



HOUSE OF REPRESENTATIVES

HL No. 6380

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BY REPRESENTATIVES LEE, ESTRELLA, QUMBO, VILLAR, ABU, BRIONES,  
DEL MAR, GARCIA-ALBANO, GUANLAO, GUNGUNDO, GUIAO,  
SALVACION, SUANSING, DEL ROSARIO (A.G.), TREÑAS, ORTEGA (V.),  
AREÑAS, TING, ALBANO, PADILLA, ORTEGA (F.), ACOP, COLMENARES,  
PANGANIBAN, PRIMICIAS-AGABAS, COJUANGCO (K.), DY, COSALAN  
AND PANCHO, PER COMMITTEE REPORT NO. 979

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

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

1       SECTION 1. *Short Title.* - This Act shall be known as the  
2       "Anti-Agricultural Smuggling Act".

3       SEC. 2. *Declaration of Policy.* - It is the policy of the State to  
4       promote the productivity of the agriculture sector and to protect farmers  
5       from unscrupulous traders and importers who, by their illegal importation  
6       of agricultural products, especially rice, significantly affect the production,  
7       availability of supply and stability of prices, and the food security of the  
8       State.

9       The State shall impose higher sanctions on large-scale smuggling of  
10      agricultural products as a measure to shield the agriculture sector from the  
11      manipulation of economic saboteurs, and to protect the livelihood of farmers  
12      and to ensure their economic well-being.

1           SEC. 3. *Definition of Terms.* – As used in this Act:

2           (a) *Economic sabotage* refers to any act or activity which undermines,  
3           weakens or renders into disrepute the economic system or viability of the  
4           country or tends to bring out such effects and shall include, among others,  
5           price manipulation to the prejudice of the public, especially in the sale of  
6           basic necessities and prime commodities;

7           (b) *Agricultural products* refer to any agricultural commodity or  
8           product, whether plant-based, animal-based, raw or processed, including any  
9           commodity or product derived from livestock that is available for human or  
10          livestock consumption. This definition includes fish, forestry, seeds, poultry  
11          and dairy products that have undergone various degrees of processing;

12          (c) *Direct or outright smuggling* refers to the act of importing or  
13          bringing into or assisting in importing or bringing into the Philippines, any  
14          article, good or product without the corresponding documents, permits, or  
15          licenses when these are required by existing laws, orders, rules and  
16          regulations, including the receipt, concealment, purchase or sale or in any  
17          manner, facilitating the transportation, after importation thereof, knowing the  
18          same to have been imported contrary to law; and

19          (d) *Technical smuggling* refers to misdeclaration, misclassification, or  
20          undervaluation of imported goods or products in violation of the Tariff and  
21          Customs Code of the Philippines and other related laws.

22          SEC. 4. *Large-Scale Agricultural Smuggling as Economic Sabotage.* –

23          The crime of large-scale agricultural smuggling as economic sabotage,  
24          involving sugar, corn, pork, poultry, garlic, onion, carrot, fish, and cruciferous  
25          vegetables, in their raw state, or which have undergone the simple processes  
26          of preparation or preservation for the market valued at a minimum amount of  
27          one million pesos (P1,000,000.00), or rice, valued at a minimum amount of

1     ten million pesos (P10,000,000.00), as determined by the Bureau of Customs  
2     (BOC), is deemed committed through any of the following acts:

3             (a) Importing or bringing into the Philippines without the required  
4     import permit from the regulatory agencies;

5             (b) Using import permits of persons, natural, juridical or entities  
6     without juridical personality other than those specifically named in the  
7     permits;

8             (c) Using fake, fictitious or fraudulent import permits or shipping  
9     documents, names of natural or juridical persons or entities without juridical  
10    personality, and addresses of consignees;

11            (d) Selling, lending, leasing, assigning, consenting or allowing the use  
12    of import permits of corporations, nongovernment organizations, associations,  
13    cooperatives, or single proprietorships by other persons;

14            (e) Misclassification, undervaluation or misdeclaration upon the filing  
15    of import entry and revenue declaration with the BOC in order to evade the  
16    payment of rightful taxes and duties due to the government;

17            (f) Organizing or using dummy corporations, nongovernment  
18    organizations, associations, cooperatives, or single proprietorships for the  
19    purpose of acquiring import permits;

20            (g) Transporting or storing the agricultural product subject to  
21    economic sabotage regardless of quantity; or

22            (h) Acting as broker of the violating importer.

23            SEC. 5. *Penalties.* - (a) The penalty of life imprisonment and a fine of  
24    twice the fair value of the smuggled agricultural product in the kind and value  
25    described in Section 4 hereof and the aggregate amount of the taxes, duties  
26    and other charges legally due on the smuggled agricultural product shall be  
27    imposed on any person who commits any of the acts enumerated under  
28    Section 4 of this Act.

