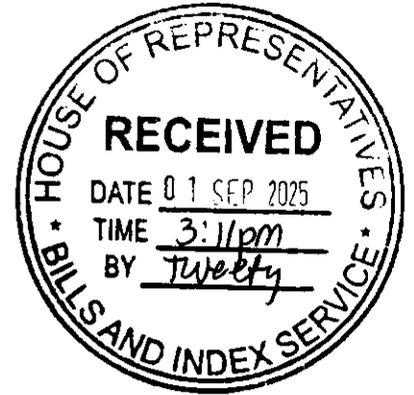


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 4234



Introduced by **Representative RAYMOND ADRIAN SALCEDA**

**AN ACT
PROVIDING FOR THE REVISED WAREHOUSE RECEIPTS LAW OF THE
PHILIPPINES TO STRENGTHEN FOOD SECURITY AND AGRICULTURAL
FINANCING, REPEALING ACT NO. 2137 AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Food security requires not only higher levels of agricultural production, but also stronger post-harvest systems and affordable financing for farmers, fisherfolk, and agribusinesses. One of the major constraints faced by the agriculture sector is the lack of effective mechanisms to store produce, preserve its value, and use it as collateral for credit. When farmers are forced to sell immediately after harvest at low prices, they lose bargaining power, liquidity, and the ability to reinvest in future production.

Warehouse receipts address this gap. By allowing stored produce to be documented and converted into negotiable instruments, warehouse receipts enable farmers to access financing without distress selling. They stabilize supply, improve the timing of market entry, and reduce post-harvest losses—critical elements in strengthening national food security.

The existing Warehouse Receipts Act (Act No. 2137), enacted in 1912, is outdated and no longer adequate. It does not provide for a modern electronic registry, has weak accreditation standards for warehouse operators, and does not integrate warehouse receipts into the broader financial system. As a result, warehouse receipts remain underutilized as a tool for rural credit and food system stability.

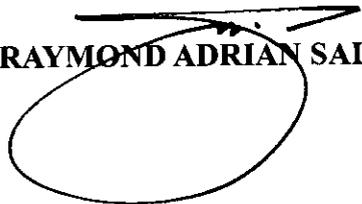
This bill seeks to modernize the law by:

1. Establishing a secure, centralized electronic Warehouse Receipts Registry under the Securities and Exchange Commission, integrated with local sub-registries in accredited warehouses.

2. Mandating accreditation, bonding, and insurance of warehouse operators, consistent with global best practices in warehousing and agricultural finance.
3. Recognizing warehouse receipts as negotiable collateral under Republic Act No. 11057, the Personal Property Security Act.
4. Integrating warehouse receipt-backed instruments into the mandatory agricultural financing framework of Republic Act No. 11901, thereby aligning the system with national credit allocation policies.
5. Imposing clear penalties for fraudulent issuance, misdelivery, or tampering with warehouse receipts, to ensure confidence in the system.

By modernizing the warehouse receipts system, this measure provides farmers and agribusinesses with a reliable financing tool, reduces waste, ensures fairer farmgate prices, and promotes more stable markets. In doing so, it strengthens the foundations of food security, rural development, and inclusive growth.

In view of the foregoing, the passage of this bill is earnestly sought.


RAYMOND ADRIAN SALCEDA

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

CHAPTER I
GENERAL PROVISIONS

SECTION 1. *Short Title.* This Act shall be known as the “Revised Warehouse Receipts Law of the Philippines.”

SEC. 2. *Declaration of Policy.* It is the policy of the State to promote access to credit by establishing a transparent, unified, and modern warehouse receipts system; to encourage banks and financial institutions to extend credit secured by warehouse receipts, consistent with Republic Act No. 11901; to protect the rights of depositors, farmers, traders, and financial institutions; and to align Philippine warehouse practices with global standards to enhance trade, investment, and agricultural competitiveness.

SEC. 3. *Definition of Terms.* For purposes of this Act:

- (a) Electronic Warehouse Receipt refers to a warehouse receipt in electronic or digital form.
- (b) Warehouse Operator refers to a person lawfully engaged in the business of storing goods intended to be used for trading or financing and duly accredited under this Act.
- (c) Registry refers to the centralized electronic warehouse receipts registry established under this Act.
- (d) Goods refer to agricultural or industrial products stored in warehouses for trading or financing.

