

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Manila

Twelfth Congress

Second Regular Session

2294

House Bill No. _____



Introduced by HON. MONICO O. PUENTEVELLA

EXPLANATORY NOTE

Smuggling of commodities ranging from agricultural produce to luxury goods has now become a national concern. A few years ago, such practice has been confined to the illegal entry of various goods into the country – and while the national government did lose revenues in form of taxes and fees, the effects were deemed negligible.

Today, smuggling in all forms has become almost uncontrollable despite the efforts of the Bureau of Customs. And while hundreds of millions of pesos worth of goods have been intercepted and confiscated, smuggling is such a lucrative practice that the influx of smuggled products remain unabated. Not to mention the fact that almost all smugglers get away with their attempt, without even being charged and brought to court by the government, there have also been nagging reports that some government employees and officials, particularly from the BOC are also accomplices in this nefarious practice.

The Philippines does not have the means and resources to stem the tide and the national government has been criticized for its lack of political will in implementing harsher penalties and stringent measures to curb this practice. The situation in effect condones smuggling and therefore must be rectified.

Consistent with the Provisions of the 1987 Constitution of the Republic of the Philippines and recognizing the urgency of uplifting the economic woes of the country, this bill proposes that while the State practices free trade in a liberalized climate, it shall also protect Filipino enterprise from unfair and illegal competition and trade practices. Furthermore, the State shall promote the preferential use of Filipino labor, domestic materials, and locally produced goods, and adopt measures to make them competitive.

The losses in revenue and tax collections cannot anymore be ignored. Smuggling must now be considered as a form of economic sabotage because of its effects on the economy. Thus the passage of this measure is earnestly enjoined.


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AN ACT
DECLARING ALL FORMS OF SMUGGLING AS ECONOMIC SABOTAGE AND
PROVIDING PENALTIES THEREOF

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Section 1. Declaration of State Policies. – It is hereby declared a policy of the state to control all forms of actual and technical smuggling that impinge upon the genuine attainment of economic growth and development.

Section 2. Definition and Coverage of Economic Sabotage. Economic sabotage means any act or activity which undermines, weakens or renders into disrepute the economic system or viability of the country or tends to bring about such effects to include, but not necessarily limited to, the following offense offenses: trafficking, all forms of smuggling, counterfeiting, black marketing or mass movement of local or foreign currency in violation of existing laws and regulations, price manipulation to the prejudice of the public especially in the sale of prime commodities in violation of price control laws, tax evasion, bank swindling and violation of land reform .

Section 3. Actual Smuggling – Actual smuggling is an act by any person bringing in goods from foreign sources without passing through the Bureau of Customs.

Section 4. Technical Smuggling – Technical smuggling is an act by any person who shall fraudulently import or bring into the Philippines or assist in so doing, any articles by means of :

A. Undervaluation of goods, imported at prices below market norms and dumped.

B. Deliberate misdescription or misclassification of goods so as to pay duty at a lower rate.

Section 4. Penalties – Any person found guilty of actual or technical smuggling shall suffer the penalty of life imprisonment and a fine ranging from the amount

equivalent to the import duties due to triple the said amount which in no case should be less than five hundred thousand pesos, depending on the quantity of smuggled goods. Any government employee or official found guilty of being accomplices to this practice shall be penalized with life imprisonment, and the forfeiture of all benefits due him as a government employee.

Section 5. Repealing Clause. – Any other provision of law, executive order, rule or regulation or circular inconsistent with the provision of this act is hereby modified or repealed accordingly.

Section 6. Effectivity. – This Act shall take effect upon its approval.

Approved,