

SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )



HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 4676

Introduced by Representative Susan A. Yap

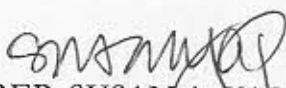
EXPLANATORY NOTE

The increasing number of free trade agreements and the Revised Kyoto Protocol seek to refocus the role of the Bureau of Customs from trade regulation to trade facilitation. With this shift in the policy environment, and with the impending implementation of the Asian Economic Community by 2015, we must remain vigilant in ensuring food security against rice smuggling. Rice is a staple food and an essential part of daily meals; it is highly valued in our culture and our economy. It is the only product which has remained on our country's highly sensitive list of products.

There have been shocking newspaper reports of alleged rampant rice smuggling, with some smugglers exploiting farmers' cooperatives by using their import quotas. This drives us to earnestly request that the crime of rice smuggling be considered as an act of sabotage. Under this proposal, the acts of rice smuggling, including technical smuggling, are acts inimical to national interest, economic growth and development. Further, this measure penalizes any person found guilty of rice smuggling of a minimum aggregate value of One Million Pesos with 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.

These are stiffer penalties which take into consideration the urgent need to deter and arrest rice smuggling and to ensure our people's welfare.

  
REP. SUSAN A. YAP  
Second District of Tarlac

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

*Be 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 is 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 important contrary to law.
- (3) “Technical Smuggling” pertains to misdeclaration, misclassification, or undervaluation of imported goods or products in violation of the Tariff and Custom Code of the Philippines and other related laws.

**SECTION 4. Definition of the Crime of Rice Smuggling.** - Any person who shall import or bringing 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:

- e. Fine equal to twice the fair value of the smuggled articles;
- f. Fine equal to the aggregate amount of the taxes, duties and other charges avoided;
- g. Imprisonment of a minimum of eight (8) years and one (1) day up to life imprisonment; and;
- h. 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 is hereby repealed, and/or modified accordingly.

**SECTION 11. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,