

# Negotiable Documents under UNCITRAL Instruments



## Paper Based and Electronic

# List of Relevant Instruments



**UNCITRAL Model Law on Secured Transactions**

**Draft UNCITRAL Model Law on ETRs**

**The Rotterdam Rules**

**UNCITRAL Model Law on Electronic Commerce**

# Negotiable Document

- Includes bills of lading and warehouse receipts (see the term in LG on Secured Transactions)

**CARTER'S BONDED WAREHOUSE**  
PLAINS, GEORGIA  
JAMES E. CARTER, JR. AND MRS. LILLIAN G. CARTER, COPARTNERS TRADING AS  
CARTER'S WAREHOUSE, PROPRIETOR  
NOT INCORPORATED

LICENSE NUMBER  
2-2315

RECEIPT AND TAG  
No. 336

**LICENSED AND BONDED UNDER THE UNITED STATES WAREHOUSE ACT**  
**ORIGINAL AND NEGOTIABLE**  
**WAREHOUSE RECEIPT**  
FOR ONE BALE OF COTTON

RECEIVED FROM *AC M=Acc*

U.S. WAREHOUSE ACT  
NOV 9 1967  
VOIDED

WEIGHT 445  
NO. 3887

ISSUED AT PLAINS, GEORGIA ON 9-3-1963

BY *James E. Carter, Jr.*

Weight determined by a weigher licensed under the U. S. Warehouse Act.

1919 AmericanMemorabilia.com

**BILL OF LADING**  
Special attention is called to the Rules and Conditions on the Face and Back of this Bill of Lading.  
**SEABOARD**  
AIR LINE RAILWAY

Form F. T. D. 301

Received by the SEABOARD AIR LINE RAILWAY, at *Highland Mills Station* Oct 23 1963

