

Existing Law Tariff and Customs Code	Section/ SBN	Senate Bill Proposed Amendments	PHILEXPORT'S Proposed Amendments	Comments/Rationale
<p>“SEC. 601. Chief Officials of the Bureau of Customs. - The Bureau of Customs shall have one chief and four assistance chiefs, to be known respectively as the Commissioner of Customs, hereinafter known as the Commissioner and four (4) Deputy Commissioners of Customs, each one to head (a) Customs Revenue and Collection Monitoring Group; (b) Customs Assessment and Operations Coordinating Group; (c) Intelligence and Enforcement Group; (d) Internal Administration Group; who shall each receive an annual compensation in accordance with the rates prescribed by existing law. The Commissioner and Deputy Commissioners shall be appointed by the President of the Philippines.</p> <p>“In case of temporary and permanent vacancy, one of the Deputy Commissioners shall be designated by the Secretary of Finance to act as a Commissioner of Customs, until the incumbent Commissioner reassumes his duties or the position is filled by appointment.”</p>	<p>Section 2 of SBN 106 and SBN 615</p>	<p>SEC. 2. Section 601 of the Tariff and Customs Code of the Philippines (TCCP), as amended, is hereby further amended to read as follows:</p> <p>“SEC. 601. Chief Officials of the Bureau of Customs. - The Bureau of Customs shall have one chief and FIVE [four] assistance chiefs, to be known respectively as the Commissioner of Customs (hereinafter known as the Commissioner) and FIVE (5) Deputy Commissioners of Customs, each one to head (a) Customs Revenue and Collection Monitoring Group; (b) Customs Assessment and Operations Coordinating Group; (c) Intelligence and Enforcement Group; (d) Internal Administration Group; AND (5) AUDIT AND TRANSPARENCY GROUP, who shall each receive an annual compensation in accordance with the rates prescribed by existing law. The Commissioner AND DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY SHALL BE DIRECTLY APPOINTED BY THE PRESIDENT. THE OTHER DEPUTY COMMISSIONERS SHALL BE APPOINTED BY THE PRESIDENT OF THE PHILIPPINES BASED ON THE RECOMMENDATION OF THE COMMISSION.</p> <p>“In case of temporary and permanent vacancy, one of the Deputy Commissioners shall be designated by the Secretary of Finance to act as a Commissioner of Customs, until the incumbent Commissioner reassumes his</p>		<p>Support</p>

		duties or the position is filled by appointment.”		
<p>“SEC. 607. Annual Report of Commissioner. - The annual report of the Commissioner to the President shall, among other things, contain a compilation of the (a) quantity and value of the articles imported into the Philippines and the corresponding amount of customs duties, taxes and other charges assessed and collected on imported articles itemized in accordance with the tariff headings and subheadings as appearing in the liquidated customs entries provided for in this Code, (b) percentage collection of the peso value of imports, (c) quantity and value of conditionally-free importations, (d) customs valuation over and above letters of credit opened, (e) quantity and value tax-free imports, and (f) the quantity and value of articles exported from the Philippines as well as the taxes and other charges assessed and collected on them for the preceding year. Copies of such annual report shall be furnished regularly to the Department of Finance, Tariff Commission, NEDA, Central Bank of the Philippines, Board of Investments, Department of Budget, and other economic agencies of the government, on or before December 30, of each year.</p> <p>“For more scientific preparation of the annual report, the Commissioner shall cause the computerization of the data contained in the liquidated entries filed with the Bureau of Customs.”</p>	<p>Section 3 of SBN 106 and SBN 615</p>	<p>SEC. 3. Section 607 of the Tariff and Customs Code of the Philippines (TCCP), as amended, is hereby further amended to read as follow:</p> <p>“SEC. 607. Annual Report of Commissioner. - The annual report of the Commissioner to the President shall, among other things, contain a compilation of the (a) quantity and value of the articles imported into the Philippines and the corresponding amount of customs duties, taxes and other charges assessed and collected on imported articles itemized in accordance with the tariff headings and subheadings as appearing in the liquidated customs entries provided for in this Code, (b) percentage collection of the peso value of imports, (c) quantity and value of conditionally-free importations, (d) customs valuation over and above letters of credit opened, (e) quantity and value tax-free imports, and (f) the quantity and value of articles exported from the Philippines as well as the taxes and other charges assessed and collected on them for the preceding year. THE DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY SHALL REGULARLY FURNISH [C] copies of such annual report [shall be furnished regularly] to the Department of Finance, Tariff Commission, NEDA, Central Bank of the Philippines, Board of Investments, Department of Budget, and other economic agencies of the government, on or before December 30, of each year.</p> <p>“For more scientific preparation of the annual</p>		Support

		report, the Commissioner shall cause the computerization of the data contained in the liquidated entries filed with the Bureau of Customs.”	
<p>“SEC. 609. Commissioner to Furnish Copies of Collectors’ Liquidated Duplicates, - The Commissioner shall regularly furnish the NEDA, the Central Bank of the Philippines, the Tariff Commission a copy of each of all customs import/ export entries as filed with the Bureau of Customs. The Tariff Commission or its duly authorized agents shall have access to and the right to copy all the customs liquidated import entries and other documents appended thereto as finally filed in the Commission on Audit.”</p>	<p>Section 4 of SBN 106 and SBN 615</p>	<p>SEC. 4. Sec. 609 of the TCCP, as amended, is hereby further amended to read as “SEC. 609. Commissioner to Furnish Copies of Collectors’ Liquidated Duplicates, - The Commissioner shall regularly furnish the NEDA, the Central Bank of the Philippines, the Tariff Commission AND THE NATIONAL STATISTICS OFFICE (NSO). BOTH ELECTRONIC AND PAPER COPIES of each of all customs import/ export entries as filed with the Bureau of Customs. The Tariff Commission or its duly authorized agents shall have access to and the right to copy all the customs liquidated import entries and other documents appended thereto as finally filed in the Commission on Audit. COPIES OF THE FOREGOING DOCUMENTS SHALL BE MADE ACCESSIBLE AND AVAILABLE TO THE DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY AT ALL TIMES.”</p>	<p>Support</p>
	<p>Section 5 of SBN 106 and SBN 615</p>	<p>SEC. 5. Section 709 of the TCCP, as amended, is hereby further amended to read as follows:</p> <p>“SEC. 709. Authority of the Collector to Remit Duties. - A Collector shall have discretionary authority to remit the assessment and collection of customs duties, taxes and other charges when the aggregate amount of such duties, fees, taxes, and other charges is less than FIVE THOUSAND PESOS, and he may dispense with the seizure of articles of less than FIVE THOUSAND PESOS in value except in cases of prohibited importations of the habitual or the intentional violation of the</p>	<p>Support</p>

		tariff and customs laws.”	
Sections 713 to 717 (NEW SECTIONS)	Section 6 of SBN 106 and SBN 615	<p>SEC. 6.A new part shall be inserted starting with Section 713, after Section 712 of the TCCP, as amended, which shall read as follows:</p> <p>“PART 3. -AUDIT, TRANSPARENCY AND ACCOUNTABILITY</p> <p>“SEC. 713. THE DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY SHALL CONDUCT, IN COORDINATION WITH THE COMMISSION ON AUDIT, A BUREAU-WIDE AUDIT ON THE OPERATIONAL PROCESSES, COLLECTION AND FINANCIAL REPORTING, FISCAL AND PERSONNEL PERFORMANCE, SYSTEM EFFICIENCY, INTERNAL CONTROL, INFORMATION AND COMMUNICATION FLOW, FRAUDULENT AND ILLEGAL PRACTICES, AND SUCH OTHER AREAS AS MAY BE NECESSARY FOR THE EFFECTIVE OPERATIONS OF THE BUREAU AND ITS ATTACHED AGENCIES.</p> <p>“SEC. 714. THE APPROPRIATIONS FOR THE BUREAU OF CUSTOMS SHALL PROVIDE AN ITEM OF EXPENSE FOR AUDIT AS CONTEMPLATED UNDER THIS ACT, INCLUDING A PROVISION FOR AN INDEPENDENT AUDIT OF THE BUREAU BY A QUALIFIED PRIVATE COMPANY OR INSTITUTION, WHICH SHALL BE CONDUCTED ANNUALLY, OR IN SUCH FREQUENCY AS MAY BE DETERMINED BY THE DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY UPON APPROVAL OF THE COMMISSIONER.</p>	Support

“SEC. 715. ON THE BASIS OF THE AUDIT CONDUCTED PURSUANT TO THE PRECEDING SECTIONS, THE DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY SHALL HAVE THE AUTHORITY TO FORMULATE AND RECOMMEND POLICIES TO THE COMMISSIONER TO ADDRESS THE IDENTIFIED PROBLEMS AND DEFICIENCIES. UNLESS THERE IS REASONABLE DOUBT ON THE VALIDITY OF THE SAID AUDIT, THE RECOMMENDATIONS SHALL HAVE PERSUASIVE WEIGHT AND SHALL BE PROMPTLY ACTED UPON BY THE COMMISSIONER.

“THE DEPUTY COMMISSIONER SHALL LIKEWISE HAVE THE AUTHORITY TO CONDUCT INVESTIGATIONS FOR THE PURPOSE OF INITIATING PROSECUTION OF FRAUD AND OTHER GRAFT AND CORRUPT PRACTICES IN THE BUREAU, AND SHALL RECOMMEND TO THE OMBUDSMAN THE FILING OF APPROPRIATE CRIMINAL CASES AGAINST THE ERRING PERSONNEL, AND TO THE COMMISSIONER THE IMPOSITION OF ADMINISTRATIVE SANCTIONS.

