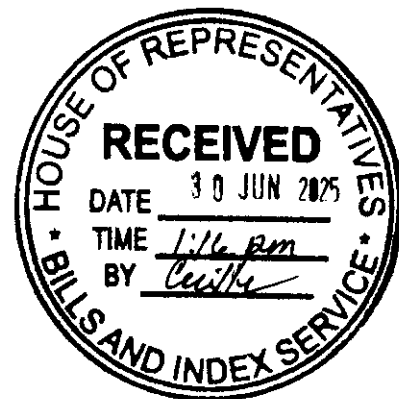




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 329



Introduced by Representative Midy N. Cua
Lone District, Quirino

**AN ACT GRANTING AMNESTY TO STAKEHOLDERS WITH UNLIQUIDATED AND/OR
UNSETTLED SURETY BOND OBLIGATIONS WITH THE BUREAU OF CUSTOMS FOR
BONDS ISSUED ON OR BEFORE DECEMBER 31, 2015**

EXPLANATORY NOTE

The primary objective of this bill is to improve government revenue collection by granting the Customs Commissioner the authority to implement amnesty on taxes and sureties, a power currently exclusive to the Commissioner of the Bureau of Internal Revenue (BIR). Under Section 1131 of the Customs Modernization and Tariff Act (CMTA), the Customs Commissioner's authority to enter into a compromise is restricted to administrative cases arising under the CMTA, specifically those involving the imposition of fines and surcharges, and is subject to the approval of the Secretary of Finance.

Beyond the Bureau of Customs' (the "Bureau") role in trade facilitation, this proposal serves as a strategic initiative to support the government's efforts to generate additional revenue for public services without introducing new taxes. By encouraging voluntary disclosures and payments of previously unliquidated or matured bonds, this measure will allow the Bureau to address a significant backlog of pending records and convert them into government funds.

The Bureau allows various types of securities, one of which is surety bonds, generally required from importers to secure the payment of customs duties, charges, or fees. These bonds enable the Bureau to conditionally release importations pending full compliance. However, there is currently no existing law that incentivizes importers to voluntarily disclose their matured or unliquidated surety bonds.

By offering a one-time opportunity for taxpayers, stakeholders, and surety companies to settle their deficiencies through a streamlined collection process, this measure aims to resolve dormant receivable accounts, enhance the Bureau's database, and minimize administrative expenses associated with tax case proceedings. Additionally, it is expected to ease case backlogs within the Bureau and the courts, thereby accelerating the collection of outstanding duties and taxes.

The proposed amnesty will cover duties and taxes that accrued from the start of this policy's implementation by the Bureau until 31 December 2015. Obligations incurred from 01 January 2016, onward are excluded, as they remain subject to audit under the CMTA.

Nonetheless, this measure shall not apply to the following cases:

1. Cases involving criminal charges filed on or before 31 December 1997, either in court or with the Prosecutor's Office by the Bureau or any other government agency; and
2. Customs duties and tax liabilities that are the subject of pending criminal actions filed before 31 December 1997, whether in court or with the Prosecutor's Office by the Bureau or any other government agency.

By combining improved revenue collection strategies with administrative efficiency, this bill aims to enhance the Bureau's capacity to fulfill its mandate while supporting the government's broader fiscal objectives.

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



MIDY N. CUA
Representative
Lone District, Quirino



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

**TITLE I
PRELIMINARY PROVISIONS**

1 Section 1. *Short Title.* – This Act shall be known as “The Customs Amnesty Act of 2025”.

2
3 Section 2. *Declaration of Policy.* – It is hereby declared the policy of the State to strengthen government
4 revenue collection to ensure the availability of resources for programs that promote the general welfare
5 and safeguard the interests of its citizens. In pursuit of this objective, the State shall:

- 6
7 a) Provide a one-time opportunity for taxpayers, stakeholders, and surety companies to
8 voluntarily settle their outstanding obligations through an efficient and simplified collection
9 process;
10 b) Facilitate the collection of dormant receivable accounts, improve the Bureau of Customs
11 (“Bureau”) database, and reduce administrative costs arising from duty and tax case
12 proceedings; and
13 c) Alleviate case backlogs within the Bureau and the courts, thereby expediting the recovery of
14 outstanding duties and taxes.

15
16 Section 3. *Definition of Terms.* – As used in this Act:

- 17
18 a) Surety Bonds refer to bonds issued by an accredited surety company holding an Authority to
19 Transact Business as Surety Company granted by the Bureau.
20 b) Unliquidated bonds refer to surety bonds that remain unpaid, unresolved, or unsettled.
21 c) Matured bonds refer to surety bonds that have reached their designated maturity date, and are
22 now due for settlement.
23 d) Customs Bond/Surety Amnesty Application (“Application”)
24 e) Customs Clearance refer to the document that serves as proof of the completion of customs
25 formalities, issued upon the settlement of applicable duties, fees, and other charges.

