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Chapter 18

Warehouse Receipts

Eligibility For Delivery

1800.00 Requirements. Warehouse receipts shall be eligible for delivery in satisfaction of futures contracts only if the warehouse receipts comply with the following requirements:

- a. Are freely negotiable;
- b. Have been issued by a regular warehouse or elevator;
- c. Designate the warehouse or elevator in which the grain is stored; and
- d. Have been registered by the Registrar of the Board of Trade of Kansas City, Missouri, Inc.

Registration

1805.00 Registration. The owner or holder of a warehouse receipt desiring to have such receipt registered for delivery in satisfaction of a futures contract shall present such receipt to the Registrar.

1805.01 Time. Registration must be effected by the owner or holder of warehouse receipt during the business day in which such person or entity files notice of intention of delivery with the Clearing Corporation or during the next following business day.

1805.02 Limitation. Receipts registered as provided in Rule 1805.01 shall not represent a total quantity in excess of the quantity stated in such notice of intention.

1806.00 Duties Of Registrar On Presentation. The Registrar shall register the warehouse receipts if the warehouse or elevator on which the receipt is issued is currently regular. The warehouse receipt shall be stamped by the Registrar with the official stamp of the Registrar of the Board of Trade of Kansas City, Missouri, Inc., and shall be recorded in the proper books in the Registrar's Office.

Cancellation

1810.00 Cancellation On Load-Out. Registration or registered receipts must be cancelled upon the loading out of the grain represented thereby.

1810.01 Cancellation Procedure. Immediately following such loading out, the operator of the warehouse or elevator shall deliver such receipt to the Registrar for cancellation. The Registrar is directed to hold such receipt until receipt of a certified report from the taker of the grain accepting the grain as delivered. Upon receipt of such report, the Registrar shall plainly stamp across the face of such receipt the word "Cancelled", together with the name of the person canceling the same, shall cancel such registration on the Registrar's books, and the registration of said warehouse receipt shall thereafter be void.

1811.00 Cancellation On Proof Of Purchase. Registration of registered receipts may be cancelled upon proof of purchase by the issuing warehouse or elevator by presentation of such receipts to the Registrar.

1811.01 Cancellation Procedure. The Registrar shall cancel same in the manner provided in Rule 1810.01.

Resolutions

RES 18-1800.00-1 Warehouse Receipts; Requirements

Moisture Requirements

RESOLVED, that warehouse receipts delivered in satisfaction of futures contracts to the Clearing Corporation and registered with the Board of Trade, must indicate thereon, if wheat, maximum of 13.5% moisture (August 10, 1977).

RES 18-1800.00-2 Warehouse Receipts; Requirements

Insect Damaged Kernels (“IDK”) Restriction

RESOLVED, that warehouse receipts delivered in satisfaction of futures contracts to the Clearing Corporation and registered with the Board of Trade must indicate thereon, for wheat, a maximum of 10 IDK (indicating no more than 10 insect damaged kernels per 100 grams). As of the effective date of this rule, any warehouse receipts previously issued and outstanding (that do not indicate thereon a maximum of 10 IDK) shall be subject to the 10 IDK restriction of this rule.

RES 18-1800.00-3 Warehouse Receipts; Requirements

Reissue Fee – Upgrade #3 HRW to #2 HRW

RESOLVED, that from one business day prior to the first intention day of the July 2008 wheat futures contract month (June 26, 2008) to three business days following the first intention day (July 3, 2008), #3 HRW wheat warehouse receipts issued and registered with the exchange prior to such time may be presented to the issuing warehouse by the holder and replacement receipts requested reflecting a grade of #2 HRW wheat. The issuing warehouse must comply with such request and may charge the receipt holder a maximum of \$.05 per bushel to issue such replacement receipts.

Procedural Guidelines

PROC GUIDE 18 -1810.01-1 Cancellation Of Warehouse Receipts On Load-Out

Rule 1810.01 contemplates the records necessary in connection with the loading out of a delivery. The Registrar must receive from the loading elevator a "load-out" sheet showing the party for whom the load-out was made and the receipts covered thereby, and the load-out elevator shall deliver registered receipts to the Registrar for cancellation. The rule also requires that the "taker" of such grain furnish the Registrar a certified acceptance of the grain as delivered which shows that the delivery has been satisfactorily completed and the warehouse receipts previously registered must be cancelled. Therefore, satisfaction of delivery of a futures contract on the Kansas City Board of Trade is evidenced by a load-out report by the delivering elevator accompanied by the warehouse receipts applicable thereto and an acknowledgment of accepted delivery by the taker (September 8, 1967).

PROC GUIDE 18-1811.00-1 Cancellation Of Warehouse Receipts On Proof Of Purchase

Should warehouse receipts originally registered for delivery purposes be repurchased by the issuing elevator, the Registrar must be furnished with proof of such purchase accompanied by the registered warehouse receipts whereupon the Registrar will cancel them from the records (September 8, 1967).