1           (b) The penalty of imprisonment of not less than seventeen (17) years  
2 but not more than twenty (20) years and a fine of twice the fair value of the  
3 smuggled agricultural product in the kind and value described in Section 4  
4 hereof and the aggregate amount of the taxes, duties and other charges legally  
5 due on the smuggled agricultural product shall be imposed on the officers of  
6 dummy corporations, nongovernment organizations, associations,  
7 cooperatives, or single proprietorships who knowingly sell, lend, lease, assign,  
8 consent or allow the unauthorized use of their import permits for purposes of  
9 smuggling.

10           (c) The penalty of imprisonment of not less than fourteen (14) years  
11 but not more than seventeen (17) years and a fine equal to the fair value of the  
12 smuggled agricultural product in the kind and value described in Section 4  
13 hereof and the aggregate amount of the taxes, duties and other charges legally  
14 due on the smuggled agricultural product shall be imposed on the following:

15           (1) The registered owner and its lessee or charterer, in case of lease of  
16 a chartered boat or motorized commercial vessel of more than three (3) gross  
17 tonnage, who knowingly transports the agricultural product, regardless of  
18 quantity;

19           (2) The registered owner and its lessee, in case of lease of six (6) or  
20 more wheeler trucks, vans and other means of transportation, who knowingly  
21 transports the agricultural product, regardless of quantity;

22           (3) The registered owner and lessee of a warehouse, or any property,  
23 who knowingly stores the smuggled agricultural product; or

24           (4) The registered owner, lessee, president or chief executive officer of  
25 the private port, fish port, fish landing site, resort, and airport, who knowingly  
26 allows the agricultural product to be smuggled into the country.

27           (d) The penalty of imprisonment of not less than twelve (12) years but  
28 not more than fourteen (14) years and a fine equal to the fair value of the

1 smuggled agricultural product in the kind and value described in Section 4  
2 hereof and the aggregate amount of the taxes, duties and other charges legally  
3 due on the smuggled agricultural product shall be imposed on the following:

4 (1) The registered owner and its lessee or charterer, in case of lease of  
5 a chartered boat or motorized commercial vessel of three (3) gross tonnage or  
6 less, who knowingly transports the agricultural product, regardless of  
7 quantity; or

8 (2) The registered owner and its lessee, in case of lease of less than six  
9 (6)-wheeler trucks, vans and other means of transportation, who knowingly  
10 transports the agricultural product, regardless of quantity.

11 In all cases, the smuggled agricultural products shall be confiscated and  
12 the property used in agricultural smuggling, consistent with Section 2530 of  
13 the Tariff and Customs Code of the Philippines of 1978, as amended, and  
14 without prejudice to Section 2531 of the same Code, shall be forfeited in  
15 favor of the government.

16 When the offender is a juridical person, criminal liability shall attach  
17 to its president, chief operating officer, or manager who consents to or  
18 knowingly tolerates the commission of the crime.

19 Any person, natural or juridical, found guilty under this Act shall also  
20 suffer the penalty of perpetual absolute disqualification to engage in any  
21 business involving importation.

22 In applying the abovementioned penalties, if the offender is an alien  
23 and the prescribed penalty is not life imprisonment, the offender shall be  
24 deported after serving the sentence without further proceedings for  
25 deportation.

26 If the offender is a government official or employee, the penalty shall  
27 be the maximum as hereinabove prescribed and the offender shall suffer an

1 additional penalty of perpetual disqualification from public office, to vote and  
2 to participate in any public election.

3 **SEC. 6. *Presumption of Agricultural Smuggling.*** — Mere possession  
4 of rice or any agricultural product under this Act, which has been the subject  
5 of smuggling, entered into the Philippines, either in the BOC-controlled ports  
6 or not, without the necessary permits, shall be *prima facie* evidence of  
7 large-scale agricultural smuggling as defined in Section 4.

8 **SEC. 7. *Prescription of Crimes.*** — The crimes punishable under this  
9 Act shall prescribe in twenty (20) years.

10 **SEC. 8. *Implementing Rules and Regulations.*** — The BOC, in  
11 consultation with concerned agencies, shall promulgate the implementing  
12 rules and regulations of this Act within thirty (30) days from its effectivity.

13 **SEC. 9. *Separability Clause.*** — If any portion of this Act is declared  
14 unconstitutional or invalid, the portions or provisions which are not affected  
15 shall continue to be in full force and effect.

16 **SEC. 10. *Repealing Clause.*** — All laws, decrees, executive issuances,  
17 rules and regulations inconsistent with this Act are hereby repealed or  
18 modified accordingly.

19 **SEC. 11. *Effectivity.*** — This Act shall take effect fifteen (15) days after  
20 its publication in the *Official Gazette* or in two (2) newspapers of general  
21 circulation.

Approved,