

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

16th CONGRESS
1st Regular Session



House Bill No. 3536

Introduced by: HON. AGAPITO H. GUANLAO

EXPLANATORY NOTE

Smugglers of food staples such as rice and corn profit from the goods siezed by customs authorities simply because they become buyers of the same they smuggled in auctions conducted by the Bureau of Customs.

Numerous measures have been filed to deny smugglers access to forfeited or seized agricultural products such as those directed to judicial interventions and other efforts to deny smugglers' access to seized goods have not been felt, and the threats posed by the resulting flooding of cheap, smuggled rice and corn in the market to the local producers pervades. Smugglers through their network continue to dip their hands on goods they themselves smuggled through auctions conducted by the Bureau of Customs, and impinge upon customs laws and regulations.

Denying therefore the access of smugglers to siezed goods such as agricultural products in legitimate auctions is a logical move. Radical as it may be, the immediate transfer or conveyance of smuggled and siezed agricultural staple foods such as rice and corn to the National Food Authority (NFA) after seizure or forfeiture without the mandated auction proceedings effectively denies smugglers access to the goods they smuggled.

On the other hand smuggling continues with impunity, with smugglers mindless of the penalties of the old, and perhaps antiquated provisions of the law that dates back to June 1966, referring to Republic Act 4712

The amendment of certain provisions of the Tariff and Customs Code to these effect is in order to curb if not eradicate smuggling. Thus, the passage of this piece of legislation is earnestly sought.


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AN ACT
AMENDING CERTAIN PROVISIONS ON THE DISPOSITION OF SEIZED
SMUGGLED RICE AND CORN AND INCREASING PENALTIES FOR SMUGGLING
UNDER THE TARIFF AND CUSTOMS CODE AS AMENDED

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

SECTION 1. Section 2607 – *Disposition of articles liable to deterioration* of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to include a sub-section (a) to read as follows:

(a) *Disposition of Seized Rice and Corn*

“SEIZED RICE AND CORN SHALL BE TRANSFERED OR CONVEYED TO THE NATIONAL FOOD AUTHORITY (NFA) WITHOUT AUCTION PROCEEDINGS, IMMEDIATELY AFTER SEIZURE AND FORFEITURE PROCEEDINGS; PROVIDED THAT THE GOODS TRANSFERED OR CONVEYED TO THE NFA SHALL BE FREE; PROVIDED MOREOVER, THAT THE COST OF TRANSFER OR CONVEYANCE SHALL BE CHARGED AGAINST THE NFA.”

SECTION 2. Section thirty-six hundred one of RA 4712 is hereby amended to read as follows:

“Sec. 3601. Unlawful Importation. Any person who shall fraudulently import or bring into the Philippines, or assist in so doing, any article, contrary to law, or shall receive, conceal, buy, sell, or in any manner facilitate the transportation, concealment, or sale of such article after importation, knowing the same to have been imported contrary to law, shall be guilty of smuggling and shall be punished with:

- “1. A fine of not less than fifty pesos more than two hundred pesos and imprisonment of not less than five days nor more than twenty days, if the appraised value, to be determined in the manner prescribed under the Tariff and Customs Code, including duties and taxes, of the article unlawfully imported does not exceed **TEN PESOS** [twenty-five pesos] ;*
- “2. A fine of not less than eight hundred pesos nor more than five thousand pesos and imprisonment of not less than six months and one day nor more than four years, if the appraised value, to be determined in the*

manner prescribed under the Tariff and Customs Code, including duties and taxes, of the article unlawfully imported exceeds **FIFTEEN PESOS** [twenty-five] pesos but does not exceed **THIRTY THOUSAND PESOS** [fifty thousand pesos];

- "3. A fine of not less than six thousand pesos nor more than eight thousand pesos and imprisonment of not less than five years and one day nor more than eight years, if the appraised value, to be determined in the manner prescribed under the Tariff and Customs Code, including duties and taxes, of the article unlawfully imported is more than **THIRTY THOUSAND PESOS** [fifty thousand pesos] but does not exceed **FIFTY THOUSAND PESOS** [one hundred fifty thousand pesos].
- "4. A fine of not less than eight thousand pesos nor more than ten thousand pesos and imprisonment of not less than eight years and one day nor more than twelve years, if the appraised value, to be determined in the manner prescribed under the Tariff and Customs Code, including duties and taxes, of the article unlawfully imported exceeds **FIFTY THOUSAND PESOS** [one hundred fifty thousand pesos].

SECTION 3. This Act shall take effect upon its approval.

Approved: