condition that

(a) is not contrary to any provision of this Act, and

(b) does not impair the warehouseer's obligation to exercise the care and diligence in regard to the goods as a careful and vigilant owner of similar goods would exercise in the custody of them in similar circumstances.

Negotiable receipts

3 Words in a negotiable receipt limiting its negotiability are void.

Duplicate receipts

4 (1) Only one receipt may be issued in respect of the same goods except in case of a lost or destroyed receipt, in which case the new receipt, if one is given, must bear the same date as the original and must be plainly marked on its face "duplicate".

(2) If a warehouseer fails to comply with subsection (1), the warehouseer is liable for all damage caused by the failure to any person who purchases the subsequent receipt for valuable consideration, believing it to be an original, even though the purchase is after the delivery of the goods by the warehouseer to the holder of the original receipt.

(3) A receipt on the face of which the word "duplicate" is plainly marked is a representation and warranty by the warehouse that it is an accurate copy of a receipt properly issued and uncanceled at the date of the issue of the duplicate.

Marking of nonnegotiable receipts

- 5 (1) A warehouse that issues a nonnegotiable receipt must cause it to be plainly marked on its face "nonnegotiable" or "not negotiable".
- (2) If a warehouse fails to comply with subsection (1), a holder of the receipt who purchases it for valuable consideration believing it to be negotiable may, at the holder's option, treat the receipt as vesting in the holder all rights attaching to a negotiable receipt and imposing on the warehouse the same liabilities the warehouse would have incurred had the receipt been negotiable and the warehouse is liable accordingly.

Duty to deliver

- 6 (1) In the absence of a lawful excuse, a warehouse must deliver the goods referred to in a negotiable receipt, to the bearer of the receipt on demand made by the bearer and on the bearer doing all of the following:
- (a) satisfying the warehouse lien;
 - (b) surrendering the receipt with endorsements necessary for the negotiation of the receipt;
 - (c) acknowledging in writing the delivery of the goods.
- (2) In the absence of a lawful excuse, a warehouse must deliver the goods referred to in a nonnegotiable receipt to the holder of the receipt on demand made by the holder and on the holder doing all of the following:
- (a) satisfying the warehouse lien;
 - (b) surrendering the receipt;
 - (c) acknowledging in writing the delivery of the goods.
- (3) If a warehouse refuses or fails to deliver the goods in compliance with this section, the burden is on the warehouse to establish the existence of a lawful excuse for the refusal or failure.

Delivery on presentation of negotiable receipt

- 7 If a person is in possession of a negotiable receipt that has been endorsed to the person or endorsed in blank, or by the terms of which the goods are deliverable to the person or the person's order or to bearer, the warehouse is justified in delivering the goods to that person if delivery is made in good faith and without notice of any defect in the title of that person.

Cancelling negotiable receipts on delivery of goods

- 8 (1) Except as provided in section 18, if a warehouse
- (a) delivers goods for which the warehouse has issued a negotiable receipt, and
 - (b) fails to take up and cancel the receipt,
- the warehouse is liable for failure to deliver the goods to anyone who purchases the receipt in good faith and for valuable consideration, whether he or she acquired title to the receipt before or after delivery of the goods by the warehouse.
- (2) Except as provided in section 18, if a warehouse
- (a) delivers part of the goods for which the warehouse has issued a negotiable receipt and
 - (b) fails either
 - (i) to take up and cancel the receipt, or
 - (ii) to place plainly on it a statement of what goods or packages have been delivered,
- the warehouse is liable, for failure to deliver all the goods specified in the receipt, to anyone who purchases the receipt in good faith and for valuable consideration, whether the purchaser acquired title to the receipt before or after the delivery of any portion of the goods.

Lost or destroyed receipts

- 9 (1) If a negotiable receipt has been lost or destroyed, the person lawfully entitled to the goods may apply to the Supreme Court for an order under this section after giving notice to the warehouse.
- (2) On an application, the court may order the delivery of the goods
- (a) on satisfactory proof of the loss or destruction of the receipt, and

(b) on the giving of a bond with sufficient sureties to be approved in accordance with the practice of the court to indemnify the warehouser against any liability, cost or expense the warehouser may be under or be put to because the original receipt remains outstanding.

(3) The warehouser is entitled to the warehouser's costs of an application.

