


THIRTEENTH CONGRESS OF THE }
REPUBLIC OF THE PHILIPPINES }
Second Regular Session

6 JUN -7 2016

SENATE

S. No. 2376

RECEIVED BY: 


INTRODUCED BY HON. MANNY VILLAR

EXPLANATORY NOTE

Smuggling of commodities, especially agricultural produce is on the rise. The past years have shown the Philippines turn into a net importer of rice, sugar, beef, corn and other farm-related products. Considering the large demand for these commodities, smuggling has become a very lucrative practice, which may be the reason for its rampant occurrence.

The national government has been criticized for its lack of political will in implementing harsher penalties and stringent measures to curb smuggling. In the case of agricultural commodities, there are no specific provisions in our Tariff and Customs code in dealing with these kinds of smuggled goods and whatever provisions exist in the Code does not effectively prevent smuggling. In fact, there have been numerous reports dealing with "captured" smuggled products being released to anyone, including the smuggler himself, after paying a minimal fine and/or penalties and other duties. This situation in effect condones smuggling of agricultural produce and therefore must be rectified.

The enactment of this bill is earnestly sought.



MANNY VILLAR

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**AN ACT PROVIDING FOR THE DISPOSITION OF SMUGGLED AGRICULTURAL
GOODS, AMENDING FOR THIS PURPOSE CERTAIN PROVISIONS OF TARIFF
AND CUSTOMS CODE, AS AMENDED**

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

SECTION 1. Section 2601 of the Tariff and Customs Code, as amended is hereby amended to read as follows:

"Section 2601 Property Subject to Sale. - Property in customs custody shall be subject to sale under the conditions hereinafter provided:

- a. Abandoned articles.
- b. Bonded articles entered under warehousing entry not withdrawn nor the duties and taxes paid thereon within the period prescribed by law.
- c. Articles for which import entry has been filed but have not been claimed within fifteen days thereafter: Provided, That in justifiable cases, or when public interest so requires, the Collector may, in his discretion, grant an extension of not more than fifteen days.
- d. Seized property, other than contraband, after liability to sale shall have been established by proper administrative or judicial proceedings in conformity with the provisions of this Code.
- e. Any article subject to a valid lien for customs duties taxes or other charges collectible by the Bureau of Customs, after the expiration of the period allowed for the satisfaction of the same.
- f. ANY AGRICULTURAL PRODUCT COVERED BY SCHEDULES I AND II OF THIS CODE SUBJECT TO FOREEITURE IN FAVOR OF THE GOVERNMENT, PROVIDED THAT IN ALL SUCH CASE INVOLVING SAID AGRICULTURAL PRODUCTS, THE NATIONAL GOVERNMENT AGENCY CONCERNED THROUGH THE DEPARTMENT OF AGRICULTURE AND FOOD OR ANY OF ITS ATTACHED AGENCIES SHALL BE GIVEN THE AUTHORITY TO DISPOSE OF THE SAME THROUGH LOCAL DISPOSITION OR RE-EXPORTATION, WHICHEVER SHALL BE TO THE BEST INTEREST OF THE GENERAL PUBLIC AND THE LOCAL PRODUCERS. THE BUREAU OF CUSTOMS SHALL TRANSFER CUSTODY OF THE SAME TO THE NATIONAL GOVERNMENT AGENCY CONCERENED WITHIN FIFTEEN DAYS FROM THE TIME OF THE FORFEITURE HAS BECOME FINAL AND EXECUTORY."

SECTION 2. Section 2602 of the Tariff and Customs Code, as amended is hereby amended to read as follows:

"Sec. 2602. Place of Sale or Other Disposition of Property. -- Property within the purview of this Part of this Code shall be sold, or otherwise disposed of, upon the order of the Collector of the port where the property in question is found, unless the Commissioner

shall direct its conveyance for such purpose to some other port, SUBJECT TO THE NEXT PRECEDING PARAGRAPH."

SECTION 3. Section 2603 of the Tariff and Customs Code, as amended is hereby amended to read as follows:

"Sec. 2603. Mode of Sale. - In the absence of any special provision, property subject to sale by the customs authorities shall be sold at public auction after ten days' notice conspicuously posted at the port and such other advertisement as may appear to the Collector to be advisable in the particular case, SUBJECT TO THE PROVISIONS OF SECTION 2601 (F)".

SECTION 4. Section 2605 of the Tariff and Customs Code as amended is hereby amended to read as follows:

"Sec. 2605. Disposition of Proceeds. The following charges shall be paid from the proceeds of the sale in the order named:

- a. Expenses of appraisal, advertisement and sale.
- b. . Duties except in the case of abandoned and forfeited articles.
- c. Taxes and other charges due the Government.
- d. Government storage charges.
- e. Arrastre and private storage charges.
- f. Freight, lighterage or general average, on the voyage of importation, of which due notice shall have been given to the Collector.
- g. THE REMAINDER, IN CASE OF DISPOSITION OF AGRICULTURAL PRODUCTS BY THE CONCERNED NATIONAL GOVERNMENT AGENCY, SHALL BE DISTRIBUTED AS FOLLOWS:

- a. TEN PERCENT SHALL BE GIVEN TO THE EXPORTER, IN CASE THE GOODS ARE TO BE RE-EXPORTED.
- b. TWENTY-FIVE PERCENT TO THE APPREHENDING GOVERNMENT AGENCY TO BE DISTRIBUTED AS INCENTIVE.
- c. THE BALANCE SHALL BE USED BY THE NATIONAL GOVERNMENT FOR THE FOLLOWING PURPOSES, NAMELY:

- a. TWENTY-FIVE PERCENT TO FINANCE THE COMPETITIVE ENHANCEMENT FUND OF THE CONCERNED NATIONAL GOVERNMENT AGENCY TO BE USED TO FURTHER DEVELOP THE AGRICULTURAL SECTOR CONCERNED.
- b. FORTY PERCENT TO THE NATIONAL GOVERNMENT.

SECTION 5. The Department of Agriculture and Food and the Department of Finance are directed to implement this Act within ONE HUNDRED AND EIGHTY (180) days from the passage of this Act by jointly promulgating the implementing Rules and Guidelines.

SECTION 6. All laws, acts, decrees, executive orders and ordinances inconsistent with the provisions of this Act shall be considered modified, amended or repealed accordingly.

SECTION 7. This Act shall take effect FIFTEEN days after publication in two national newspapers or general circulation.

Approved,