“SEC. 716. IN THE CONDUCT OF ITS AUDIT AND INVESTIGATIONS, THE DEPUTY COMMISSIONER OF THE PRIVATE AUDITOR SHALL HAVE THE AUTHORITY TO REQUIRE THE PRODUCTION OF DOCUMENTS AND REQUIRE BUREAU PERSONNEL TO RESPOND TO ITS INQUIRIES. FOR THIS PURPOSE, IT MAY ISSUE SUBPOENA DUCES TECUM AND AD TESTIFICANDUM. ANY PERSON WHO

		<p>SHALL REFUSE TO ABIDE BY THE SUBPOENA SO ISSUED MAY BE HELD LIABLE FOR CONTEMPT.</p> <p>“SEC. 717. THE DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY SHALL SUBMIT AN ANNUAL REPORT TO THE COMMISSIONER, THE SECRETARY OF FINANCE, THE OFFICE OF THE PRESIDENT, AND THE CONGRESS, STATING THE RESULT OF ITS INSPECTIONS AND AUDITS. THE REPORT SHALL CONTAIN ALL THE NECESSARY DATA WHICH LED TO ITS RECOMMENDATIONS AND FINDINGS. AND SHALL BE MADE AVAILABLE TO THE PUBLIC THROUGH ELECTRONIC AND NON-ELECTRONIC MEANS, UNLESS NON-DISCLOSURE IS WARRANTED BY NATIONAL SECURITY.</p>		
<p>SECTION 1001-A (NEW SECTION)</p>	<p>Section 7 of SBN 106 and SBN 615</p>	<p>SEC. 7. A new section to be known as SECTION 1001-A is hereby inserted after Section 1001 of the TCCP, as amended, which shall read as follows:</p> <p>“SEC. 1001-A. TRANSMISSION OF ELECTRONIC COPY OF MANIFEST PRIOR TO ARRIVAL. - AN ELECTRONIC COPY OF THE CARGO AND PASSENGER MANIFEST OF THE VESSEL, ENGAGED IN FOREIGN TRADE SHALL BE TRANSMITTED TO THE BUREAU OF CUSTOMS AT LEAST SIX (6) HOURS PRIOR TO THE VESSEL’S ARRIVAL IN THE PORT OF ENTRY, PROVIDED, THAT IF THE VESSEL IS AN AIRCRAFT, THE MANIFEST SHALL BE TRANSMITTED TO THE BUREAU OF CUSTOMS AT LEAST ONE (1) HOUR PRIOR TO THE AIRCRAFTS</p>		<p>Support</p>

		ARRIVAL IN THE PORT OF ENTRY.”	
<p>Sec. 1005. Manifest Required of Vessel From Foreign Port. — Every vessel from a foreign port must have on board a complete manifest of all her cargo.</p> <p>All of the cargo intended to be landed at a port in the Philippines must be described in separate manifests for each port of call therein. Each manifest shall include the port of departure and the port of delivery with the marks, numbers, quantity and description of the packages and the names of the consignees thereof. Every vessel from a foreign port must have on board complete manifests of passengers and their baggage, in the prescribed form, setting forth their destination and all particulars required by the immigration laws; and every such vessel shall have prepared for presentation to the proper customs official upon arrival in ports of the Philippines a complete list of all sea stores then on board. If the vessel does not carry cargo or passengers the manifest must show that no cargo or passenger, as the case may be, is carried from the port of departure to the port of destination in the Philippines.</p> <p>A cargo manifest shall in no case be changed or altered after entry of the vessel, except by means of an amendment by the master, consignee or agent thereof, under oath, and attached to the original manifest: <i>Provided, however,</i> That after the invoice and/or entry covering an importation have been received and recorded in the office of the appraiser, no</p>	<p>Section 10 of SBN 1533</p>	<p>SEC. 10. Section 1005 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: “SEC. 1005. Manifest Required of Vessel from Foreign Port. - x x x.”</p> <p>All of the cargo intended x x x...</p> <p>“A TRUE AND COMPLETE COPY OF THE CARGO MANIFEST AND BILL OF LADING SHALL BE SENT UPON ARRIVAL TO THE BUREAU OF CUSTOMS AND THE PHILIPPINE PORTS AUTHORITY WITHIN FORTY-EIGHT (48) HOURS AFTER RECEIPT THEREOF BY THE MASTER OF THE VESSEL.</p> <p>“A cargo manifest shall in no case be changed or altered after Entry of the vessel, except by means of an amendment by the master, consignee or agent thereof, under oath, and attached to the original manifest: <i>Provided, however,</i> That after the invoice and/or entry covering an importation have been received and recorded [in the office of the appraiser] EITHER MANUALLY OR ELECTRONICALLY IN THE BUREAU OF CUSTOMS OR HAD BEEN LOGGED IN ITS COMPUTER SYSTEM, no amendment of the manifest shall be allowed, except when it is obvious that a clerical error or any discrepancy has been committed in the preparation of the manifest, without any fraudulent intent, discovery of which would not have been made until after examination has been completed. PRIOR TO RELEASE OF THE CARGO, THE</p>	<p>Support</p>

<p>amendment of the manifest shall be allowed, except when it is obvious that a clerical error or any other discrepancy has been committed in the preparation of the manifest, without any fraudulent intent, discovery of which could not have been made until after examination of the importation has been completed.</p>		<p>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.’”</p>		
<p>Sec. 1007. Manifests for Auditor 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 Auditor General, Manila a copy of the cargo manifest properly endorsed by the boarding officer, and the master shall immediately present to the Collector the original copy of the cargo manifests properly endorsed by the boarding officer, 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.</p>	<p>Section 11 of SBN 1533</p>	<p>SEC. 11. Section 1007 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read 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 UPON 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 DAYS FROM RECEIPT OF THE CARGO MANIFEST FROM THE MASTER, THE COLLECTOR SHALL POST COPIES THEREOF AT A CUSTOMS BULLETIN BOARD FOR TWO CONSECUTIVE WEEKS.”</p>	<p>SEC. 11. Section 1007 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read 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 UPON 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 DAYS FROM RECEIPT OF THE CARGO MANIFEST FROM THE MASTER, THE COLLECTOR SHALL POST COPIES THEREOF AT A CUSTOMS BULLETIN BOARD FOR TWO CONSECUTIVE WEEKS.”</p>	<p>On Section 11 of SBN 1533 amending Section 1007 of the TCCP - Manifest for Commission on Audit and Collector : This Section proposed an amendment requiring the submission of the cargo manifest immediately upon arrival of the shipping vessel. We recommend instead that the bill mandate the adoption of an e-Manifest system which is in accordance with the e-Commerce Act. An e-Manifest System will ensure the faster and secure submission of the vessel manifest to the Bureau of Customs (BOC) or other concerned authorities <u>in advance, before the arrival of the ship in the Philippines.</u> Through this system, <u>the advance notification</u> allows authorities to validate the veracity of entries contained in the manifest, identify unentered shipments for urgent filing and alert for abandoned cargoes. An e-Manifest system is in line with the on-going computerization of the Bureau of Customs, the migration of their procedures from manual to electronic processing, enhancing not only verifica-</p>

				tion procedures but monitoring and audit as well.
<p>Sec. 1007. Manifests for Auditor 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 Auditor General, Manila a copy of the cargo manifest properly endorsed by the boarding officer, and the master shall immediately present to the Collector the original copy of the cargo manifests properly endorsed by the boarding officer, 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.</p>	<p>Section 12 of SBN 1533</p> <p>SBN 106 and SBN 615</p>	<p>SEC.12. Section 1007 of the TCCP, as amended, is hereby further amended to read as follows: “SEC. 1007. Manifests 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, and the DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY, a copy of the cargo manifests properly endorsed by the boarding officer, and the master shall immediately present to the Collector the original copy of the cargo manifests properly endorsed by the boarding officer, and, for inspection, the ship’s register or other documents in lieu thereof, together with the clearance and other papers granted to the vessel at the port of departure for the Philippines.</p>		<p>Delete “Papers to be deposited with Consul”</p>

<p>Sec. 1008. Transit Cargo. — When transit cargo from a foreign port or other local ports is forwarded from the port of importation, separate manifest, in triplicate, shall be presented by each carrier.</p>	<p>Section 13 of SBN 1533</p>	<p>SEC. 13. Section 1008 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 1008. Transit Cargo AND FOREIGN TRANSHIPMENT OF GOODS. - When transit cargo x x x. "WITHIN FIVE DAYS FROM THE ACTUAL DISCHARGE OF A VESSEL, BUT IN ANY CASE NOT LATER THAN FIFTEEN (15) DAYS FROM THE DATE OF THE VESSEL'S DEPARTURE FROM THE PHILIPPINES, THE PARTY WHO APPLIED FOR FOREIGN TRANSSHIPMENT SUCH AS THE SHIPPING COMPANY OR AGENT, TRANSSHIPMENT OPERATOR OR THE OWNER OF THE GOODS SHALL SUBMIT TO THE BUREAU OF CUSTOMS AND/OR TO THE BUREAU OF INTERNAL REVENUE, A CERTIFICATE OF DISCHARGE FROM THE FOREIGN PORT OF DISCHARGE OR DESTINATION. THE CERTIFICATE OF DISCHARGE SHALL CERTIFY THAT THE GOODS TRANSSHIPPED FROM THE PHILIPPINES WERE DISCHARGED AT THE PORT OF DESTINATION AND RECEIVED BY THE CONSIGNEE NAMED IN THE MANIFEST. THE CERTIFICATE OF DISCHARGE SHALL BE ISSUED BY THE CUSTOMS OR PORT OFFICIALS AT THE FOREIGN PORT OF DESTINATION PROVIDED, THAT IF THE SAID CERTIFICATE IS IN A FOREIGN LANGUAGE OTHER THAN ENGLISH, IT SHALL BE ACCOMPANIED BY AN ENGLISH TRANSLATION DULY AUTHENTICATED BY A PHILIPPINE COMMERCIAL ATTACHE OR CONSUL. THE CERTIFICATE OF DISCHARGE TO BE SUBMITTED TO THE BUREAU OF CUSTOMS AND/OR BUREAU OF INTERNAL</p>		<p>Support</p>
--	--------------------------------------	--	--	----------------