Reasonable time to determine validity of claims

10 If a warehouser has information that a person other than the holder of a receipt claims to be the owner of or entitled to the goods the warehouser may refuse to deliver the goods until the warehouser has had a reasonable time, not longer than 10 days, to determine the validity of the adverse claim or to commence interpleader proceedings.

Conclusiveness of negotiable receipt

11 (1) In the hands of a holder who has purchased it for valuable consideration, a negotiable receipt is conclusive evidence of the receipt by the warehouser of the goods described in it as against the warehouser and any person signing it on the warehouser's behalf.

(2) Subsection (1) applies, even though the goods or some part of them may not have been received, unless the holder of the negotiable receipt has actual notice at the time of receiving it that the goods had not in fact been received.

Description of goods in receipt

12 If goods are described in a receipt merely by a statement

(a) of certain marks or labels on the goods or on the packages containing them,

(b) that the goods are said by the depositor to be goods of a certain kind, or

(c) that the packages containing the goods are said by the depositor to contain goods of a certain kind,

or by a statement of import similar to that of paragraph (a), (b) or (c), the statement does not impose any liability on the warehouser in respect of the nature, kind or quality of the goods, but is a representation by the warehouser either that the marks or labels were in fact on the goods or packages or that the goods were in fact described by the depositor as stated or that the packages containing the goods were in fact described by the depositor as containing goods of a certain kind.

Liability for care of goods

13 A warehouser is liable for loss of or injury to goods caused by the warehouser's failure to exercise the care and diligence in regard to them as a careful and vigilant owner of similar goods would exercise in the custody of them in similar circumstances.

Commingled goods

14 (1) If authorized by agreement or by custom, a warehouser may mingle fungible goods with other goods of the same kind and grade.

(2) If goods are mingled in the manner described in subsection (1), the holders of the receipts for the mingled goods own the entire mass in common, and each holder is entitled to the proportion of them that the quantity shown by each holder's receipt to have been deposited bears to the whole.

Attachment or levy on goods where negotiable receipt issued

15 If goods are delivered to a warehouser by the owner or person whose act in conveying the title to them to a purchaser in good faith for value would bind the owner, and a negotiable receipt is issued for them, they cannot after that while in the possession of the warehouser be levied under an execution, unless the receipt is first surrendered to the warehouser.

Negotiable receipt to state charges for which lien claimed

16 If a negotiable receipt is issued for goods, the warehouser has no lien on the goods except for charges for storage of those goods after the date of the receipt, unless the receipt expressly enumerates other charges for which a lien is claimed.

Perishable and hazardous goods

- 17** (1) If goods are of a perishable nature, or by keeping will deteriorate greatly in value or injure other property, the warehouse may give the notice that is reasonable and possible under the circumstances to the holder of the receipt for the goods, if the name and address of the holder is known to the warehouse or if not known to the warehouse then to the depositor, requiring that person to satisfy the lien on the goods and to remove them from the warehouse.
- (2) If the person given notice under subsection (1) fails to satisfy the lien and remove the goods within the time specified in the notice, the warehouse may sell the goods at public or private sale without advertising.
- (3) The notice referred to in subsection (1) may be given by sending it by registered letter addressed to the person to whom it is to be given at the person's last known address and the notice is deemed to be given on the day following the mailing.
- (4) If the warehouse after a reasonable effort is unable to sell the goods, the warehouse may dispose of them in any manner the warehouse may think fit, and incurs no liability by that reason.
- (5) From the proceeds of any sale made under this section, the warehouse must satisfy the lien and must hold the balance in trust for the holder of the receipt.

Effect of sale

- 18** If goods have been lawfully sold to satisfy a warehouse lien, or have been lawfully sold or disposed of under section 17, the warehouse is not liable for failure to deliver the goods to the holder of the receipt.

Negotiation of negotiable receipts by delivery and by endorsement

- 19** (1) A negotiable receipt may be negotiated by delivery in either of the following cases:
- (a) if, by the terms of the receipt, the warehouse undertakes to deliver the goods to the bearer;
 - (b) if, by the terms of the receipt, the warehouse undertakes to deliver the goods to the order of a named person, and that person or a subsequent endorsee has endorsed it in blank or to bearer.
- (2) A negotiable receipt may be negotiated by the bearer endorsing it to a named person if
- (a) by the terms of a negotiable receipt, the goods are deliverable to bearer, or
 - (b) a negotiable receipt has been endorsed in blank or to bearer.
- (3) If a negotiable receipt is endorsed under subsection (2), after that the receipt must be negotiated by the endorsement of the endorsee or a subsequent endorsee, or by delivery if it is again endorsed in blank or to bearer.
- (4) If, by the terms of a negotiable receipt, the goods are deliverable to the order of a named person, the receipt may be negotiated by the endorsement of that person.
- (5) An endorsement under subsection (4) may be in blank, to bearer or to a named person, and if the endorsement is to a named person the receipt may be again negotiated by endorsement in blank, to bearer or to another named person, and subsequent negotiation may be made in similar manner.

