

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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. **6259**



Introduced by **HONORABLE ROMERO "MIRO" S. QUIMBO**

EXPLANATORY NOTE

From 2013 to 2014, the government incurred a total of P64 Billion foregone revenue due to the widespread smuggling of agricultural products, according to a report by the Samahang Industriya ng Agrikultura (SINAG).¹ This amount represents a P32 Billion loss per year, which could have been used for the construction of approximately twenty one thousand (21,000) classrooms, or two thousand six hundred (2,600) health centers. In fact, the amount of loss reported for these two years is more than enough to cover the budget of the Department of Agriculture for 2016, and with an excess sufficient to help rehabilitate our agricultural sector.

From 1985 to 2009, poverty statistics show that most of those who are classified poor belong to those included in the agricultural sector.² For the past two decades, the average share of agricultural employment to the total labor force is one-third or 36.6 percent (36.6%).³ And yet, they receive the lowest average daily basic wage and salary compared to non-agriculture industries.⁴ This is appalling, considering that the agriculture industry is a significant driver of our country towards food security. This condition is aggravated by the occurrence of agricultural smuggling, in that it takes away what little income that workers in the agricultural sector may have, as they have to compete with the prices that the agricultural smugglers offer to the market, thereby hampering this sector's growth and sustainability.

With the adverse effects of agricultural smuggling to the government budget, food security, poverty alleviation, as well as its connection to all other national concerns, there is thus the need to strengthen laws to deter its commission. Recently, we initiated mechanisms to improve the Bureau of Customs through the passage of the Customs Modernization and Tariff Act (CMTA) at the lower house. Through this bill, we hope to complement the CMTA through the provision of stiffer

¹ Remo, Michelle V. "Agri groups decry unabated smuggling." Philippine Inquirer website, January 31, 2014. <<http://business.inquirer.net/162371/ph-govt-has-lost-p64b-in-2-years-to-unchecked-smuggling-of-food>, accessed October 26, 2015 >

² Albert, Jose Ramon G. "How Important is Agriculture in the Economy." Philippine Statistics Authority website, no date. <http://nscb.gov.ph/bevondthenumbers/2013/04122013_irga_agri.asp, accessed October 26, 2015 >

³ Ibid.

⁴ Ibid.

penalties for agricultural smuggling, in order to ensure the protection of this specific industry.

This measure imposes higher sanctions for large-scale smuggling of agricultural products, in the objective of protecting the agricultural sector, food security and price stability, ensure the income and well-being of our farmers, and regain government revenues lost, to be used for improving the delivery of social services for the country. It is a counterpart of Senate Bill No. 2923 filed by Senator Joseph Victor G. Ejercito. In my shared vision and commitment with Senator Ejercito to address the growing cases of smuggling of agricultural products, the passage of this bill is earnestly sought.



ROMERO "MIRO" S. QUIMBO
Representative
Second District, Marikina City

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Introduced by HONORABLE ROMERO "MIRO" S. QUIMBO

**AN ACT DECLARING LARGE-SCALE AGRICULTURAL SMUGGLING AS
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-Agricultural Smuggling Act of 2015.”

SECTION 2. *Declaration of Policy.* – It is the policy of the State to promote the productivity of the agriculture sector and to protect farmers from unscrupulous traders and importers, who by their illegal importation of agricultural products, especially rice, significantly affect the production, availability of supply and stability of prices, and the food security of the State.

The State shall impose higher sanctions for large-scale smuggling of agricultural products, as a self-preservation measure to shield itself from the manipulative scheme of economic saboteurs, and to protect the livelihood of our farmers and to ensure their economic well-being.

SECTION 3. *Large-Scale Agricultural Smuggling as Economic Sabotage.* – The crime of large-scale agricultural smuggling as economic sabotage, involving sugar, corn, pork, poultry, garlic, onion, carrots, fish, and cruciferous vegetables, in its raw state, or which have undergone the simple processes of preparation or preservation for the market, with a minimum amount of One million pesos (P1,000,000.00), or rice with a minimum amount of Ten million pesos (P10,000,000.00), as valued by the Bureau of Customs (BOC), is committed through any of the following acts:

(a) Importing or bringing into the Philippines without the required import permit from the regulatory agencies;

(b) Using import permits of persons, natural or juridical, other than those specifically named in the permit;

(c) Using fake, fictitious or fraudulent import permits or shipping documents;

(d) Selling, lending, leasing, assigning, consenting or allowing the use of import permits of corporations, nongovernment organizations, associations, cooperatives, or single proprietorships by other persons;

(e) Misclassification, undervaluation or misdeclaration upon the filing of import entry and revenue declaration with the BOC in order to evade the payment of rightful taxes and duties due to the government;

(f) Organizing or using dummy corporations, nongovernment organizations, associations, cooperatives, or single proprietorships for the purpose of acquiring import permits;

(g) Transporting or storing the agricultural product subject to economic sabotage regardless of quantity; or

(h) Acting as broker of the violating importer.