		<p>REVENUE SHALL BE ACCOMPANIED BY A COPY OF THE INWARD FOREIGN MANIFEST SUBMITTED TO, RECEIVED BY, AND PROPERLY STAMPED BY THE CUSTOMS AUTHORITIES AT THE PORT OF DESTINATION. "FAILURE TO SUBMIT THE CERTIFICATE OF DISCHARGE AND THE INWARD FOREIGN MANIFEST AS REQUIRED HEREINABOVE SHALL CONSTITUTE PRIMA FACIE PROOF THAT THE GOODS ALLEGEDLY TRANSSHIPPED WERE IN FACT DIVERTED TO THE PHILIPPINES, WITHOUT THE CORRESPONDING PAYMENT OF DUTIES AND TAXES WHICH SHALL BE IMMEDIATELY COLLECTED AND PAID BY THE PARTY(IES) WHICH FAILED TO SUBMIT THE CERTIFICATE OF DISCHARGE. THEREAFTER AND UNTIL THE REQUIRED CERTIFICATE OF DISCHARGE AND THE INWARD FOREIGN MANIFEST SHALL HAVE BEEN SUBMITTED, ALL SUBSEQUENT TRANSSHIPMENT OF GOODS TO AND FROM THE PHILIPPINES BY THE SAID PARTY(IES)WITHOUT THE PAYMENT OF DUTIES AND TAXES SHALL BE DISALLOWED. THE SUBMISSION OF THE CERTIFICATE OF DISCHARGE IS REQUIRED ONLY FOR TRANSSHIPPED GOODS SUBJECT TO EXCISE TAX OF MORE THAN TWENTY PERCENT (20%) IN ADDITION TO THE PAYMENT OF TAXES AND DUTIES IF SUCH GOODS ENTER THE DOMESTIC MARKET.</p>		
<p>Sec. 1025. Export Product to Conform to Standard Grades. — A Collector shall not permit products for which standard grades have been established by the government to be laden aboard a vessel clearing for a</p>	<p>Section 14 of SBN 1533</p>	<p>SEC. 14. Section 1025 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC.1025. <i>Export Product to Conform to Standard Grades AND EXPORT MARKING</i></p>		<p>Foreign buyers are the one's who give</p>

<p>foreign port, unless the shipment conforms to the requirements of law relative to the shipment of such products.</p>		<p>REQUIREMENTS. - A Collector shall not permit products for which standard grades OR "EXPORT ONLY" OR "FOR EXPORT" MARKING REQUIREMENTS have been established by the government THROUGH LAWS OR REGULATIONS to be laden aboard a vessel clearing for a foreign port, unless the shipment conforms to the requirements of law OR REGULATION relative to the shipment of such products: PROVIDED, HOWEVER, THAT EXPORT OF PRODUCTS MARKED "NOT FOR EXPORT" SHALL BE PROHIBITED, AND THAT LABELS OR MARKS INDICATING "PLACE OF SALE OF THE PRODUCT OR "NOT FOR EXPORT" MARKINGS SHALL NOT BE CHANGED, TAMPERED OR CONCEALED. "GOODS INTENDED FOR EXPORT WHICH DO NOT COMPLY WITH STANDARD GRADE, EXPORT MARKING REQUIREMENTS, OR WHOSE "NOT FOR EXPORT" OR "PLACE OF SALE LABELS HAVE BEEN CHANGED, TAMPERED OR CONCEALED SHALL BE DISPOSED OF IN ACCORDANCE WITH THIS CODE, EXCEPT THROUGH EXPORTATION."</p>		<p>instructions on the marking requirements</p>
<p>Sec. 1210. Disposition of Imported Articles Remaining on Vessel After Time for Unlading. — Imported articles remaining on board any vessel after the expiration of the said period for discharge, and not reported for transshipment to another port, may be unladen by the customs authorities and stored at the vessel's expense.</p> <p>“Unless prevented by causes beyond the vessel’s control, such as port congestion, strikes, riots, or civil commotions, failure of vessel’s gear, bad weather, and similar causes, articles so stored shall be entered</p>	<p>Section 15 of SBN 1533</p> <p>SBN 106 and SBN 615</p>	<p>SEC. 15. Section 1210 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p> <p>“SEC. 1210. Disposition of Imported Articles Remaining on Vessel After Time for Unlading. - Imported articles remaining on board any vessel after the expiration of the said period for discharge and not reported for transshipment to another port, may be unladen by customs authorities and stored at the vessel’s expense.</p> <p>“Unless prevented by causes beyond the vessel’s control, such as port congestion, strikes, riots, or civil commotions, failure of vessel’s gear, bad weather, and similar causes, articles so stored shall</p>		

<p>within thirty (30) days, which shall not be extendible, from the date of discharge of the last package from the vessel or aircraft and shall be claimed within fifteen (15) days, which shall likewise not be extendible from the date of posting of the notice to claim in conspicuous places in the Bureau of Customs. If not entered or not claimed, it shall be disposed of in accordance with the provisions of this Code.”</p>		<p>be entered within FIFTEEN (15) DAYS, which shall not be extendible, from the date of discharge of the last package from the vessel or aircraft and shall be claimed within fifteen (15) days, which shall likewise not be extendible from the date of posting of the notice to claim in conspicuous places in the Bureau of Customs. If not entered or not claimed, it shall be disposed of in accordance with the provisions of this Code.”</p>		
<p>Section 1212 of the TCCP (NEW SECTION)</p>	<p>Section 16 of SBN 1533</p>	<p>SEC. 16. A new section, to be known as Section 1212, is hereby inserted in the Tariff and Customs Code of the Philippines, as amended, to read as follows: "SEC. 1212. IMPORT PERMIT/ IMPORT AUTHORITY FOR AGRICULTURAL PRODUCTS. - IMPORTED AGRICULTURAL PRODUCTS MUST BE COVERED BY A VALID IMPORT OR QUARANTINE PERMIT ISSUED BY THE DEPARTMENT OF AGRICULTURE OR ITS CONCERNED BUREAU PRIOR TO IMPORTATION INTO THE PHILIPPINES. NO AGRICULTURAL PRODUCTS MUST BE ACCEPTED FOR LOADING AND/OR TRANSPORT BY A VESSEL OR AIRCRAFT INTO THE COUNTRY IF THESE AGRICULTURAL PRODUCTS HAVE NOT BEEN AUTHORIZED THROUGH AN IMPORT PERMIT OR IMPORT AUTHORITY ISSUED BY THE DEPARTMENT OF AGRICULTURE PRIOR TO SHIPMENT. THE SAME AGRICULTURAL PRODUCTS MUST BE SHIPPED BACK TO THE COUNTRY OF ORIGIN BY THE IMPORTER/CONSIGNEE THROUGH THE SAME CARRIER THAT LOADED/TRANSPORTED, OR BROUGHT IN THE PRODUCTS: PROVIDED, THAT ANY IMPORTED AGRICULTURAL PRODUCT THAT WAS ISSUED AN IMPORT PERMIT OR</p>		<p>Support</p>

		<p>IMPORT AUTHORITY AFTER ENTRY INTO THE PHILIPPINES, WHEN SUCH IMPORT PERMIT/AUTHORITY IS REQUIRED PRIOR TO IMPORTATION OF SUBJECT AGRICULTURAL PRODUCT, SHALL BE CONSIDERED AS SMUGGLED ARTICLE AND SHALL BE DISPOSED OF IN THE MANNER PROVIDED FOR IN SECTION 2602 OF THIS CODE."</p>		
<p>Sec. 1302. Import Entries. — All imported articles, except importation admitted free of duty under subsection "k", section one hundred and five of this Code, shall be subject to a formal or informal entry. Articles of a commercial nature intended for sale, barter or hire, the dutiable value of which is Two thousand pesos (P2,000.00) or less, and personal and household effects or articles, regardless of value, imported in passenger's baggage, mail, or otherwise, for personal use, may be cleared on an informal entry whenever duty, tax or other charges are collectible.</p> <p>The Collector may, upon instruction of the Secretary of Finance, for the protection of the revenue, require a formal entry regardless of value, whatever be the purpose and nature of the importation..</p> <p>A formal entry may be for immediate consumption, or under irrevocable domestic letter of credit, bank guarantee or bond for:</p> <p>a. Placing the articles in customs bonded warehouse;</p> <p>b. Constructive warehousing and</p>	<p>Section 17 of SBN 1533</p>	<p>SEC. 17. Section 1302 of the Tariff and Custom Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 1302. <i>Import Entries.</i> - x x x. "The Commissioner may, x x x. "A formal entry may be x x x: (a) x x x; "(b) x x x; or "(c) x x x.</p> <p>"FOR PURPOSES HERETO, ALL IMPORT ENTRIES SHALL EXPLICITLY AND CLEARLY INDICATE THE NAME OF THE CUSTOMS BONDED WAREHOUSE WHERE THE IMPORTED ARTICLES WILL BE PLACED OR DEPOSITED, AND THE NAME OF THE IMPORTER OR CONSIGNEE.</p> <p>"Import entries under irrevocable x x x.</p> <p>"All importations entered x x x."</p>		<p>Support</p>

