



**SENATE OF THE PHILIPPINES** )  
**SIXTEENTH CONGRESS** )  
*First Regular Session* )

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**SENATE**

Senate Bill No. 2082

Introduced by **SENATOR JOSEPH VICTOR G. EJERCITO**

**EXPLANATORY NOTE**

The Philippines is primarily an agricultural country, with vast resources for rice cultivation – the people’s staple food. During the past years however, the country has experienced an alarming rice shortage and we were left with no choice but to import rice from other countries.

The government is gearing towards the direction of solving the prevailing crisis involving the supply, production and price of rice. Notwithstanding these efforts, the problem was aggravated by the proliferation of unscrupulous rice traders and dealers who are illegally importing rice to the detriment of our economy.

Rampant smuggling has been a lingering issue in the Philippines. It is costing the government billions of pesos in unpaid duties and taxes and also killing the local producers. More so, approximately two-thirds of the country’s population is dependent on agricultural industry such that any event of smuggling is tantamount to stealing our people’s livelihood.

This bill seeks to address the growing and unresolved cases of rice smuggling in the country by defining the crime as economic sabotage due to its inimical effects on the national interest, economic growth and development.

**JOSEPH VICTOR G. EJERCITO**



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**AN ACT DECLARING RICE SMUGGLING AS ACT OF 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-Rice  
Smuggling Act of 2014”

SECTION 2. *Declaration of Policy.* – It shall be the policy of the  
State to curb all forms of economic sabotage that are inimical to the  
country’s economic growth and development. The State therefore,  
declares that any form of rice smuggling is prejudicial to national interest  
and derails economic growth and development.

SECTION 2. *Definition of Terms* – As used in this Act, the term:

(1) “Economic Sabotage” is any act or activity which undermines,  
weakens or renders into disrepute the economic system or viability of the  
country or tends to bring about such effects and shall include, inter alia,

price manipulation to the prejudice of the public especially in the sale of basic necessities and prime commodities.

(2) "Smuggling" also known as direct or outright smuggling, refers to the act of importing or bringing into or assisting in importing or bringing into the Philippines, any article, good or product without the corresponding documents, permits or licenses when these are required by existing laws, order, rules and regulations including the receipt, concealment, purchase or sale or in any manner facilitating the transportation, concealment, or sale of such article, after importation, knowing the same to have been imported contrary to law.

(3) "Technical Smuggling" pertains to misdeclaration, misclassification or undervaluation of imported goods or products in violation of the Tariff and Customs Code of the Philippines and other related laws.

SECTION 3. *Definition of the Crime of Rice Smuggling.* — Any person who shall import or bring into the Philippines staple grain-rice without the required import permit from the implementing agency, or any person who shall import staple grain-rice by means of fraud or by illegally obtaining the required import permit shall be guilty of the crime of rice smuggling, including those acts which are within the purview of technical smuggling.

SECTION 4. *Rice Smuggling as Act of Economic Sabotage.* — The acts of rice smuggling, including technical smuggling thereof are acts inimical to national interest, economic growth and development. Any person regardless of nationality or citizenship found guilty of engaging in rice smuggling or technical smuggling thereof of a minimum aggregate amount of One Million Pesos (Php 1,000,000.00) worth of rice as valued by the Bureau of Customs utilizing methods of value verification such as but not limited to Revision Orders and/or appropriate agencies and entities identified, accredited or certified by the Bureau of Customs, shall be guilty of economic sabotage.

SECTION 5. *Penalties.* — Any person, natural or juridical, regardless of nationality or citizenship, found guilty of engaging in smuggling or technical smuggling of a minimum aggregate amount of One Million Pesos (Php 1,000,000.00) worth of rice shall suffer the following penalties:

- a. Fine equal to twice the fair value of the smuggled articles;
- b. Fine equal to the aggregate amount of the taxes, duties and other charges avoided;
- c. Imprisonment of a minimum of eight (8) years and one (1) day up to life imprisonment; and
- d. Confiscation of the smuggled articles.

When the offender is a juridical person, criminal liability shall attach to its president, chief operating officer or manager. In addition, the business permits and licenses of the business entity shall be revoked or cancelled.

The broker of violating importers shall likewise be liable and shall be charged as principal.

When the offender is a government official or employee acting in connivance with private individuals or entities or other government officials or employees, he shall be imposed the same penalty as the principal offender. In addition, he shall be disqualified from holding any public office, whether by election or appointment.

**SECTION 6. *Implementing Rules and Regulations.*** – The Bureau of Customs in coordination with the appropriate agencies shall promulgate the implementing rules and regulations of this Act within thirty (30) days after its effectivity.

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

**SECTION 8. *Separability Clause.*** – The provisions of this Act are hereby declared to be separable from, and independent of, one another and that should one or more of such provisions be declared unconstitutional, the validity of the remaining provisions shall not be affected thereby.

**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 immediately upon its approval.

Approved,