SECTION 4. Penalties. – (a) The penalty of life imprisonment and a fine of twice the fair value of the smuggled agricultural product and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on any person who commits any of the acts enumerated under Section 3 of this Act.

(b) The penalty of imprisonment of not less than seventeen (17) years but not more than twenty (20) years, and a fine of twice the fair value of the smuggled agricultural product and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on the officers of dummy corporations, nongovernment organizations, associations, cooperatives, or single proprietorships who knowingly sell, lend, lease, assign, consent or allow the unauthorized use of their import permits for purposes of smuggling.

(c) The penalty of imprisonment of not less than fourteen (14) years but not more than seventeen (17) years and a fine equal to the fair value of the smuggled agricultural product and the aggregate amount of the taxes, duties and other charges avoided shall be imposed on the following:

(1) The registered owner and its lessee or charterer, in case of lease, of a chartered boat, motorized commercial vessel of more than three gross tonnage, who knowingly transports the agricultural product subject to economic sabotage, regardless of quantity;

(2) The registered owner and its lessee, in case of lease, of six (6) or more wheeler trucks, vans and other means of transportation, who knowingly transports the agricultural product subject to economic sabotage, regardless of quantity;

(3) The registered owner and lessee of a warehouse, or any property, who knowingly stores the smuggled agricultural product subject to economic sabotage; or

(4) The registered owner, lessee, president or chief executive officer of the private port, fish port, fish landing sites, resorts, airports who knowingly allows the agricultural product to be smuggled into the country.

(d) The penalty of imprisonment of not less than twelve (12) years but not more than fourteen (14) years and a fine equal to the fair value of the smuggled agricultural product subject to economic sabotage and the aggregate amount of the taxes, duties and other charges avoided shall be impose on the following:

(1) The registered owner and its lessee or charterer, in case of lease, of a chartered boat, motorized commercial vessel of three gross tonnage or less, who knowingly transports the agricultural product subject to economic sabotage, regardless of quantity; or

(2) The registered owner and its lessee, in case of lease, of less than six-wheel trucks, vans and other means of transportation, who knowingly transports the agricultural product subject to economic sabotage, regardless of quantity.

In all cases, the smuggled agricultural products shall be confiscated and the property used in agricultural smuggling, consistent with Section 2530 of the Tariff and Customs Code and without prejudice to Section 2531 of the same Code, shall be forfeited in favor of the government.

When the offender is a juridical person, criminal liability shall attach to its president, chief operating officer or manager who consents to or knowingly tolerates the commission of the prohibited crime.

Any person, natural or juridical, found guilty under this Act shall also suffer the penalty of perpetual absolute disqualification to engage in any business involving importation.

In applying the abovementioned penalties, if the offender is an alien and the prescribed penalty is not life imprisonment, he/she shall be deported after serving the sentence without further proceedings for deportation.

If the offender is a government official or employee, the penalty shall be the maximum as hereinabove prescribed and the offender shall suffer an additional penalty of perpetual disqualification from public office, to vote and to participate in any public election.

SECTION 5. *Presumption of Agricultural Smuggling.* – Mere possession of rice or any agricultural product under this Act, which has been the subject of smuggling, entered into the Philippines other than the Bureau of Customs controlled ports or without the necessary permits shall be *prima facie* evidence of smuggling.

SECTION 6. *Implementing Rules and Regulations.* – The BOC, in consultation with concerned agencies, shall promulgate the implementing rules and regulations of this Act within thirty (30) days upon its effectivity.

SECTION 7. *Prescription of Crimes.* – The crime punishable under this Act shall prescribe in twenty (20) years.

SECTION 8. *Separability Clause.* – If any portion of this Act is declared unconstitutional or invalid, the portions or provisions which are not affected shall continue to be in full force and effect.

SECTION 9. *Repealing Clause.* – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed and/or modified accordingly.

SECTION 10. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days following its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,