<p>immediate transportation to other ports of the Philippines upon proper examination and appraisal; or</p> <p>c. Constructive warehousing and immediate exportation.</p> <p>Import entries under irrevocable letter of credit, bank guarantee or bond shall be subject to the provisions of Title V, Book II of this Code.</p> <p>All importations entered under x x x ...</p>				
<p>Section 1401-A of the TCCP (NEW SECTION)</p>	<p>Section 18 of SBN 1533</p> <p>Section 10 of SBN 106 and SBN 615</p>	<p>SEC. 18 (10). A new section to be known as section 1401-A is hereby inserted after Section 1401 of the Tariff and Customs Code of the Philippines, as amended, which shall read as follows:</p> <p>"SEC. 1401-A. <i>VALUATION LIBRARY</i>. – THE COMMISSIONER SHALL ENSURE THAT THERE SHALL BE A VALUATION LIBRARY, WHICH SHALL BE KEPT <i>UP</i> TO DATE AND MAINTAINED USING THE BEST AVAILABLE TECHNOLOGY. THE VALUATION LIBRARY SHALL BE MADE READILY AVAILABLE TO THE PUBLIC."</p>		<p>Support</p>
<p>"Sec. 1403. Duties of Customs Officer Tasked to Examine, Classify, and Appraise Imported Articles. — The customs officer tasked to examine, classify, and appraise imported articles shall determine whether the packages designated for examination and their contents are in accordance with the declaration in the entry, invoice and other pertinent documents and shall make return in such a manner as to indicate whether the articles have been truly and correctly declared in the entry as regard</p>	<p>Section 19 of SBN 1533</p> <p>Section 11 of SBN 106 and SBN 615</p>	<p>SEC. 19 (11). Section 1403 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p> <p>"SEC. 1403. Duties of Customs Officer Tasked to Examine, Classify, and Appraise Imported Articles. - The customs officer tasked to examine, classify, and appraise imported articles shall determine whether the packages designated for examination and their contents are in accordance with the declaration in the entry, invoice, and other pertinent documents and shall make a return in</p>		<p>Support</p>

<p>their quantity, measurement, weight, and tariff classification and not imported contrary to law. He shall submit samples to the laboratory for analysis when feasible to do so and when such analysis is necessary for the proper classification, appraisal, and/or admission into the Philippines of imported articles.</p> <p>"Likewise, the customs officer shall determine the unit of quantity in which they are usually bought and sold and appraise the imported articles in accordance with Section 201 of this Code.</p> <p>"Failure on the part of the customs officer to comply with his duties shall subject him to the penalties prescribed under Section 3604 of this Code."</p>		<p>such a manner to indicate whether the articles have been truly and correctly declared in the entry as regard their quantity, measurement, weight, and tariff classification and not imported contrary to law. THE CUSTOMS OFFICER SHALL LIKEWISE CERTIFY UNDER OATH IN THE RETURN THAT HE USED THE VALUATION LIBRARY IN CLASSIFYING AND APPRAISING THE IMPORTED ARTICLES. He shall ALSO submit a sample to the laboratory for analysis when feasible to do so and when such analysis is necessary for the proper classification, appraisal, and/or admission into the Philippines of imported articles.</p> <p>"Likewise, the customs officer shall determine the unit of quantity in which they are usually bought and sold and appraise the imported articles in accordance with Section 201 of this Code.</p> <p>"Failure on the part of the customs officer to comply with his duties shall subject him to the penalties prescribed under 3604 of this Code."</p>		
<p>Sec. 1409. Employment and Compensation of Persons to Assist in Appraisal or Classification of Articles. — When necessary, the Collector may request two disinterested persons versed in the matter to assist the appraiser in appraising or ascertaining the value of any article. Persons so employed shall be paid compensation in an amount, to be determined by the Commissioner, not exceeding ten pesos for each day of such service.</p>	<p>Section 20 of SBN 1533</p>	<p>SEC. 20. Section 1409 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 1409. [Employment and Compensation of Persons to Assist in Appraisal or Classification of Articles.] VALUATION AND CLASSIFICATION REVIEW COMMITTEE (VCRC). - When necessary, the Collector may request two disinterested persons versed in the matter to assist the appraiser in appraising or ascertaining dutiable value of any article. Persons so employed shall be paid compensation in an amount to be determined by the Commissioner, not exceeding fifty pesos (P50.00) for each day of such service.]</p>		<p>On Section 20 of SBN 1533 amending Section 1409 of the TCCP: This Section provides for the creation of a Valuation and Classification Review Committee (VCRC) under the direct chairmanship of the respective District Collector of Customs. This is a better alternative to the Collector employing the assistance of disinterested persons, as indicated in the TCCP. The VCRC that is composed of a representative from the Department of Trade and Industry and the Department of Agriculture and the Tariff Commission, as</p>

		GENUINE VALUATION AND CLASSIFICATION ISSUES SHALL BE COURSED THROUGH A VALUATION AND CLASSIFICATION REVIEW COMMITTEE (VCRC) DIRECTLY UNDER THE CHAIRMANSHIP OF THE RESPECTIVE DISTRICT COLLECTOR OF CUSTOMS. "AMONG THE MEMBERS OF THE VCRC, ONE SHALL COME FROM AMONG THE RECOMMENDEES OF THE DEPARTMENT OF TRADE AND INDUSTRY AND THE DEPARTMENT OF AGRICULTURE AND THE TARIFF COMMISSION, AS THE CASE MAY BE, AND ONE MEMBER SHALL COME FROM THE PRIVATE! SECTOR REPRESENTING THE INDUSTRY SECTOR AFFECTED."		the case may be, and an industry representative from the sector affected will be qualified to undertake the function. However, each VCRC should perform its function within a predetermined set of policies and guidelines, including the timeframe within which issues should be resolved preferably in the port where the issue came about. However, we suggest that the provision on the compensation be modified and not removed. Compensation may be granted in the form of honoraria commensurate to service rendered and adequate to ensure "impartiality" of the members.
Sec. 1704. Abatement or Refund of Duties on Articles Lost or Destroyed after Arrival. — A Collector may abate or refund the amount of duties accruing or paid, and may likewise make a corresponding allowance or credit on the entry bond, or other document, upon satisfactory proof of the injury, destruction, or loss by theft, fire or other causes of any article as follows: a. While within the limits of any port of entry prior to unloading under customs supervision. b. While remaining in customs custody after unloading.	Section 21 of SBN 1533	SEC. 21. Section 1704(d) of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 1704. <i>Abatement or Refund of Duties on Articles Lost or Destroyed After Arrival.</i> - x x x: "d. While released under irrevocable domestic letter of credit, bank guarantee or bond for export except in case of loss by theft: <i>PROVIDED</i> , THAT NO ABATEMENT OR REFUND SHALL BE MADE WHEN THE THEFT OCCURS IN BONDED WAREHOUSES OUTSIDE OF THE CUSTOMS ZONE."	Section 21 of SBN 1533 should read as follows: SEC. 21. Section 1704(d) of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 1704. <i>Abatement or Refund of Duties on Articles Lost or Destroyed After Arrival.</i> -I, x x x: "d. While released under irrevocable domestic letter of credit, bank guarantee or bond for export except in case of loss by theft. [<i>PROVIDED</i> , THAT NO ABATEMENT OR REFUND SHALL BE MADE WHEN THE THEFT OCCURS IN BONDED WAREHOUSES OUTSIDE OF THE CUSTOMS ZONE.]"	ON SECTION 21 of SBN 1533 AMENDING SECTION 1706 (d) OF TCCP - Delete the phrase:[<i>PROVIDED</i> , THAT NO ABATEMENT OR REFUND OF DUTIES, TAXES AND OTHER CHARGES SHALL BE ALLOWED ON ARTICLES LOST OR DESTROYED IN BONDED PUBLIC OR PRIVATE

<p>c. While in transit under bond from the port of entry to any port in the Philippines.</p> <p>d. While released under bond to export, except in case of loss by theft.</p>				<p>WAREHOUSES OUTSIDE CUSTOMS ZONE”</p> <p>Manufacturing bonded warehouses located in the customs territory, but outside the customs zone</p>
<p>Section 1706. Investigation Required in Case of Investments and Refunds. - The Collector shall, in all cases of allowances, abatements, or refunds of duties, cause an examination or report in writing to be made as to any fact discovered during such examination which tends to account for the discrepancy or difference and cause the corresponding adjustment to be made on the import entry. [Provided, that no abatement or refund of duties, taxes and other charges shall be allowed on articles lost or destroyed in bonded public or private warehouses outside customs zone.]</p>		<p>Section 1706</p>	<p>Section 1706. Investigation Required in Case of Investments and Refunds. - The Collector shall, in all cases of allowances, abatements, or refunds of duties, cause an examination or report in writing to be made as to any fact discovered during such examination which tends to account for the discrepancy or difference and cause the corresponding adjustment to be made on the import entry. [Provided, that no abatement or refund of duties, taxes and other charges shall be allowed on articles lost or destroyed in bonded public or private warehouses outside customs zone.]</p>	<p>Delete the phrase “ Provided, that no abatement or refund of duties, taxes and other charges shall be allowed on articles lost or destroyed in bonded public or private warehouses outside customs zone.”</p>
<p>“SEC. 1801. <i>Abandonment, Kinds and Effects of.</i> – An imported article is deemed abandoned under any of the following circumstances:</p> <p>“a. When the owner, importer, consignee of the imported article expressly signifies in writing to the Collector of Customs his intention to abandon; or</p> <p>“b. When the owner, importer, consignee or interested party after due</p>	<p>Section 22 of SBN 1533</p>	<p>SEC. 22. Section 1801 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p> <p>”SEC. 1801. <i>Abandonment, Kinds and Effects of:</i></p> <p>- An imported article is deemed abandoned x x x:</p> <p>“a. When the owner, importer x x x; or</p> <p>“b. When the owner, importer, consignee or interested party after due notice, fails to file an entry x x x. ALL SHIPPING LINES, SHIPPING COMPANIES, FREIGHT FORWARDERS, CONSOLIDATORS, BREAK BULK AGENTS AND THEIR AGENTS AND SUB-AGENTS AND ARRASTRE CONTRACTORS ARE</p>		<p>Support</p>

