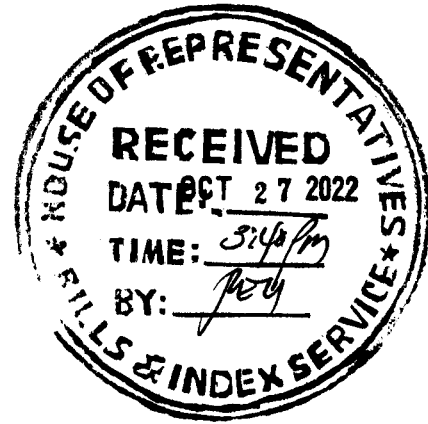


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5742



Introduced by Representative Wilbert T. Lee

**AN ACT
TO RATIONALIZE EXISTING PENAL LAWS AGAINST LARGE-SCALE
AGRICULTURAL SMUGGLING, AMENDING CERTAIN PROVISIONS OF
REPUBLIC ACT NO. 10845, OTHERWISE KNOWN AS THE ANTI-
AGRICULTURAL SMUGGLING ACT OF 2016, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The enactment of Republic Act No. 10845, otherwise known as “Anti-Agricultural Smuggling Act of 2016,” paved way to protect and promote the productivity of the Philippine agricultural sector, Filipino farmers and enterprises from unscrupulous trades and importers. But, since its passage, agricultural smuggling considered as economic sabotage is still rampant and smuggled profusely in the country.

Philippine agriculture industries are still competing against the smuggled agricultural products, the latter dominating the market. As a result, there is a decline in the local produced products. Local agricultural sectors are restrained to continue their production because if they continue it, it is either their produced inputs are thrown to waste or sold at cheap prices.

In view of this continuous proliferation of large-scale smuggling in the country, this measure aims to (1) include the other unlawful act of market abuses; and (2) modify a stricter penalty to those public officials or employees who tolerates, protects, or take part in large-scale agricultural smuggling, and other market abuses, namely but not limited to, hoarding, profiteering, or cartel in the country.

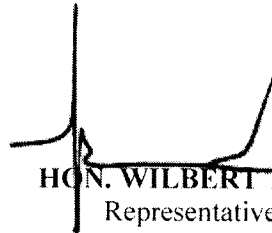
It must be emphasized that our agriculture sectors will not progress and issues relating to it will not be solved if those supposed protectors and implementors of our interest protects and/or belong to those who are behind agricultural smuggling. Strict enforcement is needed as government officials and employees are agents of the people. We entrust them with public power. Public power that should only be used for the benefit of all and not for their own personal gain or for the few.

Another feature of this bill is holding public officials accountable with heavier punishment. As public officials or employees, we must hold them accountable for their actions

and inactions. Section 1, Article XI of the 1987 Constitution, provides that public office is a public trust. Public officers and employees must, at all times, be accountable to the people, serve them utmost responsibility, integrity, loyalty, and efficiency; act with patriotism and justice, and lead modest lives.

The proposed measure seeks to impede and put a stop on the involvement of public officials or employees in the large-scale agricultural smuggling. As agents of the State, public officials or employees should observe and uphold public interest over and above their own interest, perform and discharge their duties with utmost dedication and loyalty to the country, and discourage wrongdoings or undue patronage. Hence, this proposed measure will not only go after the illegal importers but also to those involved and protectors of such act/s.

The expeditious consideration and approval of this measure is earnestly sought.



HON. WILBERT T. LEE
Representative
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AN ACT
TO RATIONALIZE EXISTING PENAL LAWS AGAINST LARGE-SCALE
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REPUBLIC ACT NO. 10845, OTHERWISE KNOWN AS THE ANTI-
AGRICULTURAL SMUGGLING ACT OF 2016, AND FOR OTHER PURPOSES

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

Sec. 1. The title of Republic Act No. 10845 is hereby amended to read as follows:

AN ACT DECLARING LARGE-SCALE AGRICULTURAL SMUGGLING,
HOARDING, AND OTHER MARKET ABUSES AS ECONOMIC SABOTAGE,
PRESCRIBING PENALTIES THEREFOR AND FOR OTHER PURPOSES

Sec. 2. Section 1 of Republic Act No. 10845 is hereby amended to read as follows:

Sec. 1. This Act shall be known as the “Anti-Agricultural Smuggling **AND ECONOMIC SABOTAGE** Act of 2016.”

