

**Republic of the Philippines
House of Representatives
Quezon City**

**Nineteenth Congress
Second Regular Session**

House Bill No. 8673



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

**AN ACT AMENDING REPUBLIC ACT NO. 10845, OTHERWISE KNOWN AS THE
“ANTI-AGRICULTURAL SMUGGLING ACT OF 2016”, AND FOR OTHER
PURPOSES**

EXPLANATORY NOTE

In line with the policy of the State to assure the economic security of local agricultural producers and consumers by securing our local markets from the grave, destabilizing effects of the proliferation of smuggled basic agricultural commodities and tobacco products, the following measure seeks to amend Republic Act No. 10845 (or the “Anti-Agricultural Smuggling Act of 2016”) to expand the crimes defined as and further increase the criminal penalties imposed on acts of large-scale agricultural smuggling and other forms of market abuse in the Philippines.

Specifically, the following measure proposes: to expand the list of agricultural products whose smuggling into the Philippines can be prosecuted under the law; to define (alongside large-scale agricultural smuggling) the acts of hoarding, profiteering or cartelizing of basic agricultural commodities and tobacco products as economic sabotage; to add to the presumptions of smuggling, hoarding, profiteering or cartelizing under the law; to impose higher sanctions on public officials, public employees and public offices involved in transactions consummating the acts defined as economic sabotage; and to expand the number of agencies that can institute a case of economic sabotage under the law.

Through these amendments, it is our hope that perpetrators of economic sabotage, who have continually evaded punishment at the expense of the livelihoods of Filipino farmers, may finally face prosecution commensurate to the damage caused by their actions, and that such amendments may deter others who may aspire to pursue such extractive activities from following suit.

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


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1st District of Nueva Ecija

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PURPOSES**

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

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

**“AN ACT DECLARING LARGE-SCALE AGRICULTURAL SMUGGLING,
HOARDING, PROFITEERING, CARTEL, AND OTHER ACTS OF MARKET
ABUSE AS ECONOMIC SABOTAGE, PRESCRIBING PENALTIES THEREFORE
AND FOR OTHER PURPOSES.”**

SEC. 2. Section 1 of Republic Act no. 10845 is hereby amended to read as:

**“Section 1. This Act shall be known as the “EXPANDED Anti-Agricultural
Smuggling Act of 2023 [2016].”**

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

“Sec. 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 process and food security of the State.

**THE STATE SHALL LIKEWISE PROMOTE THE AFFORDABILITY OF
FOOD AND OTHER AGRICULTURAL COMMODITIES FOR FILIPINO
CONSUMERS BY PREVENTING LARGE-SCALE SMUGGLING,
HOARDING, PROFITEERING, CARTELIZING, AND OTHER ACTS OF
MARKET ABUSE THAT MANIPULATE PRICES AND UNDULY RESTRAIN
SUPPLY.**

“The State shall impose higher sanctions for large-scale smuggling, HOARDING, PROFITEERING, CARTELIZING, AND OTHER ACTS OF MARKET ABUSE of agricultural products, AND TO PUBLIC OFFICIALS OR EMPLOYEES WHO TAKE PART IN, TOLERATE, OR CONSENT 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 AND THAT OF CONSUMERS.”

SEC. 4. Section 3 of Republic Act No. 10845 is hereby amended to read as:

“SECTION 3. Large-Scale Agricultural Smuggling as Economic Sabotage. – The crime of large-scale agricultural smuggling as economic sabotage, involving AGRICULTURAL COMMODITIES 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 (P10,000,000.00)], OR TOBACCO, WHETHER MANUFACTURED OR UNMANUFACTURED, INCLUDING FINISHED PRODUCTS SUCH AS CIGARS, CIGARETTES OR HEATED TOBACCO PRODUCTS, WITH A MINIMUM EXCISE TAX AND VAT PAYABLE IN THE AMOUNT OF ONE MILLION PESOS (P1,000,000.00), as valued by the Bureau of Customs (BOC), is committed through any of the following acts:

(a) X X X

X X X

(h) Acting as A broker, AGENT, FACILITATOR, FORWARDER, OR WAREHOUSE LESSOR of the violating importer;

