

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

H. B. No. 456

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

Presidential Decree (PD) No. 1464, otherwise known as the Tariff and Customs Code of the Philippines, grants a system of reward to customs officers and men and informers who can give information instrumental for the discovery and seizure of smuggled goods. Pertinently, there are various statutes like R.A. 2338 (An Act to Provide for Reward to Informers of Violations of the Internal Revenue and Customs Laws), R.A. 8424 (An Act Amending the National Internal Revenue Code, as amended and for other purposes), R.A. 4712 (An Act Amending Certain Sections of the Tariff and Customs Code of the Philippines), P.D. 34 (Amending the Tariff and Customs Code of the Philippines), P.D. 707 (Amending Republic Act Numbered Twenty-three Hundred and Thirty-eight, entitled 'An Act to Provide for Reward to Informers of Violations of the Internal Revenue Code and Customs Law'), and P.D. 708 (Amending the Provisions Pertinent to the Grant of Reward under R.A. 4712 and R.A. 4713, entitled, 'An Act Amending Certain Sections of the Tariff and Customs Code of the Philippines' and 'An Act Amending Certain Sections of Commonwealth Act No. 466, as amended, otherwise known as the National Internal Revenue Code, Respectively'), among others, which were enacted granting similar reward system which stand in parimaterial with each other.

Along this line, Section 3513 of P.D. No. 1464 explicitly provides:

"The provisions of general and special laws to the contrary notwithstanding, a cash reward equivalent to twenty per centum (20%) of the fair market value of the smuggled and confiscated goods shall be given to the officers and men and informers who are instrumental in the discovery and seizure of such goods in accordance with the rules and regulations to be issued by the Secretary of Finance.

The provisions of this section, and not those of Republic Act Numbered Twenty-three Hundred and Thirty-eight shall govern the giving of reward in cases covered by the former."

However, in practice, only assessment and intelligence frontline personnel performing enforcement functions in the Bureau of Customs (BOC) benefit from such grant of rewards to "officers and men," while BOC lawyers are lamentably left to handle the tedious and protracted process of litigating and prosecuting customs-related cases, with no reward in sight.

To encourage proper prosecution and speedy recovery of unpaid taxes and duties to meet out tax collection targets, this proposed Bill aims to include BOC lawyers to the entitlement considering their important and critical role in the tax collection effort of the Bureau. Thus, Section 3513 of P.D. 1464 should be amended to also reward BOC lawyers for successful prosecution of customs-related cases more so because the prosecution of smugglers and recover of unpaid duties and taxes requires technical and/or specialized competence and expertise in tariff laws and procedures which may not be available to non-customs lawyers.

It is submitted that rewarding BOC lawyers is a practical solution to the perennial problem of dismissal of cases for failure to prosecute and other legal technicalities. It shall also encourage BOC lawyers to do the extra mile in prosecuting smugglers, unmindful of the dangers and/or hazards it brings to their own personal safety and security, or that of their families.

More importantly, this Bill is a proactive mechanism necessary to revitalize the Bureau as it will foster positive action and cooperation between BOC employees and lawyers in the proper implementation and enforcement of customs laws. Also, this bill will further enhance the Bureau's 5-Point Action Plan, foremost of which is to increase revenue collections. Beyond argument, this enhanced reward system will benefit not only those instrumental in the discovery and seizure of smuggled goods but also those instrumental in recovering revenues and/or successfully prosecuting smugglers. Truth to tell, this incentive will sustain their relentless effort to prosecute smugglers and forfeit smuggled goods even beyond their call of duty.

All told, the immediate passage of this bill is earnestly sought.



JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
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H. B. No. 456

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

AN ACT
AMENDING SECTION 3513 OF PRESIDENTIAL DECREE NO. 1464,
OTHERWISE KNOWN AS THE TARIFF AND CUSTOMS CODE OF THE
PHILIPPINES AND OTHER PURPOSES

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

SECTION 1. Section 3513, Book II, Title VII, Part II, of P.D. 1464, otherwise known as the Tariff and Customs Code of the Philippines, is hereby amended to read as follows:

Sec. 3513. Reward to Persons Instrumental in the Discovery and Seizure of or Recovery of Revenue on Smuggled Goods and Successful Prosecution of Offenders. The provisions of general and special laws to the contrary notwithstanding, a cash reward equivalent to twenty per centum (20%) of the [fair market value of] **REVENUE RECOVERED FROM** the [smuggled and] **SEIZED OR** confiscated goods shall be given to the officers and men and informers who are instrumental in the discovery and seizure of such goods [in accordance with the rules and regulations to be issued by the Secretary of Finance.]; **PROVIDED, THAT IN CASE OF SUCCESSFUL PROSECUTION OF SMUGGLERS OR SEIZURE AND FORFEITURE CASES, THE AMOUNT EQUIVALENT TO TEN PER CENTUM (10%) THEREOF SHALL BE GIVEN TO BUREAU OF CUSTOMS LAWYERS WHO ACTIVELY PROSECUTED THE CASE THAT RESULTED IN THE RECOVERY OF REVENUE, SURCHARGES, AND FEES, OR IMPOSITION OF FINE OR PENALTY OR OFFER OF COMPROMISE BY THE OFFENDER, OR CONVICTION OF THE OFFENDER; PROVIDED, FURTHER, THAT IN CASE OF CONVICTION, WHERE THE PENALTY IS INCAPABLE OF PECUNIARY ESTIMATION, THE AMOUNT OF REWARD SHALL BE EQUIVALENT TO TWENTY PER CENTUM (20%) OF THE CIVIL LIABILITY INCLUDING FINES, PENALTIES AND SURCHARGES IMPOSED BY THE COURT; PROVIDED, FINALLY, THAT WHERE NO CIVIL LIABILITY IS AWARDED BY THE COURT, THE SUM OF P250,000.00 OR P500,000.00 SHALL BE GRANTED WHERE THE CASE IS RESOLVED WITH FINALITY IN THE TRIAL COURT OR THE APPELLATE COURTS, RESPECTIVELY.**

The provisions of this section, not those of Republic Act Numbered Twenty-three Hundred and Thirty-eight, shall govern the giving of reward cases covered by the former.

SEC. 2. *Implementing Rules and Regulations.* Within sixty (60) days from the approval of this Act, the Bureau of Customs shall promulgate such rules and regulations as may be necessary to carry out the provisions of this Act, subject to the approval of the Secretary of Finance.

SEC. 3. *Repealing Clause.* All laws, orders, issuances, circulars, rules and regulations or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 4. *Separability Clause.* If any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof not affected shall continue in full force and effect.

SEC. 5. *Effectivity.* This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,