

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

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **4687**



Introduced by **Representative Emmeline Y. Aglipay**

EXPLANATORY NOTE

Rice is a staple food in the Philippines, and a key to food self-sufficiency in the country is the ability for us to produce enough rice locally to meet our demand. The importance of rice also goes beyond the needs of consumers - in many areas, the rice industry is the most important source of livelihood for small farmers and landless agricultural workers, as well as their families.

The rice industry in the Philippines faces a number of threats, but a particularly pernicious one is that of rice smuggling. Due to the lower cost of rice in other countries, unscrupulous groups and individuals have resorted to smuggling in imported rice as a means to fatten their bottom line - but they do this at the unfair expense of the local industry, not just due to unfair competition, but because such smuggling can wreak havoc on market prices. The loss of tax revenue also impacts the nation at a macro-level.

While it is clear that the government must make its policy, rules, and regulations of legal rice importation clear, steps must be taken to deter rampant smuggling of rice into the country. To this end, this bill seeks to classify large-scale rice smuggling as economic sabotage, and increases the penalty for the same, accordingly. Hand-in-hand with this, however, is an exhortation for the government to be clear, firm, and transparent with its rice policies, rules, and regulations.

Emmeline Y. Aglipay
EMMELINE Y. AGLIPAY
Representative, DIWA Party-list

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**AN ACT DECLARING LARGE-SCALE RICE SMUGGLING AS AN 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:*

SEC. 1. Short Title.— This Act shall be known as the “Anti-Rice Smuggling Act of 2014”

SEC. 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. Rice is a basic necessity for the majority of Filipinos, and the Rice industry is integral to the economy of the country. The State therefore, declares that any form of rice smuggling is prejudicial to national interest and derails economic growth and development.

SEC. 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, orders, rules and regulations. This act also

encompasses the receipt, concealment, purchase / sale or the facilitation in any manner of 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.

SEC. 4. Definition of Rice Smuggling. — Any person who shall engage in the act of smuggling or technical smuggling of rice without the required import permit from the National Food Authority (NFA), or such other agency as possesses the proper delegated authority from the NFA, or any person who shall import rice by means of fraud or by illegally obtaining the required import permit, shall be guilty of the crime of rice smuggling. *Provided*, that it is the National Food Authority that shall prescribe the proper importation procedure for rice, including whether or not import permits are required.

SEC. 5. Large Scale Rice Smuggling as an Act of Economic Sabotage. — Acts of large-scale rice smuggling, including technical smuggling, are hereby declared 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.

SEC. 6. Penalties. — Any person, natural or juridical, regardless of nationality or citizenship, found guilty of engaging in Economic Sabotage as described in Section 5 of this Act, shall suffer the following penalties:

- a. A fine equal to twice the fair value of the smuggled articles;
- b. A 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, should said broker be shown to have knowledge of the economic sabotage, 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.

SEC. 7. *Implementing Rules and Regulations.* – The National Food Authority, in coordination with the Bureau of Customs, shall promulgate the necessary implementing rules and regulations within sixty (60) days from the effectivity of this Act; *Provided*, that the requirements and procedure for the importation of rice shall be regularly reviewed and consistent with national policy and international agreements, obligations and restrictions.; *Provided further*, that the applicable regulations shall be made available and downloadable in plain text format on the official NFA website from the date of promulgation.

SEC. 8. *Separability Clause.* – If, for any reason, any part or provision of this Act is declared invalid, such declaration shall not affect the other provisions of this Act.

SEC. 9. *Repealing Clause.* – All laws, executive orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 10. *Effectivity.* – This Act shall take effect thirty (30) days after its complete publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.
Approved,

Approved.