

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

First Regular Session

House Bill No: 4619



Introduced by: Representative Mark Llandro L. Mendoza

EXPLANATORY NOTE

The Philippines is a predominantly rice producing country wherein a total of 4.7 million hectares of land is allocated to palay cultivation. Accordingly, rice remains the population's staple food as indicated in the country's per capita consumption of 117.14kg/ year as of 2012's Bureau of Agricultural Statistics data.

However, the country struggles to adequately supply the high demand for this agricultural commodity which necessitates for our continuing importation. Rice shortage and escalating price of rice have become recurring agricultural issues. Unfortunately, unscrupulous individuals and groups take advantage of these situations to smuggle into the country illegal rice imports. Thus, our perennial problem of rice smuggling costs our economy billions of revenues and detrimentally affects the livelihood of our local famers.

This bill therefore seeks to address the rampant rice smuggling in the country by categorizing these illegal activities as economic sabotage and provides for severe penalties.

In view of the foregoing, the approval of this measure is earnestly sought.



MARK LLANDRO L. MENDOZA
4th District, Province of Batangas

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**AN ACT DECLARING RICE SMUGGLING AS ACT OF ECONOMIC
SABOTAGE, PRESCRIBING PENALTIES THEREFOR AND FOR OTHER
PURPOSES**

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

SECTION 1. *Short Title.* - This Act shall be known as the "Anti-Rice Smuggling Act of 2014".

SECTION 2. *Declaration of Policy.* - It shall be the policy of the State to curb all forms of economic sabotage that are inimical to the country's economic growth and development. The State therefore, declares that any form of rice smuggling is prejudicial to national interest and derails economic growth and development.

SECTION 3. *Definition of Terms.* - As used in this Act, the term:

(1) "Economic Sabotage" is 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 and shall include, inter alia, price manipulation to the prejudice of the public especially in the sale of basic necessities and prime commodities.

(2) "Smuggling" also known as direct or outright smuggling, refers to the act of importing or bringing into or assisting in importing or bringing into the Philippines, any article, good or product without the corresponding documents, permits or licenses when these are required by existing laws, order, rules and regulations including the receipt, concealment, purchase or sale or in any manner facilitating the transportation, concealment, or sale of such article, after importation, knowing the same to have been imported contrary to law.

(3) "Technical Smuggling" pertains to misdeclaration, misclassification or undervaluation of imported goods or products in violation of the Tariff and Customs Code of the Philippines and other related laws.

SECTION 4. *Definition of the Crime of Rice Smuggling.* - Any person who shall import or bring into the Philippines staple grain-rice without the required import permit from the implementing agency, or any person who shall import staple grain-rice by means of fraud or by illegally obtaining the required import permit shall be guilty of the crime of rice smuggling, including those acts which are within the purview of technical smuggling.

SECTION 5. *Rice Smuggling as Act of Economic Sabotage.* – The acts of rice smuggling, including technical smuggling thereof are acts inimical to national interest, economic growth and development. Any person regardless of nationality or citizenship found guilty of engaging in rice smuggling or technical smuggling thereof of a minimum aggregate amount of One Million Pesos (Php 1,000,000.00) worth of rice as valued by the Bureau of Customs utilizing methods of value verification such as but not limited to Revision Orders and/or appropriate agencies and entities identified, accredited or certified by the Bureau of Customs, shall be guilty of economic sabotage.

SECTION 6. *Penalties.* - Any person, natural or juridical, regardless of nationality or citizenship, found guilty of engaging in smuggling or technical smuggling of a minimum aggregate amount of One Million Pesos (Php 1,000,000.00) worth of rice shall suffer the following penalties:

- a. Fine equal to twice the fair value of the smuggled articles;
- b. Fine equal to the aggregate amount of the taxes, duties and other charges avoided;
- c. Imprisonment of a minimum of eight (8) years and one (1) day up to life imprisonment; and
- d. Confiscation of the smuggled articles.

When the offender is a juridical person, criminal liability shall attach to its president, chief operating officer or manager. In addition, the business permits and licenses of the business entity shall be revoked or cancelled.

The broker of violating importers shall likewise be liable and shall be charged as principal.

When the offender is a government official or employee acting in connivance with private individuals or entities or other government officials or employees, he shall be imposed the same penalty as the principal offender. In addition, he shall be disqualified from holding any public office, whether by election or appointment.

SECTION 7 . *Implementing Rules and Regulations.* - The Bureau of Customs in coordination with the appropriate agencies shall promulgate the implementing rules and regulations of this Act within thirty (30) days after its effectivity.

SECTION 8. *Prescription of Crimes.* - The crime punishable under this Act shall prescribe in twenty (20) years.

SECTION 9. *Separability Clause.* - The provisions of this Act are hereby declared to be separable from, and independent of, one another and that should one or more of such provisions be declared unconstitutional, the validity of the remaining provisions shall not be affected thereby.

SECTION 10. *Repealing Clause.* - All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed and / or modified accordingly .

SECTION 11. *Effectivity Clause.* – This Act shall take effect immediately upon its approval.

Approved,