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Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

Smuggling and other acts contrary to customs law committed on a large scale or by criminal syndicates pose a serious and direct threat to the national economy by depriving the government of much-needed revenues and unfairly competing with legitimate businesses and to the national security through the introduction into the country of dangerous drugs or prohibited articles.

Section 1, Article XII of the 1987 Constitution upholds the right of the State "to protect Filipino enterprises against unfair foreign competition and trade practices."

Despite this constitutional mandate, the government has been unable to curb technical and outright smuggling leading to an estimated loss in government tax revenues of at least 84 billion pesos last year thereby largely contributing to the widening public sector budget deficit confronting our country today.

To address this major economic concern, this "Anti-Smuggling Act of 2005" bill, which is the counterpart of the bill filed by Congressman Lorenzo Tañada, focuses on the following:

First, it incorporates in the law, key systemic solutions which will make it easier to detect smuggling. Key systemic solutions to detect smuggling provide for greater transparency with regard to import transactions. Among these are:

- 1) the submission of advanced copies of the inward foreign manifests and their publication;
- 2) publication of the manifests after entry;
- 3) the use of Revision Orders as a third screen in detecting undervaluation;
- 4) the accreditation of bonded warehouses by the industry association which the warehouse seeks to serve;
- 5) the provision of stricter rules on the use of bonded warehouses;
- 6) the availability of books of accounts of bonded warehouses to the industry association concerned;
- 7) the participation of the private sector in deliberations on valuation issues; and

- 8) the authorization of the industry concerned to finance the Bureau of Customs' purchase of undervalued articles.

Second, violation of the law is slapped with stiffer penalties. Fines for outright smuggling are increased from the current maximum of ten thousand pesos (P10,000.00) to a maximum of two million pesos (P2.0 M) while the current maximum prison term of twelve years is increased to reclusion perpetua. The fines are based on the appraised value, including duties and taxes, of the article imported.

For technical smuggling, fines are increased from the current maximum of ten thousand pesos to two million pesos and the current maximum term from twelve years to reclusion perpetua. Fines are based on the difference between the declared value and actual value of the imported article.

Finally, an Anti-Smuggling Commission is created, armed with powers of subpoena duces tecum, with the inclusion of concerned government agencies and representatives of the private sector, to investigate and prosecute violations of this Act.

The strict implementation of this Act will concomitantly raise revenues for government, increase the viability of domestic industries and ensure the continued employment of millions of workers in both industrial and agricultural sectors.

As such, immediate passage of this bill is earnestly requested.


SERGIO OSMEÑA III

been completed. PRIOR TO RELEASE OF THE CARGO, THE VERACITY OF THE AMENDMENT SHALL BE EXAMINED BY THE COMMISSIONER OF CUSTOMS FOR THE PURPOSE OF INVOKING PENAL PROVISION UNDER SECTIONS 2503 AND 3602 OF THIS CODE.”

SEC. 3. Section 1007 of the same decree, as amended, is hereby further amended as follows:

“SEC. 1007. **Manifest for Commission on Audit and Collector.** – Papers to be Deposited with Consul. – Immediately after the arrival of a vessel from a foreign port, the master shall deliver or mail to the Chairman, Commission on Audit, Manila, a copy of the cargo manifest properly indorsed by the boarding officer, and WITHIN TWENTY-FOUR (24) HOURS AFTER ARRIVAL, he shall present to the Collector the original copy of the cargo manifest and, for inspection, the ship’s register or other document in lieu thereof, together with the clearance and other papers granted to the vessel at the port of departure for the Philippines.”

“WITHIN THREE (3) DAYS FROM RECEIPT OF THE CARGO MANIFEST FROM THE MASTER, THE COLLECTOR SHALL POST COPIES THEREOF AT A CUSTOMS BULLETIN BOARD FOR TWO (2) CONSECUTIVE WEEKS.”