<p>notice, fails to file an entry within thirty (30) days , which shall not be extendible, from the date of discharge of the last package from the vessel or aircraft, or having files such entry, fails to claim his importation within fifteen (15) days, which shall not likewise be extendible, from the date of posting of the notice to claim such importation.</p> <p>Any person who abandons an imported article renounces all his interests and property rights therein.</p>		<p>REQUIRED TO STATE IN BOLD, PROMINENT AND COMPREHENSIBLE CHARACTERS THE PHRASE 'CUSTOMS LAW REQUIRES THE FILING OF ENTRY WITHIN THIRTY (30) DAYS FROM THE DATE OF DISCHARGE OF THE LAST PACKAGE FROM THE VESSEL, OTHERWISE, THE CARGO MAY BE DEEMED ABANDONED AND TO BE FORFEITED IN FAVOR OF THE GOVERNMENT AND SHALL BE DISPOSED OF IN ACCORDANCE WITH THIS CODE' IN EACH AND EVERY NOTICE OF ARRIVAL TO THE OWNERS, IMPORTERS, CONSIGNEES OR OTHER INTERESTED PARTIES. THE SAME SHALL SERVE TO SATISFY THE DUE NOTICE REQUIREMENT REFERRED TO IN PARAGRAPH (B) HEREOF, IN WHICH CASE THE OWNER, IMPORTER OR CONSIGNEE OF THE IMPORTATION SHALL HAVE A PERIOD OF THIRTY (30) DAYS, WHICH SHALL NOT BE EXTENDIBLE, FROM THE DATE OF DISCHARGE OF THE LAST PACKAGE FROM THE VESSEL WITHIN WHICH TO FILE THE APPROPRIATE ENTRY. FAILURE ON THE PART OF THE SHIPPING LINES, SHIPPING COMPANIES, FREIGHT FORWARDERS, CONSOLIDATORS, BREAK BULK AGENTS AND THEIR AGENTS AND SUB-AGENTS AND ARRASTRE CONTRACTORS TO COMPLY HEREWITH SHALL CONSTITUTE A GROUND FOR THE SUSPENSION OF THEIR LICENSES OR AUTHORITY TO ENGAGE IN THEIR RESPECTIVE LINE OF ACTIVITIES IN THE IMPORTATION OPERATIONS.</p> <p>"Any person who abandons x x x."</p>		
<p>Sec. 1801. Abandonment, Kinds and Effect of . — Abandonment is express when it is</p>	<p>Section 23 of SBN 1533</p>	<p>SEC. 23 (12). Section 1801 of the TCCP, as amended, is hereby further amended</p>		<p>Support</p>

<p>made direct to the Collector by the interested party in writing, and it is implied when, from the action or omission of the interested party, an intention to abandon can be clearly inferred. The failure of any interested party to file the import entry within fifteen days or any extension thereof from the discharge of the vessel or aircraft, shall be implied abandonment. An implied abandonment shall not be effective until the article is declared by the Collector to have been abandoned after notice thereof is given to the interested party as in seizure cases.</p> <p>c Any person who abandons an imported article renounces all his interests and property rights therein.</p> <p>Sec. 1801. Abandonment, Kinds and Effect of . — Abandonment is express when it is made direct to the Collector by the interested party in writing, and it is implied when, from the action or omission of the interested party, an intention to abandon can be clearly inferred. The failure of any interested party to file the import entry within fifteen days or any extension thereof from the discharge of the vessel or aircraft, shall be implied abandonment. An implied abandonment shall not be effective until the article is declared by the Collector to have been abandoned after notice thereof is given to the interested party as in seizure cases.</p> <p>Any person who abandons an imported article renounces all his interests and property rights therein.</p>	<p>Section 12 of SBN 106 and SBN 615</p>	<p>to read as follows: "SEC. 1801. <i>Abandonment, Kinds and Effects Of</i> -An imported article is deemed abandoned under any of the following circumstances: a. When the owner, importer, consignee of the imported article expressly signifies in writing to the Collector of Customs his intention to abandon; b. When the owner, importer, consignee or interested party after due notice, fails to file an entry within thirty (30) days, which shall not be extendible, from the date of discharge of the last package from the vessel or aircraft, or having filed such entry, fails to <i>claim</i> his importation within fifteen (15) days, which shall not likewise be extendible, from the date of posting of the notice to claim such importation; OR WHEN THERE IS WRITTEN DENIAL OF OWNERSHIP FROM THE PERSON INDICATED ON THE MANIFEST OR BILL OF LADING AS THE OWNER, IMPORTER, OR CONSIGNEE OF THE IMPORTED ARTICLE. "Any person who abandons an article or who fails to claim his importation as provided for in the preceding paragraph shall be deemed to have renounced all his interests and property rights therein."</p>		
---	--	--	--	--

<p>"Sec. 1802. Abandonment of Imported Articles. — An abandoned article shall ipso facto be deemed the property of the Government and shall be disposed of in accordance with the provisions of this Code.</p> <p>"Nothing in this section shall be construed as relieving the owner or importer from any criminal liability which may arise from any violation of law committed in connection with the importation of the abandoned article.</p> <p>"Any official or employee of the Bureau of Customs or of other government agencies who, having knowledge of the existence of an abandoned article or having control or custody of such abandoned article, fails to report to the Collector within twenty-four (24) hours from the time the article is deemed abandoned, shall be punished with the penalties prescribed in Paragraph 1, Section 3604 of this Code."</p>	<p>Section 13 of SBN 106 and SBN 615</p>	<p>SEC. 13. Section 1802 of the TCCP, as amended, is hereby further amended to read as</p> <p>"SEC. 1802. Abandonment of Imported Articles - An abandoned article shall ipso facto be deemed the property of the Government. ALL ABANDONED ARTICLES SHALL BE AUTOMATICALLY SUBJECT TO AUCTION AND SHALL IN NO CASE BE SUBJECT TO SETTLEMENT OR COMPROMISE.</p> <p>"AN UPDATED LISTING OF ALL ABANDONED SHIPMENTS SCHEDULED FOR AUCTION SHALL BE POSTED ON THE OFFICIAL WEBSITE OF THE BUREAU OF CUSTOMS AND AT THE MAIN ENTRANCE OF CUSTOMS HOUSES.</p> <p>"Nothing in this section shall be construed as relieving the owner or importer from any criminal liability which may arise from any violation of law committed in connection with the importation of the abandoned article.</p> <p>"Any official or employee of the Bureau of Customs or of other government agencies who, having knowledge of the existence of an abandoned article or having control or custody of such abandoned article, fails to report to the Collector within twenty-four (24) hours from the time the article is deemed abandoned shall be punished with the penalties prescribed in Paragraph 1, Section 3604 of this Code .</p>		<p>Support</p>
<p>Section 1901. Establishment and Supervision of Warehouses. — When the business of the port requires such facilities,</p>	<p>Section 25 of SBN 1533</p>	<p>SEC. 25. Section 1901 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p>	<p>On Section 29 of SBN 1533 amending Section 1901 of the TCCP – Delete [warehouses for use as public and private] line 21, page 20</p>	

