



中國銀行

BANK OF CHINA MANILA BRANCH

Reference Number \_\_\_\_\_

Date \_\_\_\_\_

**TRUST RECEIPT**

This TRUST RECEIPT is made and executed by and between BANK OF CHINA (MANILA), a banking corporation organized and existing under the laws of the Philippines, hereinafter referred to as the **Entruster**, and \_\_\_\_\_ and its successor/s in interest, hereinafter to as **Entrustee** (regardless of number).

1. The Entrustee hereby acknowledges having received from the Entruster, upon the trust hereinafter mentioned and subject to the provisions of laws and decrees now enforced or which may hereafter be enforced, particularly Presidential Decree No. 115 (1973) as may be amended from time to time, the actual and/or constructive possession of the following described goods, documents, or instruments (the "**Goods**"), the title to which is retained by and continues to reside in the Entruster.

Entrustee:	<i>INVOICE VALUE/DRAFT(S) PAYABLE</i>			
	Foreign Currency		Converted At:	PHP
Shipper/Exporter/Seller:	L/C No.	IB No.	Released On:	Expiry:
				Extended until:
Business Address:	INSTRUMENTS:			
Carrier:	DOCUMENTS:			
Shipment:	1 <sup>st</sup> /2 <sup>nd</sup> /3 <sup>rd</sup> Original Bill of Lading No. _____			
	Original & _____ copies Commercial Inv. No. _____			
	Original & _____ copies Packing List			
	Others:			
	_____			
	_____			

In consideration thereof, Entrustee hereby agrees to hold the Goods in trust for the said Entruster, as its exclusive property, with liberty to (i) sell the Goods or procure their sale for cash only, (ii) to manufacture or process the Goods with the purpose of ultimate sale, (iii) load, unload, ship, transship, or otherwise deal with them in a manner preliminary or necessary to their sale for the account of the Entruster, but without authority to make disposition whatever of the said Goods or any part thereof (or the proceeds thereof) either by way of conditional sale, pledge, or otherwise.

2. In case of sale, the Entrustee agrees to deliver to the Entruster the proceeds of the sale as soon as he receives them, but in no case later than the Expiry date as stated herein. Such proceeds shall be applied by the Entruster against the relative acceptances or advances of the Entruster for account of the Entrustee against the Goods, for the payment of any other indebtedness of Entrustee to the Entruster arising out of the transaction relative to the Goods, and for the payment of any other indebtedness of the Entrustee to the Entruster. In case of non-sale, or upon demand of the Entruster, the Entrustee shall return the Goods to the Entruster within the said period.

3. The period stipulated herein may be extended by the Entruster, upon its sole discretion, after receiving a request from the Entrustee or his successors in interest.

4. The Trustee shall advise the Entruster of the place where the Goods are kept or stored and the Entruster or its representatives shall, at all reasonable times, have access thereto, and may at any time inspect them and verify their quantity.

5. The Trustee agrees to keep the Goods, pending their disposition or sale as specified herein, insured for the full value against fire, theft, pilferage, or other casualties, the sum insured to be payable in case of loss to the Entruster, but with the understanding that the Entruster is not to be chargeable with the storage, premium of insurance, or any other expenses incurred in the Goods.

6. The risk of loss of the Goods shall be borne by the Trustee. Loss of the Goods pending their disposition, irrespective of whether or not it was due to the fault or negligence of the Trustee, shall not extinguish the obligation of the Trustee to the Entruster for the value of said Goods.

7. The Trustee shall be strictly responsible for the preservation and safekeeping of the Goods, and shall be liable to the Entruster for any loss through theft, pilferage, or disappearance, or any injury or damage thereto from whatever cause.

8. All the provisions of this Trust Receipt shall apply to and be deemed to include the Goods, including those that have been delivered outside the Philippines at the Trustee's specified destination, or made up, or reprocessed, or used in the manufacture of any other goods or merchandise. The Entruster shall have the same rights and remedies against such merchandise in its reprocessed or manufactured state or the product of said merchandise as it would have had if such merchandise had remained in its original state, and irrespective of the fact that other and different merchandise was used in completing such manufacture. The Trustee agrees to keep the Goods separate and capable of identification as the property of the Entruster, and further agrees and consents to allow and permit the Entruster or its representatives to inspect all its books, especially those pertaining to the disposition of the Goods received in trust, whenever the Entruster at its discretion may find it necessary to do so.

9. Failure of the Trustee to account to the Entruster for the Goods and/or for the proceeds of their sale or disposition within the period herein stipulated shall constitute *prima facie* evidence that the Trustee has converted or misappropriated the Goods and/or their proceeds for the personal benefit of the Trustee and to the detriment and prejudice of the Entruster, and the Entruster is forthwith authorized to file and prosecute the corresponding and appropriate action, civil or criminal, against the Trustee.

10. In case of a deferred payment arrangement or time draft where payment is denominated in foreign currency, the payment shall be made, in the sole discretion of the Entruster, in the foreign currency denominated or in its equivalent in Philippine currency, computed at the prevailing foreign exchange selling rate of the Entruster on the date of payment by the Trustee.