SEC. 4. Section 1901 of the same decree, as amended, is hereby further amended to read as follows:

“SEC. 1901 **Establishment and Supervision of Warehouses.** – When the business of the port requires such facilities, the Collector, subject to the approval of the Commissioner, shall designate and establish MAXIMUM OF ONE HUNDRED (100) WAREHOUSES ACCREDITED BY THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR AFFECTED AND SOUGHT TO BE SERVICED BY THE BONDED warehouse[s] for use as public and private bonded warehouses, sheds or yards, or for other special purposes. ALL SUCH WAREHOUSES SHALL BE ACCREDITED BY THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR AFFECTED OR SOUGHT TO BE SERVICED.”

“All such warehouses and premises shall be subject to the supervision of the Collector, who shall impose such conditions as may be deemed necessary for the protection of the revenue and of the articles stored therein. THE CUSTOMS COLLECTOR SHALL CONDUCT SPOT CHECKS AND PERIODIC AUDITS TO ENSURE THAT APPLICABLE CUSTOMS LAWS AND REGULATIONS ARE FOLLOWED BY BONDED FACILITIES.”

SEC. 5. A new Section to be known as Section 1910 is hereby inserted in Part 1, Title V, Book II of the Tariff and Customs Code of the Philippines, as amended, which shall read as follows:

“SEC. 1910. **ACTS DEEMED AS SMUGGLING PUNISHABLE UNDER SECTIONS 3601 AND 3602 OF THIS CODE.** – THE FOLLOWING SHALL BE DEEMED AS ACTS OF

SMUGGLING WHICH SHALL BE PUNISHABLE UNDER SECTIONS 3601 AND 3602 OF THIS CODE:

"(A) BREAKING OF CUSTOMS SEALS OR UNAUTHORIZED REMOVAL OF ARTICLES FROM BONDED WAREHOUSES;"

"(B) SUBMISSION OF INCORRECT OR FALSE INFORMATION BY THE BONDED WAREHOUSE;"

"(C) WAREHOUSING OF THE FOLLOWING SHIPMENTS:

1. FIBERS, YARNS, FABRICS AND ACCESSORIES FOR THE MANUFACTURE OF GARMENTS;
2. FINISHED ARTICLES, WITHOUT EXCEPTION;
3. ARTICLES NOT DECLARED IN THE IMPORT ENTRIES OR IN EXCESS OF THE VOLUME AND QUANTITY ALLOWED UNDER THE LICENSE OF THE CUSTOMS BONDED WAREHOUSE; AND
4. PROHIBITED ARTICLES, AND REGULATED ARTICLES WITHOUT THE CORRESPONDING CLEARANCE AND/OR IMPORT AUTHORITY DULY ISSUED BY A COMPETENT AUTHORITY."

"(D) UNAUTHORIZED TRANSFERS FROM THE CUSTOMS ZONE OF WAREHOUSING ARTICLES IMPORTED BY THE BONDED WAREHOUSE;"

"(E) UNAUTHORIZED WITHDRAWAL FROM A BONDED WAREHOUSE WITHOUT PAYMENT OF DUTIES AND TAXES."

"(F) FAILURE TO LIQUIDATE IMPORTED ARTICLES UNDER BOND WITHIN THIRTY (30) DAYS FROM WITHDRAWAL FROM THE BONDED WAREHOUSE."

"(G) FAILURE TO PAY DUTIES AND TAXES ON THE REMAINING (NOT EXPORTED) IMPORTED MATERIALS WITHIN THIRTY (30) DAYS FROM LAPSE OF THE PERIOD FOR RE-EXPORTATION."

"IMPORTATIONS MADE IN VIOLATION OF THE ABOVE PROVISIONS IN THIS SECTION SHALL *IPSO FACTO* BE FORFEITED IN FAVOR OF THE GOVERNMENT TO BE DISPOSED OF PURSUANT TO THE PROVISIONS OF THIS CODE."