<p>the Collector shall designate and establish warehouses for use as general order stores, public and private bonded warehouses, sheds or yards, or for other purposes.</p> <p>c 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.</p>		<p>"SEC. 1901. <i>Establishment and Supervision of Warehouses.</i> – When the business of the port requires such facilities, the Collector, subject to the approval of the Commissioner, shall designate and establish warehouses for use as public and private bonded warehouses, sheds or yards, or for other special purposes. ALL SUCH WAREHOUSES SHALL BE ACCREDITED BY AN ACCREDITATION COMMITTEE WHICH SHALL BE COMPOSED OF THE SECRETARY OF TRADE AND INDUSTRY, AS CHAIR THEREOF, AND ONE REPRESENTATIVE EACH FROM THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR AFFECTED AND THE INDUSTRY ASSOCIATION SOUGHT TO BE SERVICED BY THE CUSTOMS BONDED WAREHOUSE.</p> <p>“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 COMPLIED WITH BY BONDED FACILITIES.”</p>	<p>SEC. 25. Section 1901 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p> <p>"SEC. 1901. <i>Establishment and Supervision of Warehouses.</i> – When the business of the port requires such facilities, the Collector, subject to the approval of the Commissioner, shall designate and establish [warehouses for use as public and private] bonded warehouses, sheds or yards, or for other special purposes. ALL SUCH WAREHOUSES SHALL BE ACCREDITED BY AN ACCREDITATION COMMITTEE WHICH SHALL BE COMPOSED OF THE SECRETARY OF TRADE AND INDUSTRY, AS CHAIR THEREOF, AND ONE REPRESENTATIVE EACH FROM THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR AFFECTED AND THE INDUSTRY ASSOCIATION SOUGHT TO BE SERVICED BY THE CUSTOMS BONDED WAREHOUSE.</p> <p>“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 COMPLIED WITH BY BONDED FACILITIES.”</p>	<p>Delete the phrase “warehouses for use as public and private” to avoid confusion since there are many types of warehouses</p>
<p>Section 1901. Establishment and Supervision of Warehouses. — When the business of the port requires such facilities, the Collector shall designate and establish warehouses for use as general order stores, public and private bonded warehouses, sheds or yards, or for other purposes.</p>	<p>Section 26 of SBN 1533</p> <p>Section 14 of SBN 106 and SBN 615</p>	<p>SEC. 26 (14). Section 1901 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p> <p>“SEC. 1901. <i>Establishment and Supervision of Warehouses.</i> - When the business of the port requires such facilities, the Collector, subject to the approval of the Commissioner, shall designate and establish INDUSTRY-SPECIFIC warehouses for</p>	<p>SEC. 26. Section 1901 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p> <p>“SEC. 1901. <i>Establishment and Supervision of Warehouses.</i> - When the business of the port requires such facilities, the Collector, subject to the approval of the Commissioner, shall designate and establish [INDUSTRY-SPECIFIC warehouses</p>	<p>On Section 26 of SBN 1533 amending Section 1901 of the TCCP</p> <p>-</p>

<p>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.</p>		<p>use as public and private bonded warehouses, sheds or yards, or for other special purposes.</p> <p>“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.”</p>	<p>for use as public and private] bonded warehouses, sheds or yards, or for other special purposes.</p> <p>1) CUSTOMS BONDED MANUFACTURING WAREHOUSES ARE FURTHER CLASSIFIED AS FOLLOWS:</p> <ul style="list-style-type: none"> •GARMET/TEXTILE BONDED MANUFACTURING WAREHOUSE - BONDED WAREHOUSE LICENSED BY THE BUREAU OF CUSTOMS, AUTHORIZED TO RECEIVE, AND STORE WITHOUT PAYMENT OF DUTIES AND TAXESOF IMPORTED GARMENTS AND TEXTILES, RAW MATERIALS, INCLUDING PACKING AND ACCESSORIES FOR PROCESSING INTO FINISHED PRODUCTS FOR EXPORTATION, WITHIN SPECIFIED PERIOD. •MISCELLANEOUS BONDED MANUFACTURING WAREHOUSE -IS A WAREHOUSE LICENSED BY THE BUREAU OF CUSTOMS AUTHORIZED TO RECEIVE, AND STORE WITHOUT PAYMENT OF DUTIES AND TAXES IMPORTED MATERIALS, EXCEPT GARMENTS AND TEXTILES, INCLUDING PACKING/PACKAGING, ACCESSORIES, INTERMEDIATE PRODUCTS FOR THE PURPOSE OF PROCESSING INTO FINISHED PRODUCTS FOR EXPORTATION WITHIN SPECIFIED PERIOD. •COMMON BONDED MANUFACTURING WAREHOUSE -IS A WAREHOUSE LICENSED BY THE BUREAU OF CUSTOMS AUTHORIZED TO IMPORT, RECEIVE, AND STORE IMPORTED MATERIALS AND ACCESSORIES, INCLUDING 	<p>Delete [INDUSTRY SPECIFIC warehouses for use as public and private]</p> <p>Add the classifications/types of bonded warehouses...</p> <p>This is to consolidate and clarify in one Section of the TCCP the various types of bonded warehouse operations which hereto have been defined in various CAOs and/or CMOs and/or CMCs.</p>
--	--	--	--	---

			<p>PACKING/PACKAGING AND INTERMEDIATE PRODUCTS FOR THE ACCOUNT OF ITS EXPORTING MEMBERS WITHOUT PAYMENT OF DUTIES AND TAXES ON CONDITIONS THAT THESE MATERIALS BE MANUFACTURED INTO FINISHED PRODUCTS FOR SUBSEQUENT EXPORTATION WITHIN SPECIFIED PERIOD.</p> <p>2) CUSTOMS BONDED INDUSTRY-SPECIFIC WAREHOUSE – IS A WAREHOUSE LICENSED BY THE BUREAU OF CUSTOMS TO IMPORT UNDER ITS NAME AND ACCOUNT, DIRECTLY OR INDIRECTLY UNDER BOND, BY DIRECT PURCHASE OR ON CONSIGNMENT BASIS, FOR SALE OR TRANSFER TO ITS CUSTOMERS IN THE INDUSTRY, SUCH MATERIALS AND SUPPLIES AS MAY BE REQUIRED IN THE MANUFACTURE , ASSEMBLY, TESTING, OR PACKAGING OF GOODS INTENDED FOR EXPORT OR FOR REPACKING AND DISTRIBUTION TO FOREIGN MARKET.</p> <p>3) MULTINATIONAL REGIONAL BONDED WAREHOUSE – IS A WAREHOUSE OPERATED BY A MULTINATIONAL COMPANY HAVING ITS REGIONAL OR AREA HEADQUARTERS IN THE PHILIPPINES PURSUANT TO E.O. 226. IT IS LICENSED BY THE BOARD OF INVESTMENTS AND THE BUREAU OF CUSTOMS TO SERVE AS A SUPPLY DEPOT FOR THE STORAGE, DEPOSIT, AND SAFEKEEPING OF SPARE PARTS OR MANUFACTURED COMPONENTS, AND RAW MATERIALS, INCLUDING ANY PACKAGES, COVERINGS, BRANDS AND LABELS, AND WAREHOUSE EQUIPMENT</p>	
--	--	--	--	--

			<p>AS MAY BE ALLOWED BY THE DEPARTMENT OF TRADE AND INDUSTRY FOR USE EXCLUSIVELY ON THE STORED GOODS WHICH ARE TO BE REEXPORTED DIRECTLY THEREFROM UNDER THE SUPERVISION OF THE COLLECTOR OF CUSTOMS FOR DISTRIBUTION TO ITS ASIA-PACIFIC MARKETS.</p> <p>“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.”</p>	
<p>Sec. 1902. Responsibility of Government. — The Government assumes no legal responsibility in respect to the safekeeping of articles stored in any customs or bonded warehouse.</p>	<p>Section 27 of SBN 1533</p> <p>Section 15 of SBN 106 and SBN 615</p>	<p>SEC. 27 (15) Section 1902 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: “SEC. 1902. Responsibility of Operators. - The operators of bonded warehouses in case of loss of the imported articles stored shall be liable for the payment of duties and taxes due thereon.”The government assumes no legal responsibility in respect to the safekeeping of articles stored in any customs warehouses, sheds, yards or premises. “THE OPERATORS OF THE BONDED WAREHOUSES SHALL, FOR LEGITIMATE PURPOSES, MAKE AVAILABLE TO THE PUBLIC AN INVENTORY OF ALL ARTICLES STORED THEREIN. FAILURE TO DO SO IS A MANDATORY GROUND FOR THE REVOCATION OF LICENSE TO OPERATE A BONDED WAREHOUSE.”</p>	<p>SEC. 27. Section 1902 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: “SEC. 1902. Responsibility of Operators. - The operators of bonded warehouses in case of loss of the imported articles stored shall be liable for the payment of duties and taxes due thereon.”The government assumes no legal responsibility in respect to the safekeeping of articles stored in any customs warehouses, sheds, yards or premises. “THE OPERATORS OF THE BONDED WAREHOUSES SHALL, WHEN ORDERED BY THE COMMISSIONER OF CUSTOMS AND FOR LEGITIMATE PURPOSES, MAKE AVAILABLE TO THE</p> <p>PUBLIC AFTER AN AUDIT AS PROVIDED IN SECTION 29 OF THIS BILL (SECTION 1903 OF THE TCCP) AN INVENTORY OF ALL ARTICLES STORED THEREIN. FAILURE TO DO SO IS A MANDATORY GROUND FOR THE REVOCATION OF LICENSE TO OPERATE A BONDED WAREHOUSE.”</p>	<p>On Section 27 of SBN 1533 amending Section 1902 of the TCCP</p> <p>add after word SHALL “WHEN ORDERED BY THE COMMISSIONER OF CUSTOMS AND” For security of the bonded warehouse</p> <p>insert after the word PUBLIC the phrase AFTER AN AUDIT AS PROVIDED IN SECTION 29 OF THIS BILL (SECTION 1903 OF THE TCCP) To maintain business privacy until</p>

