

Republic of the Philippines
House of Representatives
Quezon City

Fifteenth Congress

First Regular Session

House Bill No. 2684

Introduced by the Honorable **ROMEO M. ACOP**

EXPLANATORY NOTE

The smuggling of agricultural goods has become a pressing national concern. Not only does the national government lose revenue in the form of tariffs and fees, but the backbone of our agriculture sector, the farmers, are further drawn into the mire of poverty because their products are being supplanted in the market by cheaper but smuggled products.

Smuggling is such a lucrative practice that the influx of smuggled agricultural products remain unabated, not to mention the fact that most smugglers get away with impunity, without being prosecuted to the fullest extent of the law.

The national government has been harshly 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 must now be rectified.

In line with the pertinent provisions in the 1987 Constitution and recognizing the contribution of the agricultural sector in national development, this bill seeks to 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 cannot be tolerated anymore. Smuggling of agricultural produce must 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 SMUGGLING OF AGRICULTURAL GOODS AS
ECONOMIC SABOTAGE AND PROVIDING PENALTIES THEREOF

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

SECTION 1. Declaration of State Policy – It is hereby the policy of the state to control smuggling of agricultural goods that impinge upon the genuine attainment of economic growth and development.

SECTION. 2. Definition of Terms

- a) 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 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, the tax code, bank laws and land reform act.
- b) Agricultural Goods – Agricultural Goods shall refer to agricultural produce such as rice, corn, sugar, and other food, vegetable or fruit crops, livestock specifically meat products and sources like pork, beef and chicken as well as the means to produce or raise such agricultural produce such as but not limited to fertilizers, farm implements and equipment and feeds.

- c) Actual Smuggling – Actual Smuggling is an act by any individual or group to bring in goods from foreign sources, or assist in so doing, without passing through the Bureau of Customs
- d) Technical Smuggling – Technical smuggling is an act by any individual or group who fraudulently import or bring into the Philippines or assist in so doing, any articles by mean of undervaluation of goods, imported at prices below market norms and dumped and the deliberate misdescription or misclassification of goods so as to pay duties at a lower rate.

Section 3. Penalties – Any individual or group 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 (P 500,000.00), depending on the quantity of smuggled goods. Any government employee or official found guilty of being accomplices to this practice shall be penalized life imprisonment including the forfeiture of all benefits due him as a government employee.

Section 4. Repealing Clause – Any other provision of law, executive order, rule or regulation or circular inconsistent with the provisions of this act is hereby modified or repealed accordingly.

Section 5. Effectivity – This Act shall take effect upon its approval.

Approved.