SEC. 6. A new Section to be known as Section 1911 is hereby inserted in Part 1, Title V, Book II of the Tariff and Customs Code of the Philippines, as amended, which shall read as follows:

"SEC. 1911. VERIFICATION OF RECORDS KEPT IN CUSTOMS BONDED WAREHOUSES. – A CAREFUL ACCOUNT SHALL BE KEPT BY THE COLLECTOR OF ALL ARTICLES DELIVERED TO ANY BONDED WAREHOUSE, AND A SWORN

MONTHLY RETURN, DULY VERIFIED BY THE CUSTOMS OFFICIAL IN CHARGE, SHALL BE MADE BY THE BONDED WAREHOUSE CONTAINING A DETAILED STATEMENT OF ALL IMPORTED ARTICLES STORED THEREIN.”

“ALL DOCUMENTS, BOOKS AND RECORDS OF ACCOUNTS CONCERNING THE OPERATION OF ANY BONDED WAREHOUSE SHALL, UPON DEMAND, BE MADE AVAILABLE TO THE COLLECTOR OR HIS REPRESENTATIVE OR THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR AFFECTED AND SOUGHT TO BE SERVICED BY THE BONDED WAREHOUSE, FOR PURPOSES OF EXAMINATION AND/OR AUDIT.”

SEC. 7. Section 2003 of the same decree, as amended, is hereby further amended to read as follows:

“SEC. 2003. **Procedure for Withdrawal.** – Articles received into such bonded manufacturing warehouse or articles manufactured therein may be withdrawn or removed therefrom for direct shipment and for immediate exportation in bond TO FOREIGN COUNTRIES under the supervision of the proper customs officer, who shall certify to such shipment and exportation, or lading for immediate exportation as the case may be, describing the articles by their mark or otherwise, the quantity, the date of exportation and the name of the vessel or aircraft: *Provided, further,* That all waste materials may be [disposed] DESTROYED under government supervision. All labor performed and services rendered under these provisions shall be under the supervision of a proper customs official and at the expense of the manufacturer.”

“VIOLATION OF THE FOREGOING PROVISION SHALL BE DEEMED AS SMUGGLING PUNISHABLE UNDER SECTIONS 3601 AND 3602 OF THIS CODE.”

“THE ARTICLES SUBJECT OF THE VIOLATION SHALL *IPSO FACTO* BE FORFEITED IN FAVOR OF THE GOVERNMENT TO BE DISPOSED OF PURSUANT TO THE PROVISIONS OF THIS CODE.”

SEC. 8. Section 2308 of the same decree, as amended, is hereby further amended to read as follows:

“SEC. 2308. **Protest and Payment upon Protest in Civil Matters.** — When a ruling or decision of the Collector is made whereby liability for duties, fees, or other charges are determined, except the fixing of fines in seizure cases, the party adversely affected OR THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR AFFECTED BY THE ADVERSE RULING may protest such ruling or decision by presenting to the Collector at the time when payment of the amount claimed to be due the government is made, or within [fifteen (15)] THIRTY (30) days thereafter, a written protest setting forth his objections to the ruling or decision in question, together with the reasons therefore. No protest shall be considered unless payment of the amount due after final liquidation has first been made [and the corresponding docket fee, as provided for in Section 3301].”

SEC. 9. A new Section to be known as Section 2308-A is hereby inserted in Part I, Title VI, Book II of the Tariff and Customs Code of the Philippines, as amended, which shall read as follows:

“SEC. 2308-A. GENUINE VALUATION ISSUES SHALL BE COURSED THROUGH A VALUATION AND CLASSIFICATION REVIEW COMMITTEE (VCRC) DIRECTLY UNDER THE CHAIRMANSHIP OF THE RESPECTIVE DISTRICT COLLECTOR OF CUSTOMS.

FROM AMONG THE MEMBERS OF THE VCRC, TWO (2) MEMBERS SHALL COME FROM THE PUBLIC SECTOR, EACH CHOSEN FROM AMONG THE RECOMMENDEES OF THE DEPARTMENT OF TRADE AND INDUSTRY AND THE DEPARTMENT OF AGRICULTURE.”

