

## **AN ACT TO REGULATE THE BUSINESS OF RECEIVING RICE FOR STORAGE, GIVING THE DIRECTOR OF COMMERCE AND INDUSTRY THE DUTY TO ENFORCE IT, PROVIDING PENALTIES FOR VIOLATIONS OF ITS PRO...**

*Act No. 3893, November 16, 1931*

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. This Act shall be known by the short title of "Bonded Warehouse Act."

SEC. 2. As used in this Act, the term "warehouse" shall be deemed to mean every building, structure, or other protected inclosure in which rice is kept for storage. The term "rice" shall be deemed to mean either palay, in bundles or in grains, or cleaned rice, or both. "Person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person engaged in the business of receiving rice for storage; and "receipt" means any receipt issued by a warehouseman for rice delivered to him. For the purpose of this Act, the business of receiving rice for storage shall include (1) any contract or transaction wherein the warehouseman is obligated to return the very same rice delivered to him or to pay its value; (2) any contract or transaction wherein the rice delivered is to be milled for and on account of the owner thereof; (3) any contract or transaction wherein the rice delivered is commingled with rice delivered by or belonging to other persons, and the warehouseman is obligated to return rice of the same kind or to pay its value.

SEC. 3. No person shall engage in the business of receiving rice for storage without first securing a license therefor from the Director of the Bureau of Commerce and Industry. Said license shall be annual and shall expire on the thirty-first day of December.

SEC. 4. Any Person applying for a license to engage in the business of receiving rice for storage shall set forth in the application the place or places where the business and the warehouse are to be established or located and the maximum quantity of rice to be received. The application shall be accompanied by a cash bond or bond secured by real estate or signed by a duly authorized bonding company, the amount of which shall be fixed by the Director of the Bureau of Commerce and Industry at not less than thirty-three and one-third per cent of the market value of the maximum quantity of rice to be received. Said bond shall be so conditioned as to respond for the market value of the rice actually delivered and received at any time the warehouseman is unable to return the rice or to pay its value. The bond shall be approved by the Director of the Bureau of Commerce and Industry before a license shall issue, and it shall be the duty of said Director, before issuing a license under this Act, to satisfy himself concerning the sufficiency of such bond, and to determine whether the warehouse for which such license is applied for is suitable for the proper storage of rice.

SEC. 5. Whenever the Director of the Bureau of Commerce and Industry shall determine that a bond approved by him, is, or for any cause, has become insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of the preceding section, and unless the same be

given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.

SEC. 6. Every person licensed, under this Act, to engage in the business of receiving rice for storage shall insure the rice so received and stored against fire.

SEC. 7. Any person injured by the breach of any obligation to secure which a bond is given, under the provision of this Act, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach, and contained herein shall exempt any property or assets of any warehouseman licensed under this Act, not exempted by law from attachment and execution, from being sued on, in case the bond given is not sufficient to respond for the full market value of the rice received by such warehouseman.

SEC. 8. Every warehouseman licensed under this Act shall receive for storage, so far as his license and the capacity of his warehouse permit, any rice, of the kind customarily stored therein by him, which may be tendered to him in a suitable condition for warehousing, in the usual manner and in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

SEC. 9. Every warehouseman licensed under this Act shall keep a complete record of all the rice received by him, of the receipts issued therefor, of the withdrawals, of the liquidation, and of all receipts returned to and cancelled by him. He shall make reports to the Director of the Bureau of Commerce and Industry concerning his warehouse and the condition, contents, operation, and business thereof in such form and at such times as the said Director may require, and shall conduct said warehouse in all other respects in compliance with this Act and the rules and regulations made in accordance therewith.

SEC. 10. The Director of the Bureau of Commerce and Industry shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this Act.

SEC. 11. Any person engaging in the business of receiving rice for storage in violation of section three of this Act shall be deemed guilty of misdemeanor, and upon conviction thereof shall be punished by imprisonment of not less than one month, or by fine of not more than five thousand pesos, or both, in the discretion of the court.

SEC. 12. Any warehouseman, licensed under this Act, receiving a quantity of rice greater than that specified in his application and license, shall, upon conviction, be fined double the market value of the rice so received in excess of the quantity of rice he is authorized to receive.

SEC. 13. Any person entering into connivance or combination with any warehouseman that is not licensed under this Act, with the purpose of evading the provisions of section three of this Act, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than two hundred pesos or imprisoned for not more than one month, or both, in the discretion of the court.

SEC. 14. Director of the Bureau of Commerce and Industry, may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this Act, for any violation of, or failure to comply with any provision of this Act or of the rules and regulations made by virtue thereof.

SEC. 15. This Act shall not be applicable to cooperative marketing associations of rice producers organized under Act Numbered Three thousand four hundred and twenty-five, known as the "Cooperative Marketing Law," provided such associations shall not receive, for storage, rice from non-members which is greater in quantity than one-half of the total quantity of rice received from members, at any time.

SEC. 16. Act Numbered Three thousand four hundred and sixty-nine known as "Bonded Rice Warehouse Act," is hereby repealed.

SEC. 17. If any clause, sentence, paragraphs, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

SEC. 18. This Act shall take effect on January first, nineteen hundred and thirty-two.

Approved, November 16, 1931.

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