TITLE II
CUSTOMS AMNESTY

Section 4. *Coverage.* – Amnesty from civil and criminal prosecution is hereby granted to those taxpayers, stakeholders, and surety companies, except those with cases mentioned in Section 9 hereof, who will apply for amnesty on his/its previously unliquidated and/or matured bonds to secure payment of customs duties and other charges of fees, including increments or penalties in relation thereto.

Section 5. *Entitlement to Customs Amnesty.* – The amnesty provided for in Section 4 of this Act shall apply exclusively to surety bonds issued on or before December 31, 2015. Provided, that the applicant, whether individual or corporation, shall file a Customs Bond/ Surety Amnesty Application with the Office of the District Collector concerned, within the prescribed period, and in the manner prescribed under Section 7 of this Act. Provided further, that the taxpayer or surety company shall pay:

- a) 50% of the principal duties and taxes for bonds matured as of December 31, 2000;
- b) 55% of the principal duties and taxes for bonds matured as of January 01, 2001;
- c) 60% of the principal duties and taxes for bonds matured as of January 01, 2004;
- d) 65% of the principal duties and taxes for bonds matured as of January 01, 2007; or
- e) 70% of the principal duties and taxes for bonds matured as of January 01, 2010.

Section 6. *Waiver of Penalties and Surcharges.* – Penalties and surcharges shall be considered waived in the following cases:

- a) For those who avail of this customs amnesty; and
- b) For those who have already paid the duties and taxes for the bonds covered by the above amnesty period, but remain uncanceled because of the non-payment of penalties and surcharges.

Section 7. *Availment of Customs Amnesty; Time, Manner and Place of Filing.* – The Customs Bond/ Surety Amnesty Application shall be filed using the prescribed form with the Office of the District Collector concerned, subject to the approval of the Commissioner of Customs, within one (1) year from the issuance of the implementing rules and regulations of this Act. The said Application must show the details of the unliquidated and/or matured bonds.

Section 8. *Payment of Taxes and Duties.* – The taxes and duties due as disclosed by the applicant in his Amnesty Application must be paid within thirty (30) days upon the approval of the Commissioner of Customs.

Section 9. *Exceptions.* – The amnesty provided for in Section 4 of this Act shall not apply in the following instances:

- a) Criminal cases already filed in Court or with the Prosecutor's Office on or before December 31, 1997 by the Bureau or any other government agency; and
- b) Customs duties and taxes involving civil liability which are the subject of a pending criminal action with the Prosecutor's Office or the Court prior to December 31, 1997 filed by the Bureau or any government agency.

Section 10. *Customs Clearance.* – Importers or surety companies availing of this amnesty shall be issued plenary Customs Clearance after payment of customs duties, fees, and other charges, in accordance with the provisions of Sections 5 and 8 of this Act. They shall accordingly be accredited as importers or surety companies, as the case may be, without prejudice to the liabilities arising by reason

1 of, or in connection with the transaction not covered by this Act. Future importations shall not be
2 released without the Customs Clearance.

3
4 Section 11. *Prohibition.* – Except for revenue purposes, it shall be unlawful for any officer or employee
5 of the Bureau or any government entity having knowledge of such amnesty applications to disclose to
6 any person information relative to such declaration. No information contained in such application shall
7 be published except in the form of tabulations and summaries and without specific reference to the
8 individual filing the amnesty application.

9
10 TITLE III
11 FINAL PROVISIONS
12

13 Section 12. *Reporting Requirement.* – The Commissioner of Customs shall submit his monthly report
14 to the Secretary of Finance on the implementation of this Act starting the first week of its
15 implementation.

16
17 Section 13. *Appropriation.* – The revenues collected under this Act shall be used for the following:

- 18
19 a) Sixty percent (60%) for the Bureau's computerization project that will implement the thrust
20 towards trade facilitation; and
21 b) Forty percent (40%) to be part of the National Export and Competitiveness Fund to be
22 administered by the Export Development Council. This will help in the post-COVID recovery
23 programs and projects for exporters.

24
25 Section 14. *Implementing Rules and Regulations.* – The Bureau shall promulgate the necessary rules
26 and regulations for the effective implementation of the provisions of this Act, subject to the approval of
27 the Secretary of Finance.

28
29 Section 15. *Penalty.* – This Act shall take effect fifteen (15) days after its publication in the *Official*
30 *Gazette* or in a newspaper of general circulation.

31
32 Section 8. *Separability Clause.* – If any provision of this Act is held unconstitutional or invalid, all
33 other provisions not affected thereby shall remain valid.

34
35 Section 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official*
36 *Gazette* or in a newspaper of general circulation.

37
38
39 Approved,