SEC. 10. Section 2311 of the same decree, as amended, is hereby further amended to read as follows:

“SEC. 2311. Samples to be Furnished by Protesting Parties. — If the nature of the articles permit, importers OR THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR filing protests involving questions of fact must, upon demand, supply the Collector with samples of the articles which are the subject matter of the protests. Such samples shall be verified by the custom official who made the classification against which the protest are filed.

SEC. 11. Section 2317 of the same decree, as amended, is hereby further amended to read as follows:

“SEC. 2317. Government’s Right of Compulsory Acquisition. – In order to protect the government revenues against the undervaluation of goods x x x x x x x.”

“ANY INDUSTRY ASSOCIATION OR INDUSTRY SECTOR MAY LIKEWISE POST A LETTER OF CREDIT, SURETY BOND OR SOME OTHER APPROPRIATE INSTRUMENT IN FAVOR OF THE BUREAU IN THE AMOUNT EQUAL TO THE DECLARED CUSTOMS VALUE OF THE GOODS UNDER QUESTION, PLUS ANY DUTIES, TAXES, FEES OTHER CHARGES WHICH HAVE ALREADY BEEN PAID THEREON, IN WHICH CASE THE COMMISSIONER OF CUSTOMS SHALL ACQUIRE SUCH IMPORTED GOODS, PAYMENT FOR WHICH SHALL BE MADE WITHIN TEN (10) WORKING DAYS FROM THE ISSUANCE OF A WARRANT SIGNED BY THE COMMISSIONER OF CUSTOMS FOR THE ACQUISITION OF SUCH GOODS: *PROVIDED*, THAT THE PROVISIONS OF SECTION 201 OF THIS CODE SHALL APPLY IN THE CASE OF SURETY BONDS AND SURETY COMPANIES.”

“An importer who is dissatisfied x x x x x x x.”

“Where no appeal is made by the importer, or upon reaffirmation of the Commissioner’s decision during the appeals process, the Bureau of Customs or its agent shall sell the acquired goods pursuant to existing laws and regulations. IN CASES

WHERE COMPULSORY ACQUISITION WAS INITIATED BY THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR, THE COMMISSIONER SHALL CLAIM ON THE LETTER OF CREDIT, SURETY BOND OR WHATEVER INSTRUMENT POSTED OR USED FOR THE PURPOSE AND THEREUPON RELEASE THE ACQUIRED ARTICLES TO THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR WHICH POSTED THE INSTRUMENT.”

“Nothing in this Section limits x x x x x x x.”

SEC. 12. Section 2503 of the same decree, as amended, is hereby further amended to read as follows:

“SEC. 2503. ***Undervaluation, Misclassification and Misdeclaration in Entry.*** – When the dutiable value of the imported articles shall be so declared and entered that the duties, based on the declaration of the importer on the face of the entry would be less by ten percent (10%) than should be legally collected, or when the imported articles shall be so described and entered that the duties based on the importer’s description on the face of the entry would be less by ten percent (10%) than should be legally collected based on the tariff classification, or when the dutiable weight, measurement or quantity of imported articles is found upon examination to exceed by ten percent (10%) or more than the entered weight, measurement or quantity, a surcharge shall be collected from the importer in an amount of not less than the difference between the full duty and the estimated duty based upon the declaration of the importer, nor more than twice of such difference: *Provided*, That an undervaluation, misclassification, misdeclaration in weight, measurement or quantity of more than thirty percent (30%) between the value, weight, measurement or quantity declared in the entry, and the actual value, weight, quantity, or measurement shall constitute a *prima facie* evidence of fraud penalized under Section 2530 AND SECTION 3602 of this Code: *Provided, further*, That any UNDERVALUED, misdeclared, MISCLASSIFIED or undeclared imported articles/items found upon examination shall *ipso facto* be forfeited in favor of the Government to be disposed of pursuant to the provisions of this Code. FURTHER, THE LICENSE, PERMIT AND THE BUSINESS NAME OF THE SUBJECT IMPORTER SHALL BE DEEMED AUTOMATICALLY REVOKED.”

“When the undervaluation, misdescription, misclassification or misdeclaration in the import entry is intentional, the importer shall be subject to penal provisions under Section 3602 of this Code.”