Transfer receipts

- 20** A nonnegotiable receipt may be transferred by the holder by delivery to a purchaser or donee of the goods of a transfer in writing executed by the holder.

Rights of person to whom receipt has been transferred

- 21** (1) A person to whom a nonnegotiable receipt is transferred acquires, as against the transferor,
- (a) the title to the goods, and
 - (b) the right to deposit with the warehouse the transfer or a duplicate of it.
- (2) On deposit under subsection (1) (b), the transferee acquires the benefit of the obligation of the warehouse to hold possession of the goods for the transferee according to the terms of the receipt.
- (3) Before deposit under subsection (1) (b), the title of the transferee to the goods and the right to acquire the benefit of the obligation of the warehouse may be defeated by the deposit with the warehouse by another person of another transfer from the transferor.

Rights in negotiated receipt

- 22** A person to whom a negotiable receipt is negotiated acquires all of the following:

(a) the title to the goods the person negotiating the receipt to the person had or had ability to transfer to a purchaser in good faith for valuable consideration;

(b) the title to the goods the depositor or person to whose order the goods were to be delivered by the terms of the receipt had or had ability to transfer to a purchaser in good faith for valuable consideration;

(c) the benefit of the obligation of the warehouse to hold possession of the goods for the person according to the terms of the receipt as fully as if the warehouse had contracted directly with the person.

Transfer of negotiable receipt without endorsement

23 If a negotiable receipt is transferred for valuable consideration by delivery, and the endorsement of the transferor is essential for negotiation, the transferee acquires a right against the transferor to compel the transferor to endorse the receipt, unless a contrary intention appears, and the negotiation takes effect as of the time when the endorsement is made.

Warranties on sale of receipt

24 A person who for valuable consideration negotiates or transfers a receipt by endorsement or delivery, including one who assigns for valuable consideration a claim secured by a receipt, unless a contrary intention appears, warrants all of the following:

(a) that the receipt is genuine;

(b) that the person has a legal right to negotiate or transfer it;

(c) that the person has no knowledge of any fact that would impair the validity of the receipt;

(d) that the person has a right to transfer the title to the goods, and that the goods are merchantable or fit for a particular purpose when those warranties would have been implied, if the contract of the parties had been to transfer without a receipt the goods represented by it.

Endorser not guarantor

25 The endorsement of a receipt does not make the endorser liable for any failure on the part of the warehouse or previous endorsers of the receipt to fulfil their respective obligations.

When negotiation not impaired by fraud, mistake or duress

26 The validity of the negotiation of a receipt is not impaired by the fact that

(a) the negotiation was a breach of duty on the part of the person making the negotiation, or

(b) the owner of the receipt was induced by fraud, mistake or duress to entrust the possession or custody of the receipt to that person, if the person to whom the receipt was negotiated, or a person to whom the receipt was subsequently negotiated, paid value for it without notice of the breach of duty, or fraud, mistake or duress.

Subsequent negotiation

27 If a person having sold, mortgaged or pledged goods that are in a warehouse and for which a negotiable receipt has been issued, or having sold, mortgaged or pledged a negotiable receipt representing goods, continues in possession of the negotiable receipt, the subsequent negotiation of it by that person under any sale or other disposition of it to any person receiving the receipt in good faith, for valuable consideration and without notice of the previous sale, mortgage or pledge, has the same effect as if a previous purchaser of the goods or receipt had expressly authorized the subsequent negotiation.

Negotiation defeats seller's lien

28 If a negotiable receipt has been issued for goods, no seller's lien or right of stoppage in transit defeats the rights of a purchaser for value in good faith to whom the receipt has been negotiated, whether the negotiation is before or after the notification to the warehouse who issued the receipt of the seller's claim to a lien or right of stoppage in transit, and the warehouse must not deliver the goods to an unpaid seller unless the receipt is first surrendered for cancellation.

Construction for uniformity of law

29 This Act must be interpreted and construed to effect its general purpose of making uniform the law of those provinces that enact it.

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