- (e) Negotiable Receipt refers to a receipt in which it is stated that the goods received will be delivered to the bearer or to the order of any person named therein.
- (f) Non-Negotiable Receipt refers to a receipt in which it is stated that the goods received will be delivered to the depositor or to another specified person.
- (g) Collateralization refers to the use of warehouse receipts as security for loans under Republic Act No. 11057, the Personal Property Security Act.

CHAPTER II ELECTRONIC WAREHOUSE RECEIPTS REGISTRY

SEC. 4. *Establishment of Registry.* The Securities and Exchange Commission shall establish and maintain a centralized, electronic Warehouse Receipts Registry, accessible nationwide. The Registry shall be the official record of warehouse receipts, and all rights and transfers shall be effective only upon registration therein.

SEC. 5. *Interoperability.* The Registry shall be designed to interconnect with registries maintained by the Land Registration Authority, the Bangko Sentral ng Pilipinas, the Department of Agriculture, and other relevant agencies to ensure consistency, transparency, and efficiency.

SEC. 6. *Sub-Registries.* Accredited warehouses shall maintain sub-registries integrated with the central system. Entries in sub-registries shall have no legal effect unless mirrored in the central Registry.

SEC. 7. *Collateralization.* All warehouse receipts may be used as collateral for secured transactions under Republic Act No. 11057.

SEC. 8. *AFRD Financing Eligibility.* The Bangko Sentral ng Pilipinas may classify instruments backed by registered warehouse receipts as eligible compliance assets for purposes of Republic Act No. 11901.

CHAPTER III ACCREDITATION OF WAREHOUSE OPERATORS

SEC. 9. *Accreditation.* No person shall operate as a warehouse operator for purposes of issuing negotiable or electronic warehouse receipts without accreditation from the Securities and Exchange Commission.

SEC. 10. *Requirements.* Accreditation shall require:

- (a) Adequate capitalization and financial soundness.
- (b) Posting of a bond sufficient to cover liabilities to depositors and holders of receipts.
- (c) Insurance coverage consistent with international best practices.
- (d) Compliance with technical and safety standards as prescribed by the Commission.

SEC. 11. *Monitoring and Sanctions.* The Securities and Exchange Commission shall monitor accredited warehouses and may suspend or revoke accreditation for fraud, insolvency, or violation of this Act.

CHAPTER IV OBLIGATIONS, RIGHTS, AND LIABILITIES

SEC. 12. *Obligations of Warehouse Operators.* Warehouse operators shall deliver goods upon demand of lawful holders of receipts, subject to liens; cancel or mark receipts upon full or partial delivery of goods; exercise the care of a reasonably prudent owner; and keep fungible goods properly segregated unless expressly authorized for commingling.

SEC. 13. *Rights of Holders.* Holders of negotiable receipts acquire title and rights enforceable against warehouse operators and third parties in good faith.

SEC. 14. *Liability.* Warehouse operators shall be liable for fraudulent issuance, misdelivery, or alteration of receipts, without prejudice to civil or criminal actions under this Act.

CHAPTER V PENAL PROVISIONS

SEC. 15. *Fraudulent Issuance.* Any person who issues a receipt without actual goods in storage shall be punished by imprisonment of up to ten years and a fine equivalent to triple the value of the goods involved.

SEC. 16. *Fraudulent Duplication or Alteration.* The creation of fraudulent duplicate receipts or alteration of registered receipts shall be subject to the same penalties.

SEC. 17. *Misdelivery and Unauthorized Release.* Misdelivery or release of goods without cancellation of receipts shall likewise be punishable under this Act.

CHAPTER VI FINAL PROVISIONS

SEC. 18. *Appropriations.* The amount necessary to implement this Act shall be charged against the current appropriations of the Securities and Exchange Commission. Thereafter, such sums as may be necessary shall be included in the annual General Appropriations Act.

SEC. 19. *Implementing Rules and Regulations.* Within ninety days from effectivity, the Securities and Exchange Commission, in coordination with the Department of Agriculture, Department of Finance, and the Bangko Sentral ng Pilipinas, shall issue the rules and regulations necessary to implement this Act.

SEC. 20. *Repealing Clause.* Act No. 2137, otherwise known as the Warehouse Receipts Law, and all other inconsistent laws and issuances are hereby repealed or modified accordingly.

SEC. 21. *Separability Clause.* If any provision of this Act is declared unconstitutional, the remaining provisions shall continue in full force and effect.

SEC. 22. *Effectivity.* This Act shall take effect fifteen days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,