

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. **1697**



Introduced by Representatives
HORACIO P. SUANSING, JR. and MIKAELA ANGELA B. SUANSING

AN ACT
AMENDING REPUBLIC ACT NO. 10863 OTHERWISE KNOWN AS THE
"CUSTOMS MODERNIZATION AND TARIFF ACT"

EXPLANATORY NOTE

This measure seeks to amend Republic Act No. 10863, otherwise known as the "Customs Modernization and Tariff Act" by proposing to include a new provision that would allow the Bureau of Customs (BoC) to utilize part of its annual income for its modernization program.

The passage of R.A. 10863 updated the old Tariff and Customs Code of the Philippines to pave the way for reforms and the modernization of the Bureau. To accomplish this, the CMTA directs the BoC to be more responsive to, and focused on meeting the present demands of trade and commerce, by institutionalizing and utilizing information and communications technology (ICT) for transparent, reliable, and expeditious customs administration.

In the first quarter of 2022, the Bureau reported that 139 out of 170 or 82% of its custom processes are now automated and there are already 30 ICT systems being implemented. In addition, 21 trade regulatory government agencies have already onboarded into the implementation of National Single Window (NSW). The NSW is an institutional platform that provides for faster coordination and data exchange among government agencies for improved trade facilitation.¹

Given these commendable accomplishments, and in order for the Bureau to continue its modernization program, it is respectfully submitted that the same be given more resources and be allowed to use one percent (1%) of its annual income to further modernize its administrative processes and operational systems, to make it more consistent and at par with

¹ BoC First Quarter Accomplishment Report. Retrieved from:
<https://customs.gov.ph/wpcontent/uploads/2022/04/BOC20221stQuarterAccomplishmentReport.pdf>

international standards and customs best practices, and for the pursuit of better and efficient trade facilitation for all its stakeholders.

In view of the foregoing, the immediate approval of the bill is earnestly sought.²



HORACIO P. SUANSING, JR.
2nd District of Sultan Kudarat



MIKAELA ANGELA B. SUANSING
1st District of Nueva Ecija

² This bill was filed in the 18th Congress by Reps. Horacio P. Suansing, Jr. and Estrellita B. Suansing.

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

SECTION 1. Republic Act No. 10863 is hereby amended by inserting a new section after Section 205 which shall become the new Section 206 and shall read as follows:

“SEC. 206. USE OF INCOME - THE BUREAU OF CUSTOMS IS HEREBY AUTHORIZED TO USE ONE PERCENT (1%) OF ITS ANNUAL INCOME DERIVED FROM ITS COLLECTION OF CUSTOMS DUTIES AND TAXES TO ENABLE IT TO PURSUE THE VARIOUS COMPONENTS OF ITS MODERNIZATION PROGRAM SUCH AS, BUT NOT LIMITED TO:

- A. ACQUISITION, UPGRADING AND MODERNIZATION OF EQUIPMENT AND INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) EQUIPMENT AND SYSTEMS; AND**
- B. CONSTRUCTION, REPAIR AND REHABILITATION OF INFRASTRUCTURES AND FACILITIES.**

PROVIDED, THAT NO AMOUNT OF SAID INCOME SHALL BE USED TO FUND PERSONAL SERVICES EXPENDITURES.

PROVIDED, FURTHER, THAT EXPENDITURES FOR THE IMPLEMENTATION OF SAID PROGRAMS SHOULD BE COVERED UNDER GOVERNMENT PROCUREMENT PROCEDURES PURSUANT TO REPUBLIC ACT NO. 9184 AND ITS IMPLEMENTING RULES AND REGULATIONS.”

SECTION 2. The succeeding sections of the same Act are hereby amended and renumbered accordingly.

SECTION 3. *Implementing Rules and Regulations.* — Within one hundred twenty (120) days after the effectivity of this Act, the Commissioner of the Bureau of Customs shall promulgate the implementing rules and regulations necessary for the effective implementation of this Act.

SECTION 4. *Repealing Clause* — All laws, executive orders and regulations inconsistent with or contrary to this Act are hereby considered repealed and/or amended accordingly.

SECTION 5. *Separability Clause* — If any section or provision of this Act is declared unconstitutional or invalid, the other sections or provisions not affected thereby shall remain in full force and effect.

SECTION 6. *Effectivity* — This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,