(i) ALLOWING OR APPROVING IN ONE’S CAPACITY AS A PUBLIC OFFICER OR EMPLOYEE THE IMPORTATION INTO THE PHILIPPINES WITHOUT THE REQUIRED IMPORT PERMIT FROM THE REGULATORY AGENCIES, WHETHER OR NOT THERE IS PECUNIARY INTEREST OR MATERIAL BENEFIT OR ADVANTAGE ON THE PART OF THE PUBLIC OFFICER OR EMPLOYEE;

(j) APPROVING OR GRANTING ANY LICENSE, EXPORT DECLARATION, CLEARANCE OR PERMIT, KNOWING THAT THE SAME IS MANIFESTLY UNLAWFUL, INEQUITABLE OR IRREGULAR, WHETHER OR NOT THERE IS PECUNIARY INTEREST OR MATERIAL BENEFIT OR ADVANTAGE ON THE PART OF THE PUBLIC EMPLOYEE OR OFFICER;

(k) ALLOWING THE USE OF A PRIVATE PORT, FISH PORT, FISH LANDING SITE, RESORT, AND/OR AIRPORT TO PERPETUATE THE ECONOMIC SABOTAGE REGARDLESS OF QUANTITY; AND

(L) IMPORTING FINISHED PRODUCTS SUCH AS CIGARETTES, CIGARS, AND HEATED TOBACCO PRODUCTS, THAT ARE NOT REGISTERED WITH THE BUREAU OF INTERNAL REVENUE. FOR THIS PURPOSE, THE BUREAU OF INTERNAL REVENUE SHALL PUBLISH AND REGULARLY UPDATE THE LIST OF FINISHED GOODS THAT ARE REGISTERED IN THEIR OFFICE, STATING THEREIN THAT ALL UNREGISTERED PRODUCTS ARE ILLEGAL AND ARE SUBJECT TO IMMEDIATE CONFISCATION.

AGRICULTURAL COMMODITIES SHALL REFER TO RICE, SUGAR, CORN, PORK, POULTRY, BEEF, LAMB, GARLIC, ONION, CARROTS, CRUCIFEROUS VEGETABLES, FISH, CRUSTACEANS, OR SHELLFISH.

MANUFACTURED TOBACCO REFERS TO ANY PRODUCT THAT CONSISTS OF LOOSE TOBACCO THAT CONTAINS NICOTINE AND IS INTENDED FOR USE IN A CIGARETTE, INCLUDING ANY PRODUCT CONTAINING TOBACCO AND INTENDED FOR SMOKING OR HEATING OR PUFFING OR ORAL OR NASAL USE. UNMANUFACTURED TOBACCO REFERS TO AGRICULTURAL COMPONENTS DERIVED FROM THE TOBACCO PLANT, WHICH ARE PROCESSED FOR USE IN THE MANUFACTURING OF CIGARETTES AND OTHER TOBACCO PRODUCTS.”

SEC. 5. A new Section 3A shall be inserted after Section 3 of Republic Act. No. 10845 to read as:

“SEC. 3-A. *LARGE-SCALE AGRICULTURAL HOARDING, PROFITEERING, AND CARTEL AS ECONOMIC SABOTAGE.* – HOARDING, PROFITEERING, OR CARTEL AS ECONOMIC SABOTAGE INsofar as they involve AGRICULTURAL COMMODITIES 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 TOBACCO, WHETHER MANUFACTURED OR UNMANUFACTURED, INCLUDING FINISHED PRODUCTS SUCH AS CIGARS, CIGARETTES, OR HEATED TOBACCO PRODUCTS, WITH A MINIMUM EXCISE TAX AND VAT PAYABLE IN THE AMOUNT OF ONE MILLION PESOS (P1,000,000.00), AS VALUED BY THE BUREAU OF CUSTOMS (BOC) FOR IMPORTS OR BY THE DEPARTMENT OF AGRICULTURE FOR DOMESTICALLY PRODUCED COMMODITIES IS COMMITTED THROUGH THE FOLLOWING ACTS:

A) HOARDING - UNDUE ACCUMULATION BY A PERSON OR COMBINATION OF PERSONS OF ANY AGRICULTURAL COMMODITY OR ANY TOBACCO PRODUCT BEYOND HIS OR THEIR NORMAL INVENTORY LEVELS OR THE UNREASONABLE LIMITATION OR REFUSAL TO DISPOSE OF, SELL OR DISTRIBUTE THE STOCKS OF ANY AGRICULTURAL COMMODITY OR ANY TOBACCO PRODUCT TO THE GENERAL

PUBLIC OR THE UNJUSTIFIED TAKING OUT OF ANY AGRICULTURAL COMMODITY OR ANY TOBACCO PRODUCT FROM THE CHANNELS OF REPRODUCTION, TRADE, COMMERCE AND INDUSTRY. THERE SHALL BE PRIMA FACIE EVIDENCE OF HOARDING WHEN A PERSON HAS STOCKS OF ANY AGRICULTURAL COMMODITY OR ANY TOBACCO PRODUCT FIFTY PERCENT (50%) HIGHER THAN HIS USUAL INVENTORY AND UNREASONABLY LIMITS, REFUSES OR FAILS TO SELL THE SAME TO THE GENERAL PUBLIC AT THE TIME OF DISCOVERY OF THE EXCESS. THE DETERMINATION OF A PERSON'S USUAL INVENTORY SHALL BE RECKONED FROM THE THIRD MONTH IMMEDIATELY PRECEDING BEFORE THE DISCOVERY OF THE STOCKS IN CASE THE PERSON HAS BEEN ENGAGED IN THE BUSINESS FOR AT LEAST THREE (3) MONTHS; OTHERWISE, IT SHALL BE RECKONED FROM THE TIME HE STARTED HIS BUSINESS.

- B) PROFITEERING - SALE OR OFFERING FOR SALE OF ANY AGRICULTURAL COMMODITY OR TOBACCO PRODUCT AT A PRICE GROSSLY IN EXCESS OF ITS TRUE WORTH. THERE SHALL BE PRIMA FACIE EVIDENCE OF PROFITEERING WHENEVER AN AGRICULTURAL COMMODITY OR TOBACCO PRODUCT BEING SOLD: (A) HAS NO PRICE TAG; (B) IS MISREPRESENTED AS TO ITS WEIGHT OR MEASUREMENT; (C) IS ADULTERATED OR DILUTED; OR (D) WHENEVER A PERSON RAISES THE PRICE OF THE AGRICULTURAL COMMODITY OR TOBACCO HE SELLS OR OFFERS FOR SALE TO THE GENERAL PUBLIC BY MORE THAN TEN PERCENT (10%) OF ITS PRICE IN THE IMMEDIATELY PRECEDING MONTH.**
- C) CARTEL - ANY COMBINATION OF OR AGREEMENT BETWEEN TWO (2) OR MORE PERSONS ENGAGED IN THE PRODUCTION, MANUFACTURE, PROCESSING, STORAGE, SUPPLY, DISTRIBUTION, MARKETING, SALE OR DISPOSITION OF AGRICULTURAL PRODUCTS OR TOBACCO PRODUCTS DESIGNED TO ARTIFICIALLY AND UNREASONABLY INCREASE OR MANIPULATE ITS PRICE. THERE SHALL BE PRIMA FACIE EVIDENCE OF ENGAGING IN A CARTEL WHENEVER TWO (2) OR MORE PERSONS OR BUSINESS ENTERPRISES COMPETING FOR THE SAME MARKET AND DEALING IN THE SAME AGRICULTURAL COMMODITY OR BUSINESS ENTERPRISES ANCILLIARY TO THE IMPORT TRANSACTION, PERFORM UNIFORM OR COMPLEMENTARY ACTS AMONG THEMSELVES WHICH TEND TO BRING ABOUT ARTIFICIAL AND UNREASONABLE INCREASE IN THE PRICE OF AGRICULTURAL COMMODITY OR TOBACCO PRODUCT WHEN THEY SIMULTANEOUSLY AND UNREASONABLY INCREASE PRICES ON THEIR COMPETING PRODUCTS THEREBY LESSENING COMPETITION AMONG THEMSELVES."**

SEC. 5. Section 4 of Republic Act. 10845 is hereby amended to read as:

“Section 4. *Penalties.* -

(a) The penalty of life imprisonment and a fine of twice the fair value of 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 3-A** of this Act.