SEC. 13. A new Section to known as Section 2503-A is hereby inserted in Part 4, Title VI, Book II of the Tariff and Customs Code of the Philippines, as amended which shall read as follows:

“**SEC. 2503-A. NON-IMPOSITION OF SURCHARGE.** – EXEMPTION FROM THE SURCHARGE SHALL BE ALLOWED ONLY IN CASES WHEN THE DECLARED OR ENTERED CLASSIFICATION IS BASED ON RULINGS BY THE TARIFF COMMISSION PURSUANT TO SUBSECTION (A) OF SECTION 1313 OF THIS CODE: *PROVIDED*, THAT THE DESCRIPTION OF THE ARTICLE IS FOUND CORRECT UPON EXAMINATION:

AND, *PROVIDED FURTHER*, THAT BASED ON THE RESULT OF THE EXAMINATION, THE ARTICLE IS FOUND ESSENTIALLY THE SAME AS THAT DESCRIBED IN THE RULING.”

SEC. 14. Section 3601 of the same decree, as amended, is hereby further amended to read as follows:

“SEC. 3601. **Unlawful Importation.** - Any person who shall fraudulently import or bring into the Philippines, or assist in so doing, any article, contrary to law, or shall receive, conceal, buy, sell, or in any manner facilitate the transportation, concealment, or sale of such article after importation, knowing the same to have been imported contrary to law, shall be guilty of smuggling and shall be punished with:

1. A fine of not less than [fifty] THREE HUNDRED THOUSAND pesos nor more than FIVE [two] hundred THOUSAND pesos and/OR imprisonment of [not less than five days nor more than twenty days] PRISION CORRECCIONAL, if the appraised value, to be determined in the manner prescribed under this Code, including duties and taxes, of the article unlawfully imported does not exceed ONE HUNDRED THOUSAND [twenty five] pesos;

2. A fine of not less than FIVE [eight] hundred THOUSAND pesos nor more than EIGHT (five) hundred THOUSAND pesos and/OR imprisonment of PRISION MAYOR, if the appraised value, to be determined in the manner prescribed under this Code, including duties and taxes, of the article unlawfully imported exceeds ONE HUNDRED THOUSAND [twenty five] pesos but does not exceed ONE MILLION (fifty thousand) pesos ;

3. A fine of not less than EIGHT HUNDRED THOUSAND (six thousand) pesos nor more than ONE MILLION (eight thousand) pesos and/OR imprisonment of [not less than five years and one day nor more than eight years,] RECLUSION TEMPORAL, if the appraised value, to be determined in the manner prescribed under this Code, including duties and taxes, of the article unlawfully imported [is more than fifty thousand] EXCEEDS ONE MILLION pesos but does not exceed FIVE MILLION [one hundred fifty thousand] pesos ;

4. A fine of not less than (eight hundred thousand) ONE MILLION pesos nor more than (ten thousand) TWO MILLION pesos and imprisonment of [not less than eight years and one day nore more than twelve years) RECLUSION PERPETUA, if the appraised value, to be determined in the manner prescribed under this Code, including duties and taxes, of the article unlawfully imported exceeds FIVE MILLION [one hundred fifty thousand] pesos;

5. The penalty of prison may or shall be imposed when the crime of serious physical injuries shall have been committed and the penalty of reclusion perpetua [to death] shall be imposed when the crime of homicide shall have been committed by reason or on the occasion of the unlawful importation.

xxx”

SEC. 15. Section 3602 of the same decree, as amended, is hereby further amended to read as follows:

"SEC. 3602. *Various Fraudulent Practices Against Customs Revenue.* – Any person who makes or attempts to make entry of imported or exported article by means of any false or fraudulent invoice, declaration, affidavit, letter, paper or by any means of any false statement, written or verbal, or by any means of any false or fraudulent practice whatsoever, or [knowingly] effects any entry of goods, wares or merchandise, at less than the true weight or measures thereof or upon a false classification as to quality or value, or by the payment of drawback or refund of duties upon the exportation of merchandise, or makes or files any affidavit abstract, record, certificate or other document, with a view to securing the payment to himself or others of any drawback, allowance, or refund of duties on the exportation of merchandise, greater than that legally due thereon, or who shall be guilty of any willful act of omission shall, for each offense, BE GUILTY OF TECHNICAL SMUGGLING AND SHALL be [punished in accordance with the penalties prescribed in the preceding section] PUNISHABLE AS FOLLOWS:

1. A FINE OF NOT LESS THAN THREE HUNDRED THOUSAND PESOS NOR MORE THAN FIVE HUNDRED THOUSAND PESOS AND IMPRISONMENT OF PRISION CORRECCIONAL, IF THE DIFFERENCE BETWEEN THE VALUE, WEIGHT, MEASUREMENT, OR QUANTITY DECLARED IN THE ENTRY AND THE ACTUAL VALUE, WEIGHT, QUANTITY, OR MEASUREMENT OF THE ARTICLE UNLAWFULLY IMPORTED DOES NOT EXCEED ONE HUNDRED THOUSAND PESOS;

2. A FINE OF NOT LESS THAN FIVE HUNDRED THOUSAND PESOS NOR MORE THAN EIGHT HUNDRED THOUSAND PESOS AND IMPRISONMENT OF PRISION MAYOR, IF THE DIFFERENCE BETWEEN THE VALUE, WEIGHT, MEASUREMENT, OR QUANTITY DECLARED IN THE ENTRY AND THE ACTUAL VALUE, WEIGHT, QUANTITY, OR MEASUREMENT OF THE ARTICLE UNLAWFULLY IMPORTED EXCEEDS ONE HUNDRED THOUSAND PESOS BUT DOES NOT EXCEED ONE MILLION PESOS;

3. A FINE OF NOT LESS THAN EIGHT HUNDRED THOUSAND PESOS NOR MORE THAN ONE MILLION PESOS AND IMPRISONMENT OF RECLUSION TEMPORAL, IF THE DIFFERENCE BETWEEN THE VALUE, WEIGHT, MEASUREMENT, OR QUANTITY DECLARED IN THE ENTRY AND THE ACTUAL VALUE, WEIGHT, QUANTITY, OR MEASUREMENT OF THE ARTICLE UNLAWFULLY IMPORTED EXCEEDS ONE MILLION PESOS BUT DOES NOT EXCEED FIVE MILLION PESOS;

4. A FINE OF NOT LESS THAN ONE MILLION PESOS NOR MORE THAN TWO MILLION PESOS AND IMPRISONMENT OF RECLUSION PERPETUA, IF THE DIFFERENCE BETWEEN THE VALUE, WEIGHT, MEASUREMENT, OR QUANTITY DECLARED

IN THE ENTRY AND THE ACTUAL VALUE, WEIGHT, QUANTITY, OR MEASUREMENT OF THE ARTICLE UNLAWFULLY IMPORTED EXCEEDS FIVE MILLION PESOS.

IN APPLYING THE ABOVE SCALE OF PENALTIES, IF THE OFFENDER IS AN ALIEN, HE SHALL BE DEPORTED AFTER SERVING THE SENTENCE WITHOUT FURTHER PROCEEDINGS FOR DEPORTATION. IF THE OFFENDER IS A GOVERNMENT OFFICIAL OR EMPLOYEE, THE PENALTY NEXT HIGHER IN DEGREE SHALL BE IMPOSED IN ADDITION TO THE PENALTY OF PERPETUAL DISQUALIFICATION FROM PUBLIC OFFICE, TO VOTE AND TO PARTICIPATE IN ANY PUBLIC ELECTION.

SEC. 16. Section 201 of Title II Part 1 of the same decree, as amended, is hereby further amended to read as follows:

“x x x

If in the course of determining the dutiable value of imported goods, it becomes necessary to delay the final determination of such dutiable value, the importer shall nevertheless be able to secure the release of the imported goods upon the filing of a sufficient guarantee in the form of a surety bond, a deposit, cash or some other appropriate instrument in an amount equivalent to the imposable duties and taxes on the imported goods in question conditioned upon the payment of customs duties and taxes for which the imported goods in question conditioned upon the payment of customs duties and taxes for which the imported goods may be liable: Provided, however, That goods, the importation of which is prohibited by law shall not be released under any circumstance whatsoever.

