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ELECTRONIC WAREHOUSE RECEIPTS
(presented by Dr. David P. Stewart)

The subject of a proposed model law on electronic warehouse receipts relating to the transportation of agricultural products was first raised in the Inter-American Juridical Committee at its 81st Session in Rio de Janeiro in August 2012. For the Committee's 82nd regular session in March 2013, the rapporteur for this topic, Dr. David P. Stewart, presented a preliminary discussion in document CJI/doc.427/13, dated January 31, 2013, entitled "Electronic warehouse receipts for agricultural products."

At its 83rd regular session (held in Rio de Janeiro, Brazil, August 2013), the Committee considered a first draft of a document titled "Proposed Principles for Establishing an Electronic Warehouse Receipts System" (CJI/doc.437/13). Committee members were invited to convey their proposals and suggestions by December 2013, with a preliminary view to considering a further draft in March 2014.

As members of the Committee are aware, efforts to establish new electronic warehouse receipts systems have recently been undertaken in a number of countries around the world, including among others Uganda, Nigeria, India, Serbia and Ethiopia. These undertakings have primarily concerned agricultural products, especially grains, although in some cases (such as within the United States) they have extended into other areas, including cotton and uranium.

In the view of the rapporteur, a model law for our Hemisphere should focus, at least at the outset, on agricultural products. It should cover both electronic and paper receipts and it should be consistent with the OAS Model Law on Secured Transactions, aiming at establishing the necessary provisions to make electronic warehouse receipts "negotiable." It should also take into account the work done by UNIDROIT and UNCITRAL as well as the latest developments at the national level, particularly by Member States of the Organization. Finally, it should emphasize the need for government supervision of the whole process, since without supervision and guarantees, the system will not function properly.

Over the past several months, the rapporteur has been privileged to have some involvement with the research and drafting efforts undertaken by several members of the Organization's Department of International Law, including Jeannette Tramhel, Eugenio Briales and Christian Perone, as they have worked to prepare an extensive background paper analyzing the legal issues related to a model law in this area. In the course of these endeavors, information has been sought from OAS Member States, and information about relevant national laws has been received from Venezuela, Chile, Argentina, Costa Rica, Mexico, Brazil, Paraguay and Panama.

Contact has also been made with the legal offices of the UN Food and Agriculture Organization. In addition, the group has considered the efforts of UNCITRAL's Working

Group IV on Electronic Transferable Records (ETR), which have some relation to the current project (see UN doc. A/CN.9/WG.IV/WP.118, August 17, 2012).

This work will necessarily continue for some months ahead. In particular, more information is required about the relevant law within OAS Member States, about how the proposed principles would interact with the OAS Model Law on Secured Transactions, and about how other organizations and agencies involved in economic development work in the Hemisphere. On the basis of the research efforts and outreach undertaken so far, a *preliminary draft* of possible Principles for Electronic Warehouse Receipts for Agricultural Products has been prepared by the Department of International Law, in addition to a draft background paper. Additional consultations are needed with respect to this document. The expectation is that a revised version of the draft model law may be circulated for consideration by members of the Committee in August 2014.