(b) The penalty of imprisonment of not less than **THIRTY (30)** [seventeen (17)] years but not more than **FORTY (40)** [twenty (20)] years, and a fine of twice the fair value of the smuggled, **HOARDED, PROFITEERED, OR CARTELLED** 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 **ANY PERSON OR** the officers of [dummy] corporations, [non-government 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 CARTELIZING.**

(c) The penalty of imprisonment of not less than **TWENTY (20)** [fourteen (14)] years but not more than **THIRTY (30)** [seventeen (17)] years, and a fine of twice the fair value of the smuggled, **HOARDED, PROFITEERED, OR CARTELLED** 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, **HOARDED, PROFITEERED, OR CARTELLED** 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 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 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, **HOARDED, PROFITEERED, OR CARTELED AGRICULTURAL COMMODITIES** 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.

X X X

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 5 of Republic Act. No. 10845 is hereby amended to read as:

*“Sec. 5. Presumption of Agricultural Smuggling, **HOARDING, PROFITEERING, OR CARTELIZING.** – Mere possession of [rice or] any agricultural **COMMODITY OR TOBACCO** product [under] **COVERED BY** this Act, which has been the subject of smuggling, **HOARDING, PROFITEERING, OR CARTELIZING,** [entered into the Philippines other than the BOC controlled ports or without the necessary permits] shall be prima facie evidence of smuggling, **HOARDING, PROFITEERING, OR CARTELIZING.***

ANY PUBLIC OFFICER OR EMPLOYEE WHOSE NAME, SIGNATURE OR INITIALS APPEAR ON THE IMPORT DOCUMENTS, CUSTOMS CLEARANCES, OR OTHER DOCUMENTS, OR WHOSE OFFICE IS PRIMARILY RESPONSIBLE FOR THE RELEASE OF THE SHIPMENTS, USED IN THE COMMISSION OF THE CRIMES UNDER THIS ACT SHALL CONSTITUTE *PRIMA FACIE* EVIDENCE OF PARTICIPATING IN LARGE-SCALE SMUGGLING, HOARDING, PROFITEERING, OR CARTELIZING.”

SEC. 7. A new section, Section 6, shall be inserted after Section 5 of Republic Act. No. 10845 to read as:

“SEC. 6. INSTITUTION AND PROSECUTION OF CRIMINAL AND CIVIL PROCEEDINGS. – ANY CIVIL AND CRIMINAL ACTION ARISING FROM THE VIOLATION OF THIS ACT SHALL BE INSTITUTED BY THE BUREAU OF CUSTOMS (BOC), NATIONAL BUREAU OF INVESTIGATION (NBI), OFFICE OF THE SOLICITOR GENERAL (OSG), OR DEPARTMENT OF AGRICULTURE (DA).

CIVIL AND CRIMINAL ACTIONS AND PROCEEDINGS INSTITUTED UNDER THE AUTHORITY OF THIS ACT SHALL BE BROUGHT IN THE NAME OF THE GOVERNMENT OF THE PHILIPPINES AND SHALL BE PROSECUTED AND HANDLED BY THE INSTITUTING AGENCY WITH THE ASSISTANCE OF THE DEPARTMENT OF JUSTICE (DOJ); PROVIDED, THAT THE DETERMINATION OF THE EXISTENCE OF PROBABLE CAUSE AND THE SUBSEQUENT FILING OF ANY CRIMINAL OR CIVIL CASE WITH THE PROPER COURT AGAINST VIOLATORS OF THIS ACT SHALL EXCLUSIVELY BELONG TO THE DOJ. ”

SEC. 8. Section 7 of Republic Act No. 10845 is hereby renumbered and amended to read as:

“Sec. 8. Prescription of Crimes. – The crimeS punishable under this Act shall prescribe in twenty (20) years.”

SEC. 9. *Implementing Rules and Regulations.* – The Bureau of Customs, the Department of Trade and Industry, the Department of Agriculture, **AND THE DEPARTMENT OF JUSTICE**, in consultation with concerned agencies, shall promulgate the implementing rules and regulations of this Act within thirty (30) days upon its effectivity.

SEC. 10. *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.

SEC. 11. *Repealing Clause.* – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed and/or modified accordingly.

SEC. 12. *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,