The liability of the Trustee for the payment at maturity of any accepted draft or bill of exchange shall not be extinguished or modified:

- a) because the Goods represented by the documents delivered by the said Entruster are not as represented or are not delivered or cleared through the Bureau of Customs;
- b) because of any priority, act of war, or restriction on the use, transportation, hypothecation, or disposal of the Goods imposed by any administrative, political, or legislative enactment, regulation, or order;
- c) because of the non-shipment or government appropriation of the Goods, or any seizure or destruction thereof or damage thereto, whether insured against or not; or
- d) because of any act or regulation affecting this Trust Receipt or the Goods subject thereto.

11. The Trustee further agrees that no failure or omission on his/its part to fully carry out any of the provisions of this Trust Receipt, or any similar receipt or agreement, or of any Documents against Payment ("D/P"), or Documents against Acceptance ("D/A") arrangement, or of the agreement under which the Entruster may have issued the Letter of Credit under which the Goods were purchased, shall be deemed a waiver by the Entruster of any of its rights or remedies under any of said papers, unless waiver shall be in writing endorsed herein and signed by the Entruster.

12. The obligations and responsibilities of the Trustee arising out of this Trust Receipt shall apply to the successors in interest of the Trustee.

13. The Trustee hereby gives the Entruster a lien on all property (including monies, securities, and other properties) given to or left, or hereafter given to or left, in its possession by or for the account of the Trustee; and also upon any present or future balance of the Trustee's deposit account, for the amount of any liability hereunder or otherwise to the Entruster. The Trustee also agrees to deliver upon demand collateral security to the satisfaction of the Entruster should the market value of the Goods suffer any decline.

14. The Entruster is hereby authorized and empowered, at its option at anytime and without notice, to appropriate and apply to the payment of any liability under this Trust Receipt any and all moneys or other property, now or hereafter in its hands, on deposit or otherwise for account or credit of, or belonging to, the Entrustee (whether said deposit is general, special, or for any specific purpose), whether any of said liabilities are then due or not due.

15. The Entruster's security interest in the Goods subject of this Trust Receipt shall be valid as against all other creditors of the Entrustee for the duration of the Trust Receipt. The Entruster shall not, merely by virtue of such interest or for having given the Entrustee liberty of sale of said Goods under the terms of this Trust Receipt, be responsible as principal or as vendor under any sale or contract to sell made by the Entrustee.

16. The Entruster may cancel the trust and take possession of the Goods or of the proceeds realized therefrom at any time upon default or failure of the Entrustee to comply with any of the terms and conditions of this Trust Receipt or any other agreement between the Entruster and the Entrustee. The Entruster in possession of the Goods (or of any other property identified in Par. 13 above) may, on or after default, give notice to the Entrustee of the intention to sell and may, not less than five days after serving or sending of such notice, sell the Goods or any other property in possession of the Entruster or any portion thereof at public or private sale where the Entruster may participate as a bidder or purchaser. *Provided*, that the proceeds of any such sale, whether public or private, shall be applied: (a) to the payment of the expenses thereof; (b) to the payment of the expenses of retaking, keeping and storing the Goods; (c) to the satisfaction of all the Entrustee's indebtedness to the Entruster.

17. The Entrustee shall be entitled to receive any surplus from the sale of the Goods but shall be liable to the Entruster for any deficiency. Notice of sale shall be deemed sufficiently given if in writing and either personally served on the Entrustee or sent by courier or post-paid registered mail to the Entrustee's last known business address.

18. In the event of any suspension, or failure, or assignment for the benefit of creditor made by the Entrustee, or non-fulfillment by it of any of its obligation to the Entruster, or if the non-payment at maturity of any acceptance specified hereon or under any other credit issued by the Entruster for the account of the Entrustee, or of any indebtedness from the latter to said Entruster, then, in any of such cases, all of Entrustee's obligations, acceptances, indebtedness, and liabilities, and liabilities whatsoever due in favor of the said Entruster shall thereupon (with or without notice) mature and become due and payable.

19. Furthermore, the Entruster agrees to pay interest at the current rate prevailing on the total principal obligations hereunder, computed and reckoned from the time of booking and every month thereafter up to date of payment thereof. In case of default in the payment of the total principal and interest obligations hereto on maturity date, by acceleration or otherwise, the Entruster hereby agrees to pay penalty at the rate of thirty-six percent (36%) per annum on the outstanding principal obligations and accrued interest thereon, from date of default until full payment thereof.

20. In case collection of the Trust Receipt is referred to an attorney-at-law, the Entrustee hereby further agrees to pay 10% of the total amount due as attorney's fees.

21. The Entrustee acknowledges to have received all the documents covering the goods mentioned in this Trust Receipt.

22. The Entrustee shall immediately give notice to the Entruster of any loss, average, damage, non-shipment, shortage, non-delivery, or other event not in the usual and ordinary course of business.

23. Any and all obligations under this Trust Receipt shall continue to be in force and shall be applicable notwithstanding any change in the individuals composing the Entrustee.

Done at \_\_\_\_\_ this \_\_\_\_\_

By: \_\_\_\_\_  
Entrustee

**BANK OF CHINA**  
Entruster

By: \_\_\_\_\_

SIGNED IN THE PRESENCE OF

\_\_\_\_\_

\_\_\_\_\_