<p>Sec. 1903. Bonded Warehouses. — Application for the establishment of bonded warehouses must be made in writing to the Collector, describing the premises, the location, and capacity of the same, and the purpose for which the building is to be used.</p> <p>Upon receipt of such application, the Collector shall cause an examination of the premises to be made, with reference particularly to its location, construction and means provided for the safekeeping of articles and if found satisfactory he may authorize its establishment, and accept a bond for its operation and maintenance.</p> <p>The Collector shall appoint storekeepers and other employees for such bonded warehouses, whose salaries shall be collected from operators of warehouses where the service is rendered.</p>	<p>Section 28 of SBN 1533</p> <p>Section 16 of SBN 106 and SBN 615</p>	<p>SEC. 28 (16). Section 1903 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p> <p>“SEC. 1903. Bonded Warehouses. - Application for the establishment of bonded warehouses must be made in writing and filed with the Collector, describing the premises, the location, and capacity of the same, the purpose for which the building is to be used, <i>AND THE INDUSTRY TO WHICH IT BELONGS.</i> THE APPLICATION SHALL LIKEWISE BE ACCOMPANIED BY VERIFIED COPIES OF DOCUMENTS INDICATING THE OWNERSHIP AND THE FINANCIAL CAPACITY OF THE BONDED WAREHOUSE.</p> <p>”Upon receipt of such application, the Collector shall cause an examination of the premises, with reference particularly to its location, construction and means provided for the safekeeping of articles. THE COLLECTOR SHALL LIKEWISE DETERMINE THE OWNERSHIP OF THE APPLICANT BONDED WAREHOUSE TO VERIFY OWNERS OF A BONDED WAREHOUSE WHICH HAD BEEN CLOSED DUE TO ITS NON-COMPLIANCE WITH CUSTOMS LAWS AND REGULATIONS HAS ANY INTEREST THEREIN. IF THE APPLICATION IS found satisfactory, [he] THE COLLECTOR may authorize its establishment, and accept a bond for its operation and maintenance. The operator of such bonded warehouse shall pay an annual supervision fee in an amount to be fixed by the Commissioner. The bonded warehouse officers and other employees thereof shall be regular customs employees who shall be appointed in accordance with the Civil Service Law, rules and regulations. ”THE PAID-UP CAPITAL AND NET ASSETS OF THE</p>	<p>SEC. 28. Section 1903 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p> <p>“SEC. 1903. Bonded Warehouses. - Application for the establishment of bonded warehouses must be made in writing and filed with the Collector, describing the premises, the location, and capacity of the same, the purpose for which the building is to be used, <i>AND THE [INDUSTRY TO WHICH IT BELONGS] INDUSTRIES THAT IT SERVES.</i> THE APPLICATION SHALL LIKEWISE BE ACCOMPANIED BY VERIFIED COPIES OF DOCUMENTS INDICATING THE OWNERSHIP AND THE FINANCIAL CAPACITY OF THE BONDED WAREHOUSE.</p> <p>”Upon receipt of such application, the Collector shall cause an examination of the premises, with reference particularly to its location, construction and means provided for the safekeeping of articles. THE COLLECTOR SHALL LIKEWISE DETERMINE THE OWNERSHIP OF THE APPLICANT BONDED WAREHOUSE TO VERIFY IF OWNERS OF A BONDED WAREHOUSE WHICH HAD BEEN CLOSED DUE TO ITS NON-COMPLIANCE WITH CUSTOMS LAWS and REGULATIONS [HAS] HAVE ANY INTEREST THEREIN. if THE APPLICATION IS found satisfactory, [he] THE COLLECTOR may authorize its establishment, and accept a bond for its operation and maintenance. The operator of such bonded warehouse shall pay an annual supervision fee in an amount to be fixed by the Commissioner. The bonded warehouse officers and other employees thereof shall be regular customs employees who shall be appointed in accordance with the Civil Service Law, rules and regulations. ”THE PAID-</p>	<p>after an audit by the BOC which is then a public document.</p> <p>On Section 28 of SBN 1533 amending Section 1903 of the TCCP - Application for establishment of bonded warehouse</p> <p>replace [INDUSTRY TO WHICH IT BELONGS] with INDUSTRIES THAT IT SERVES</p> <p>Add “IF” after the word “VERIFY”</p> <p>change word HAS to HAVE</p>
---	--	---	--	--

		<p>BONDED WAREHOUSE SHALL BE SET AT AN AMOUNT DETERMINED BY THE COMMISSIONER AS SUFFICIENT TO COVER THE VALUE OF GOODS OF UNLIQUIDATED ENTRIES WHICH SHALL BE STORED THEREIN AT ANY GIVEN TIME. OTHERWISE, THE APPLICATION SHALL NOT BE GRANTED, AND AN AUTHORITY ALREADY GRANTED SHALL BE REVOKED.</p> <p>“THESE REQUIREMENTS SHALL LIKEWISE MTEND TO REGISTERED LOCATORS OPERATING UNDER THE CHARTERS OF THE PHILIPPINE ECONOMIC ZONE AUTHORITY, THE SUBIC BAY METROPOLITAN AUTHORITY, AND OTHER FREEPORT AND ECOZONES.”</p>	<p>UP CAPITAL AND NET ASSETS OF THE BONDED WAREHOUSE SHALL BE SET AT AN AMOUNT DETERMINED BY THE COMMISSIONER AS SUFFICIENT TO COVER THE [VALUE] TAXES AND DUTIES OF GOODS OF UNLIQUIDATED ENTRIES WHICH SHALL BE STORED THEREIN AT ANY GIVEN TIME. OTHERWISE, THE APPLICATION SHALL NOT BE GRANTED, AND AN AUTHORITY ALREADY GRANTED SHALL BE REVOKED.</p> <p>“THESE REQUIREMENTS SHALL LIKEWISE MTEND TO REGISTERED LOCATORS OPERATING UNDER THE CHARTERS OF THE PHILIPPINE ECONOMIC ZONE AUTHORITY, THE SUBIC BAY METROPOLITAN AUTHORITY, AND OTHER FREEPORE AND ECOZONES.”</p>	<p>delete [VALUE] substitute TAXES AND DUTIES</p> <p>Since the government is interested in the taxes and duties. Requiring coverage of the value of imported goods will be too much for the importer.</p>
	<p>Section 29 of SBN 1533</p> <p>Section 17 of SBN 106 and SBN 615</p>	<p>SEC. 29 (17). A new section to be known as Section 1903-A is hereby inserted after Section 1903 of the TCCP, as amended, which shall read as follows:</p> <p>”SEC. 1903-A. REGULAR AUDIT OF BONDED WAREHOUSE. A REGULAR AUDIT OF ALL BONDED WAREHOUSES SHALL BE CONDUCTED BY THE COLLECTOR, WHICH AUDIT SHALL BE SUBJECT TO AUTOMATIC REVIEW BY THE DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY. UPON PETITION OF AN INTERESTED PARTY, A</p> <p>SECOND AUDIT MAY BE CONDUCTED</p> <p>BY THE DEPUTY COMMISSIONER OR</p> <p>AN INDEPENDENT AUDIT MAY BE MADE</p>	<p>SEC. 29. A new section to be known as Section 1903-A is hereby inserted after Section 1903 of the TCCP, as amended, which shall read as follows:</p> <p>”SEC. 1903-A. REGULAR AUDIT OF BONDED WAREHOUSE. A REGULAR AUDIT OF ALL BONDED WAREHOUSES SHALL BE CONDUCTED BY THE COLLECTOR, WHICH AUDIT SHALL BE SUBJECT TO AUTOMATIC REVIEW BY THE DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY. UPON PETITION OF AN INTERESTED PARTY BASED ON REASONABLE AND JUSTIFIED GROUND, A SECOND AUDIT MAY BE CONDUCTED BY THE</p> <p>DEPUTY COMMISSIONER OR BY AN</p> <p>INDEPENDENT [AUDIT] AUDITOR</p>	<p>On Section 29 of SBN 1533 creating a new section, Section 1903-A of the TCCP -</p> <p>insert phrase “BASED ON REASONABLE AND JUSTIFIED GROUND” after the word “PARTY” and before the word “A”</p> <p>insert the word “BY” between the words “OR and AN”</p> <p>change word AUDIT to AUDITOR;</p>

		UPON THE INSTANCE OF THE PETITIONING PARTY IN COORDINATION WITH THE DEPUTY COMMISSIONER.”	[MAY BE MADE UPON THE INSTANCE OF THE PETITIONING PARTY] IN COORDINATION WITH THE DEPUTY COMMISSIONER, AT THE EXPENSE OF THE PETITIONER.”	delete the phrase MAY BE MADE UPON THE INSTANCE OF THE PETITIONING PARTY add the phrase “AT THE EXPENSE OF THE PETITIONER’ after the word “COMMISSIONER” The petition for audit by an interested party must be based on reasonable and justified grounds at his expense.
Sec. 1904. Warehousing Bond. — After articles declared is the entry for warehousing have been examined and the duties, taxes and other charges had been determined, the Collector shall require from the importer, a bond equivalent to one and one-half times the amount of such duties, taxes and other charges, conditioned upon the withdrawal of the articles within the period prescribed by section nineteen hundred and eight of this Code and for payment of any duties, taxes and other charges to which the articles shall be then subject.	Section 30 of SBN 1533	SEC. 30. Section 1904 of the Tariff and Customs Code of the Philippines, as amended, is hereby amended to read as follows: “ SEC. 1904. Irrevocable Domestic letter of Credit or Bank Guarantee. [for Warehousing Bond] - After articles declared in the entry for warehousing shall have been examined and the duties, taxes and other charges shall have been determined, the Collector shall require from the importer an irrevocable domestic letter of credit OR bank guarantee [or bond] equivalent to the amount of such duties, taxes and other charges conditioned upon the withdrawal of articles within the period prescribed by Section nineteen hundred and eight of this Code and for payment of any duties, taxes and other charges to which the articles shall be then subject and upon compliance with all legal requirements regarding their importation.”	SEC. 30. Section 1904 of the Tariff and Customs Code of the Philippines, as amended, is hereby amended to read as follows: “ SEC. 1904. Irrevocable Domestic letter of Credit or Bank Guarantee OR WAREHOUSING BOND. - After articles declared in the entry for warehousing shall have been examined and the duties, taxes and other charges shall have been determined, the Collector shall require from the importer an irrevocable domestic letter of credit OR bank guarantee OR BOND equivalent to the amount of such duties, taxes and other charges conditioned upon the withdrawal of articles within the period prescribed by Section nineteen hundred and eight of this Code and for payment of any duties, taxes and other charges to which the articles shall be then subject and upon compliance with all legal requirements regarding their importation.”	On Section 30 of SBN 1533 amending Section 1904 of the TCCP – Retain the phrase “OR WAREHOUSING BOND” Retain the words OR BOND Retain warehousing bond since it is the cheapest form of security for importers, specially for MSMEs
Sec. 1904. Warehousing Bond. — After articles declared is the entry for warehousing have been examined and the duties, taxes and other charges had been determined, the Collector shall require from the importer, a bond equivalent to one and one-half times the amount of such	Section 18 of SBN 106 and SBN 615	SEC. 18. Section 1904 of the Tariff and Customs Code of the Philippines, as amended, is hereby amended to read as follows: “ SEC. 1904. Irrevocable Domestic letter of Credit or Bank Guarantee. [for Warehousing Bond] - After articles declared in the entry for warehousing shall have been examined and the duties, taxes and		On Section 18 of SBNS 106 AND 615 amending Section 1904 of the TCCP – Retain the phrase “OR WAREHOUSING BOND”