Sec. 3. Section 2 of Republic Act No. 10845 is hereby amended to read as follows:

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 PROMOTE THE AFFORDABILITY OF FOOD AND OTHER AGRICULTURAL COMMODITIES FOR FILIPINO CONSUMERS BY PREVENTING LARGE-SCALE ABUSE OF MARKET POWER, HOARDING, AND OTHER PRACTICES TO MANIPULATE PRICES AND UNDULY RESTRAIN SUPPLY.

The State shall impose higher sanctions for large-scale smuggling of agricultural products, **AND OTHER ABUSES OF MARKET POWER, AND THOSE PUBLIC OFFICIAL OR EMPLOYEE WHO TAKE PART AND/OR PART OF, TOLERATES OR CONSENTS TO THE DOING OF THE SAME** 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.

Sec. 4. A new Section 3A shall be inserted after Section 3 of Republic Act No. 10845, to read as follows:

SECTION 3A. LARGE-SCALE AGRICULTURAL HOARDING, PROFITEERING, AND CARTEL AS ECONOMIC SABOTAGE. – HOARDING, PROFITEERING, OR CARTEL, AS DEFINED IN SECTION 5 OF REPUBLIC ACT NO. 7581, INsofar AS THEY INVOLVE 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) FOR IMPORTS OR BY THE DEPARTMENT OF AGRICULTURE FOR DOMESTICALLY PRODUCED COMMODITIES, SHALL CONSTITUTE ECONOMIC SABOTAGE.

Sec. 5. Section 4 of Republic Act No. 10845 is amended to as read as follows:

“SECTION 4. Penalties. – (a) The penalty of life imprisonment and a fine of twice the fair value of the smuggled agricultural product **OR THE PRODUCT SUBJECT TO**

HOARDING, PROFITEERING, OR CARTEL and the aggregate amount of the taxes, duties and other charges avoided **PLUS INTEREST AT THE PREVAILING LEGAL RATE** shall be imposed on any person who commits any of the acts enumerated under SectionS 3 **AND 3A** 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, **HOARDED, PROFITEERED, OR CARTELED** agricultural product and the aggregate amount of the taxes, duties and other charges avoided **PLUS INTEREST AT THE PREVAILING LEGAL RATE** 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, **HOARDING, PROFITEERING, OR CARTELLING.**

(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, **HOARDED, PROFITEERED, OR CARTELED** agricultural product and the aggregate amount of the taxes, duties and other charges avoided **PLUS INTEREST AT THE PREVAILING LEGAL RATE** 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 (3) 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, and airports who knowingly allows the agricultural product to be smuggled into the country, **OR TO BE HOARDED WITHIN THEIR FACILITIES.**

(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, **HOARDED, PROFITEERED, OR CARTELED** agricultural product subject to economic sabotage and

the aggregate amount of the taxes, duties and other charges avoided **PLUS INTEREST AT THE PREVAILING LEGAL RATE** 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 three (3) 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 (6) wheeler 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, **HOARDED, PROFITEERED, OR CARTELED** 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 PUBLIC OFFICIAL OR EMPLOYEE**, the penalty shall be the maximum as hereinabove prescribed and the offender shall suffer an additional penalty of perpetual **ABSOLUTE** disqualification from public office, to vote and to participate in any public election.

Sec. 6. Section 7 of Republic Act No. 10845 is hereby amended to read as follows:
SECTION 7. Prescription of Crimes. – The crimeS punishable under this Act shall prescribe in twenty (20) years.

Sec. 7. Implementing Rules and Regulations. – The Bureau of Customs, the Department of Trade and Industry, and the Department of Agriculture, in consultation with concerned agencies, shall promulgate the implementing rules and regulations of this Act within thirty (30) days upon its effectivity.

Sec. 8. Separability Clause. If any part or provision of this Act shall be declared unconstitutional or invalid, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

Sec. 9. *Repealing Clause.* All laws, presidential decrees, executive orders, rules and regulations, other issuances, and parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

Sec. 10. *Effectivity.* This Act shall take effect fifteen (15) days following its publication in three (3) newspapers of general circulation.

Approved,