

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 09



Introduced by Rep. Reynaldo V. Umali

EXPLANATORY NOTE

The main purpose of this bill is to raise additional revenue for the government by providing amnesty from civil and criminal prosecution of those importers who can comply with certain requirements.

At the present, there is no law encouraging importers to voluntarily disclose their matured or unliquidated surety bonds. Surety bonds are usually posted by importers to secure payment of customs duties and other charges or fees so that the Bureau of Customs may release their importations conditionally.

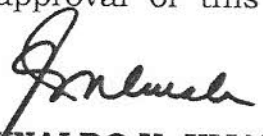
The uncollected amount from the matured bond is huge enough for the Bureau to be able to augment its national revenue collection. As of 01 January 2009 the total overdue amount covered by surety bonds is over Seven point Nine Billion Pesos (Php7.9 Billion).

It is high time that the Bureau of Customs should now focus its attention to aged uncollected taxes and duties. This can be done thru an Amnesty. The duties and taxes to be covered by the Amnesty are those which accrued during the periods 01 January 1997 to 31 December 2007. The taxes and duties which accrued 01 January 2008 onwards are not covered by this Amnesty and are subject to audit in line with Republic Act No. 9135.

When Republic Act No. 9135 was passed into law, the government implemented the Transaction Value as the basis for dutiable value of imported articles subject to *ad valorem* rate of duty, which shall be the price actually paid or payable for the goods when sold for export to the Philippines.

This measure is our answer to the challenge of this administration to raise additional revenues for better government services without imposing new taxes.

In view of the foregoing, immediate approval of this bill is requested.



REYNALDO V. UMALI

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 09

Introduced by **Honorable REYNALDO V. UMALI**

**AN ACT GRANTING AMNESTY TO IMPORTERS AND SURETIES
WITH UNLIQUIDATED AND/OR UNSETTLED AMOUNT OF
OBLIGATION/S WITH THE BUREAU OF CUSTOMS, AND FOR
OTHER PURPOSES**

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

SECTION 1. **Short Title.** - This Act shall be known as "The
Customs Amnesty Act of 2013".

SEC. 2. **Declaration of Policy.** - It is hereby declared to be the
policy of the state to provide funds or property to promote the general
welfare and protection of its citizens. The state should therefore
develop measures and programs that will ensure the efficient
collection of taxes.

SEC. 3. **Amnesty.** - Amnesty from civil and criminal
prosecution is hereby granted to those importer and sureties, except
those with cases mentioned in Section 6 thereof, who voluntarily
disclosed previously unliquidated and/ or matured bonds to secure
payment of customs duties and other charges of fees, including
increments or penalties in relation thereto and complied with the
requirements of this Act.

SEC. 4. **Requirements.** - The amnesty provided for section 3 of this Act shall apply only to importation made before 1 January 2008. Importation date shall refer to the date of the arrival of the goods at the port of entry or the date of the issuance of the bond whichever comes earlier. *Provided:* That the importer/surety, whether individual or corporation, shall file a Customs Bond /Surety Amnesty Return at the place and within the period and in the manner prescribed under Section 7 of this Act; *Provided further:* That the taxpayer or surety company shall pay:

(a) For bonds matured as of 01 January 1997 to 1999

10% of the principal duties and taxes;

(b) For bonds matured from 01 January 2000 to 2001

20% of the principal duties and taxes;

(c) For bonds matured from 01 January 2002 to 2003

30% of the principal duties and taxes and;

(d) For bonds matured from 01 January 2004 to 2005

40% of the principal duties and taxes.

(e) For bonds matured from 01 January 2006 to 2007

50% of the principal duties and taxes.

SEC. 5. **Waiver of Penalties and Surcharges.** - Penalties and surcharges shall be considered waived in the following cases:

(a) For those who avail of this tax amnesty; and

(b) For those who have already paid the duties and taxes for the bonds covered by the above amnesty period, but remain

uncancelled because of the non-payment of penalties and surcharges.

SEC. 6. ***When Not Applicable.*** - The amnesty provided for in Section 3 of this Act shall not apply in the following instances:

- (a) Criminal cases already filed in Court or with the Prosecutor's Office on or before 31 December 1997 by the Bureau of Customs or any other government agency: and
- (b) Customs duty and tax involving civil liability which are the subject of a pending criminal action in the Prosecutor's Office or the Court prior to 31 December 1997 filed by the Bureau of Customs or any government agency.