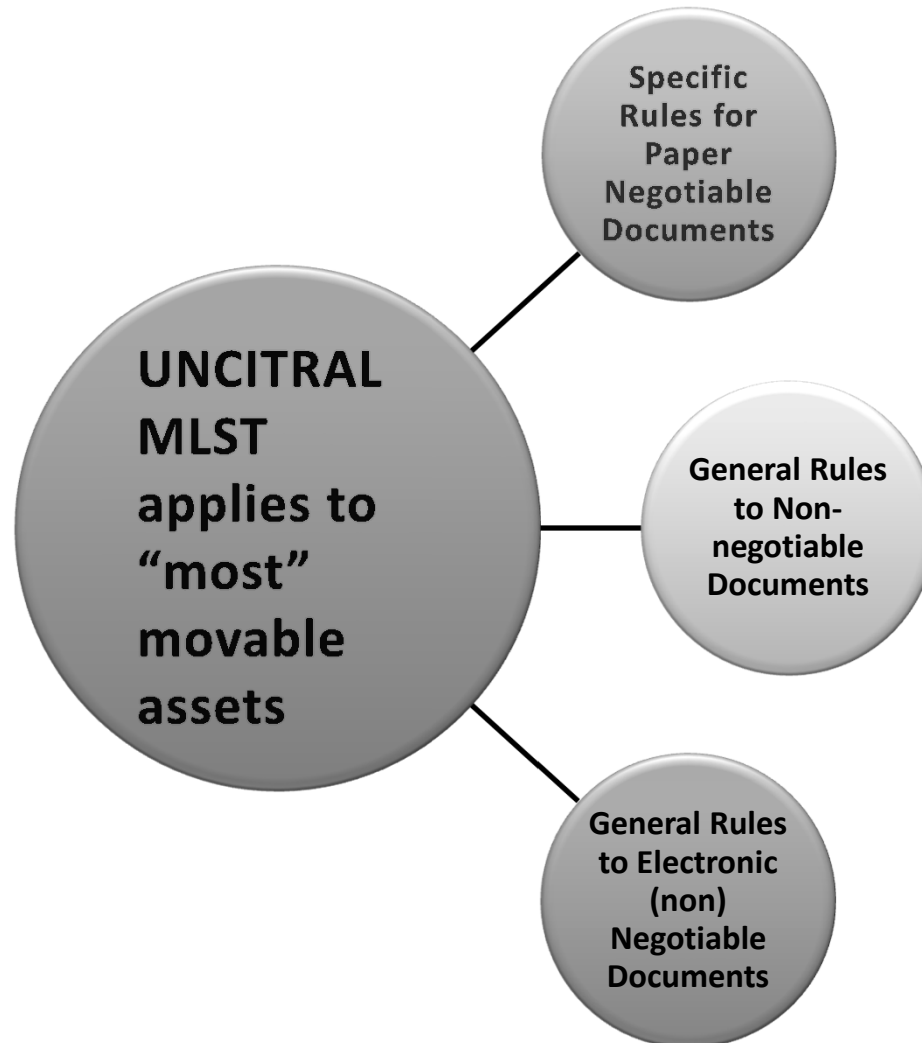
From *Wm Carter mill co*

MARKS AND NUMBERS:	ARTICLES	WEIGHT (Subject to correction.)
<i>26 Ball same co</i>	<i>2 Balus yarn</i>	
	<i># 1637 - 20/2</i>	<i>500</i>
	<i>1640 - 25/2</i>	<i>500</i>
DESTINATION: <i>ny</i>		
NET WEIGHT:		<i>1000</i>

ACCEPTANCE CLAUSE: *[Signature]*

THE BLANK SPACES BELOW MUST NOT BE FILLED UP BY THE SHIPPER.

# UNCITRAL ML on Secured Transactions



# Special Rules

- **Article 16 – creation**
- **Article 26 – third-party effectiveness**
  - Registration
  - Possession
  - Temporary
- **Article 49 – priority**
- **Article 70 – rights against the issuer**
- **Articles 85, 96 and 98 conflicts rules**



# Depends on Other Law

- Is warehouse receipt a negotiable document or a non-negotiable document of title?
- Priority of a transferee under Article 49(3)

*“In most States, the law governing negotiable documents is well developed and contains clear rules...”*

**(Legislative Guide at 270)**

# Electronic WRs

- See footnote 25 in the Legislative Guide:  
*The Guide contemplates that an enacting State that wishes to address this matter could do so...*



- Need for special third-party effectiveness and priority rules

# Draft Model Laws on ETRs

- ETRs exclude certain assets such as securities
- Technology neutral, including distributed ledger (blockchain)
- *ML may not be used to create ETRs that do not have paper equivalents*



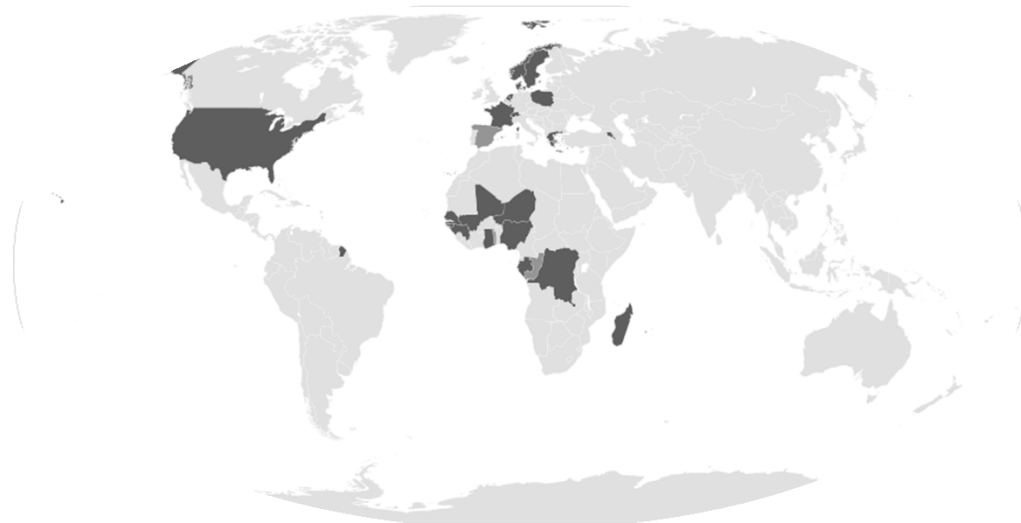
# ETRs and Security Rights

- **Model Law does not contain provisions on the use of ETRs as collateral**
- **“Control” to transfer rights in ETR (Article 10)**
- **Control is not defined – equivalent to possession**
- **Article 16 on endorsement of ETRs**

# Rotterdam Rules



- **Electronic transport records**
- **Control and transfer of rights**



# Model Law on E-Commerce

- **Part II (Chapter 1) Carriage of Goods**
- **Covers negotiable and non-negotiable transport documents (electronic)**



# **Application of UNCITRAL Instruments**



- **Coverage of warehouse receipts is not comprehensive**
- **Treatment of security rights in non-negotiable WRs and EWRs through general rules only**
- **Dependence on local law of negotiable documents**

**THANK  
YOU!**

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