Nothing in this Section shall be construed as restricting or calling into question the right of the Collector of Customs to satisfy himself as to the truth or accuracy of any statement, document or declaration presented for customs valuation purpose. When a declaration has been presented and where the customs administration has reason to doubt the accuracy of the particulars or of documents produced in support of this declaration, the customs administration may ask the importer to further explanation, including documents or other evidence, that the declared value represents the total amount actually paid or payable for the imported goods, adjusted in accordance with the provisions of Subsection (A) hereof.

REFERENCE INFORMATION OBTAINED FROM REVISION ORDERS SHALL BE USED TO TEST THE TRUTHFULNESS AND ACCURACY OF A GIVEN VALUE DECLARATION. A VALUE DECLARATION WHICH FALLS OUTSIDE OF THE VALUE RANGE OF REVISION ORDERS SHALL TRIGGER A VALUATION QUERY ON THE APPLICABILITY OF THE METHOD OF VALUATION USED BY THE IMPORTER, IN WHICH CASE THE VALUATION ISSUE SHALL BE DECIDED ON THE APPROPRIATE METHOD OF VALUATION PRESCRIBED UNDER SECTION 201 OF THIS ACT.

xxx”

SEC. 17. A new Section to be known as Section 713 is hereby inserted in Part 1, Title I, Book II of the Tariff and Customs Code of the Philippines, as amended, which shall read as follows:

“THERE IS HEREBY CREATED THE OFFICE OF THE ANTI-SMUGGLING PRESIDENTIAL ADVISER UNDER THE OFFICE OF THE PRESIDENT. ITS PRINCIPAL MISSION IS TO PROVIDE ADVICE AND RECOMMENDATION TO THE PRESIDENT ON MATTERS RELATING TO ACTS CONTRARY TO THIS ACT, AS AMENDED, COMMITTED ON A LARGE SCALE OR BY CRIMINAL SYNDICATES, AND TO ENSURE THAT THERE IS A NATIONAL CAMPAIGN AGAINST SMUGGLING WHEREIN ALL INVOLVED LAW ENFORCEMENT AND COUNTERACTION AGENCIES ARE OPERATING AS PART OF AN INTEGRATED AND COORDINATED PRO-ACTIVE EFFORT. BASED ON GUIDELINES ISSUED BY THE PRESIDENT, THE PRESIDENTIAL ADVISER SHALL FORMULATE POLICIES, DEVELOP STRATEGIES, AND EXECUTE PROGRAMS OF ACTION FOR A CONSOLIDATED EFFORT TO PREEMPT, PREVENT AND SUPPRESS SMUGGLING, ARREST SMUGGLERS AND THEIR ACCESSORIES AND CAUSE THEIR SPEEDY PROSECUTION.

a. ACTS CONTRARY TO THIS ACT, AS AMENDED, SHALL BE DEEMED TO BE COMMITTED ON A LARGE SCALE WHEN THESE ACTS INVOLVE THE IMPORTATION OF GOODS OR CONTRABAND WITH A DETERMINABLE VALUE OF AT LEAST FIVE MILLION PESOS (P5,000,000.00); AND

b. ACTS CONTRARY TO THIS ACT, AS AMENDED, SHALL BE DEEMED TO BE COMMITTED BY A SYNDICATE WHEN CARRIED OUT BY A GROUP OF THREE (3) OR MORE PERSONS CONSPIRING AND/OR CONFEDERATING WITH ONE ANOTHER IN CARRYING OUT THESE UNLAWFUL ACTS.

SEC. 18. Rules and Regulations. – The Secretary of Finance shall, upon the recommendation of the Commissioner of Customs, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 19. Repealing Clause. – All laws, decrees, executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 20. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any two (2) newspapers of general circulation, whichever date comes earlier.