SEC. 7. ***Time, Manner and Place of Filing.*** - The "Customs Bond/Surety Amnesty Return" shall be filed in the prescribed form with the Office of the Port Collector, District Collector, Collection Agent or the Authorized Municipal Treasurer designated as collection officer of the Bureau of Customs where the taxpayer has his legal residence or place of business in the Philippines, or if he has no legal residence or place of business in the Philippines, then with the Commissioner of Customs, on or before 31 January of the year after the passage of this Act. In the case of the Filipino citizens residing abroad, the said return shall be filed with the nearest Philippine Embassy or Consulate or with the Office of the Commissioner of Customs. The said Return must show the description of the untaxed article/s for each amnesty year and the corresponding duty/ies and tax/es due thereon

SEC. 8. ***Payment of Tax on Installment.*** - Any taxes and duties due as disclosed by the taxpayer in his Return must be paid at the time of the filling thereof. If the total taxes and duties exceeds Php50, 000.00, the same shall be paid in accordance with the following schedule:

- (a) If the amount due exceeds Php50,000.00 but does not exceed Php100,000.00, the amount may be paid in two (2) equal installments: the first installment to be paid upon the filing of the return; and the second installment, on or before 30 April of the taxable year;
- (b) If the amount due exceeds Php100,000.00, the amount may be paid in three (3) equal installments as follows:
 - i. The first installment shall be paid upon the filling of the Return;
 - ii. The second installment shall be paid on or before 30 April of the taxable year; and
 - iii. The third installment shall be paid on or before 30 April of the next taxable year.

In meritorious cases where the total amount due exceeds Php300,000.00, the Commissioner of Customs or the District Collector, subject to the approval of the Secretary of Finance, may upon proper application, allow the taxpayer to pay the Php300,000.00 in accordance with the immediately preceding schedule and the amount in excess thereof in equal monthly installments beginning (Date) up to, but not later than (Date).

(c) If the installment is not made on its due date, the whole unpaid amount will become due and demandable and shall be subject to interest and penalties imposed under the Tariff and Customs Code. The corresponding letter of demand and assessment notice shall immediately be issued for the collection of the amount due and increments thereon.

SEC. 9. **Prohibition.** - Except for revenue purposes, it shall be unlawful for any officer or employees of the Bureau of Customs or any government entity having knowledge of such amnesty returns to disclose to any person information relative to such declaration. No information contained in the return shall be published except in the form of tabulations and summaries and without specific reference to the individual filing the return.

The importer/surety's Customs Bond/Surety Amnesty Return shall not be admissible in evidence in all proceedings before judicial, quasi-judicial or administrative bodies in which he is a defendant or respondent, and the same shall not be examined, inquired or looked into by any person, government official, bureau or office.

SEC. 10. **Customs Clearance.** - Importers or surety companies availing of this amnesty shall be issued plenary Customs Clearance after payment of all customs duties, fees and other charges, in accordance with the provisions of Section 4 and 8 of this Act. They shall also be allowed to transact with the Bureau of Customs as regular importers or surety companies without prejudice to the liabilities arising by reason of, or in connection with the transaction

not covered by this Act. Future importations shall not be released without the Customs Clearance.

SEC. 11. **Reporting Requirement.** - The Commissioner of Customs shall submit a report to the Secretary of Finance on the implementation of this Act for the entire duration of the implementation the program of this Act. The report must include, among others, the amount of revenues collected for the period covered..

SEC. 12. **Jurisdiction of Insurance Commission Over Civil Liability.** - Upon the lapse of the amnesty period provided in Section 7 of this Act, the Insurance Commission shall have jurisdiction to hear and decide cases involving claims, regardless of amount, arising from any loss, damage or liability for which a surety company may be answerable under this Section and said jurisdiction shall be concurrent with that of the civil courts, and the filing of a complaint with the Commission shall preclude the civil courts from taking cognizance of the suit involving the same subject matter.

SEC. 13. **Appropriation.** - The revenues collected under this Act shall be used for the following:

- (a) Sixty (60) percent to supplement the operating budget of the Bureau of Customs.
- (b) Forty (40) percent shall go to National Export and Competitiveness Fund.

SEC. 14. **Implementing Rules and Regulations.** - The Insurance Commission in coordination with the Bureau of Customs

and the Export Development Council shall, upon effectivity of this act, promulgate the necessary rules and regulations of the provisions of this Act, subject to the approval of the Secretary of Finance.

The Insurance Commissioner may also issue such rulings, instructions, circulars orders and decisions, as he may deem necessary to secure the enforcement of the provisions of this Act, subject to the approval of the Secretary of Finance.

SEC. 15. **Penalty.** - Violation of Section 9 of this Act is punishable by a fine in the amount of not less than Ten Thousand (Php10, 000.00) or imprisonment of not less than two (2) years or both. Any public officer or employee who is found guilty of violating any provision of this Act shall be summarily dismissed from the service.

Importers and/or sureties who will make misrepresentations in their Customs Bond/Surety Amnesty Return shall be fined an amount of not less than Ten Thousand (Php10, 000.00) or imprisonment of not less than two (2) years or both. And shall be prohibited to hold public office for 10 years.

SEC 16. **Separability Clause.** - If any provision, or part thereof, is held invalid or unconstitutional, the remainder of the law, or the provision not otherwise affected shall remain valid.

SEC. 17. **Repealing Clause.** - Any law, presidential decree, executive order, letter of instruction, administrative order, rules or regulations, contrary to, or inconsistent with any provision of this Act is hereby repealed, modified and amended accordingly.

SEC. 18. ***Effectivity Clause.*** - This Act shall take effect fifteen (15) days from the date of its publication in two (2) newspapers of general circulation.

Approved,