<p>duties, taxes and other charges, conditioned upon the withdrawal of the articles within the period prescribed by section nineteen hundred and eight of this Code and for payment of any duties, taxes and other charges to which the articles shall be then subject.</p>		<p>other charges shall have been determined, the Collector shall require from the importer an irrevocable domestic letter of credit, bank guarantee or CASH bond equivalent to the amount of such duties, taxes and other charges conditioned upon the withdrawal of articles within the period prescribed by Section nineteen hundred and eight of this Code and for payment of any duties, taxes and other charges to which the articles shall be then subject and upon compliance with all legal requirements regarding their importation.”</p>		<p>delete the the word BOND</p> <p>Retain warehousing bond since it is the cheapest form of security for importers, specially for MSMEs</p>
<p>Sec. 1905. Discontinuance of Warehouses. — The use of any warehouse may be discontinued by the Collector at any time when conditions so warrant, or, in case of a private warehouse upon receipt of written request to that effect from the operator thereof of the premises, provided all the requirements of the law and regulations have been complied with by said operator. Where dutiable article is stored in such premises the same must be removed at the risk and expense of the operator and the premises shall not be relinquished, nor discontinuance of its use authorized, until after a careful examination of the accounts of the warehouse and a comparison thereof with the books of the customhouse shall have been made.</p>	<p>Section 31 of SBN 1533</p> <p>Section 19 of SBN 106 and SBN 615</p>	<p>SEC. 31 (19). Section 1905 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: “SEC. 1905. Discontinuance of Warehouses. - The use of any warehouse may be discontinued by the Collector at any time when conditions so warrant, or in the case of a private warehouse, upon receipt of written request to that effect from the operator thereof of the premises, provided all the requirements of the law and regulations have been complied with by said operator. A LEGITIMATE INDUSTRY GROUP MAY LIKEWISE RECOMMEND TO THE COLLECTOR THE DISCONTINUANCE OF THE BONDED WAREHOUSE ON GROUNDS OF NON-COMPLIANCE WITH THE REQUIREMENTS OF LAW AND REGULATIONS. When <i>the</i> dutiable article is stored in such premises, the same must be removed at the risk and expense of the operator and the premises shall not be relinquished, nor discontinuance of its use authorized, until a careful examination of the account of the warehouse shall have been made. Discontinuance of any warehouse shall be effective upon official notice and approval thereof by the Collector.”</p>	<p>SEC. 31. Section 1905 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: “SEC. 1905. Discontinuance of Warehouses. - The use of any warehouse may be discontinued by the Collector at any time when conditions so warrant, or [in the case of a private warehouse,] upon receipt of written request to that effect from the operator thereof of the premises, provided all the requirements of the law and regulations have been complied with by said operator. A VERIFIED LEGITIMATE INDUSTRY GROUP MAY LIKEWISE RECOMMEND TO THE COLLECTOR THE DISCONTINUANCE OF THE BONDED WAREHOUSE ON GROUNDS OF NON-COMPLIANCE WITH THE REQUIREMENTS OF LAW AND REGULATIONS. When <i>the</i> dutiable article is stored in such premises, the same must be removed at the risk and expense of the operator and the premises shall not be relinquished, nor discontinuance of its use authorized, until a careful examination of the account of the warehouse shall have been made. Discontinuance of any warehouse shall be effective upon official notice and approval thereof by the Collector.”</p>	<p>On Section 31 of SBN 1533 amending Section 1905 of the TCCP –</p> <p>delete the phrase “in the case of a private warehouse”</p> <p>add the word VERIFIED between the words A and LEGITIMATE</p> <p>To ensure that the petitioning group is verified to be legitimate.</p>
<p>Sec. 1906. Entry of Articles for Warehousing. — The entry of articles for</p>	<p>Section 20 of SBN 106 and</p>	<p>SEC. 20. Section 1906 of the TCCP, as amended, is hereby further amended to read as follows:</p>		<p>Support</p>

<p>warehousing shall be in the required number of copies in the prescribed form, and shall be verified as in the entry of articles for consumption. No warehousing entry shall be accepted for any article if from the entry, supporting documents and/or information such article is imported contrary to any law.</p>	<p>SBN 615</p>	<p>"SEC. 1906. Entry of Articles for Warehousing. - The entry of articles for warehousing shall be in the required number of copies in the prescribed form, and shall be verified as in the entry of the articles for consumption. No warehousing entry shall be accepted for any article if from the entry, supporting documents and/or information such article is imported contrary to any law. THE CUSTOMS OFFICER MAKING THE ENTRY SHALL BE RESPONSIBLE FOR TRANSMITTING A COPY OF THE SAME TO THE DEPUTY COMMISSIONER FOR AUDIT AND TRANSPARENCY.</p>		
<p>Sec. 1907. Withdrawal of Articles from Bonded Warehouse. — Articles entered under bond may be withdrawn at any time for consumption, for transportation to another port, for exportation or for delivery on board a vessel or aircraft engaged in foreign trade for use on board such vessel or aircraft as sea stores or stores for aircraft after liquidation of the entry. The withdrawal must be made by a person or firm named in the original warehouse entry, or by a person or firm duly authorized by the former, whose authority must appear in writing upon the face of the withdrawal.</p>	<p>Section 33 of SBN 1533 Section 21 of SBN 106 and SBN 615</p>	<p>SEC. 33 (21). Section 1907 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 1907. Withdrawal of Articles from Bonded Warehouse. - Articles entered under irrevocable domestic letter of credit OR bank guarantee [or bond] may be withdrawn at any time for consumption, for transportation to another port, for exportation or for delivery on board a vessel or aircraft engaged in foreign trade for use on board such vessel or aircraft as sea stores or aircraft stores after liquidation of the entry. The withdrawal <i>must</i> be made by a person or firm duly authorized by the former, whose authority must appear in writing upon the face of the withdrawal entry." "PROOF MUST BE SHOWN THAT THE ORDER TO IMPORT THE SUBJECT 'ARTICLES HAS BEEN CANCELLED PROVIDED, FURTHER, THAT THE ARTICLES TO BE WITHDRAWN DO NOT AMOUNT TO MORE THAN FIFTY PERCENT (50%) OF THE TOTAL INVENTORY OF THE BONDED WAREHOUSE.</p>	<p>SEC. 33. Section 1907 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 1907. Withdrawal of Articles from Bonded Warehouse. - Articles entered under irrevocable domestic letter of credit OR bank guarantee OR BOND may be withdrawn at any time for consumption, for transportation to another port, for exportation or for delivery on board a vessel or aircraft engaged in foreign trade for use on board such vessel or aircraft as sea stores or aircraft stores after liquidation of the entry. The withdrawal <i>must</i> be made by a person or firm duly authorized by the former, whose authority must appear in writing upon the face of the withdrawal entry." "PROOF MUST BE SHOWN THAT THE ORDER TO IMPORT THE SUBJECT 'ARTICLES HAS BEEN CANCELLED [PROVIDED, FURTHER, THAT THE ARTICLES TO BE WITHDRAWN DO NOT AMOUNT TO MORE THAN FIFTY PERCENT (50%) OF THE TOTAL INVENTORY OF THE BONDED WAREHOUSE.]</p>	<p>On Section 33 of SBN 1533 amending Section 1907 of the TCCP – retain the words OR BOND delete the phrase PROVIDED,</p>

		"The withdrawal must be made ONLY BY THE IMPORTER OF THE ARTICLES BEING WITHDRAWN OR <i>BY</i> A REPRESENTATIVE whose authority must appear in writing upon the face of the withdrawal entry."	"The withdrawal must be made ONLY BY THE IMPORTER OF THE ARTICLES BEING WITHDRAWN OR <i>BY</i> A REPRESENTATIVE whose authority must appear in writing upon the face of the withdrawal entry."	FURTHER THAT THE ARTICLES TO BE WITHDRAWN DONOT AMOUNT TO MORE THAN FIFTY PERCENT (50%) OF THE TOTAL INVENTORY OF THE BONDED WAREHOUSE. A restraint of trade; Importers need the raw materials for scheduled production; Cannot limit to 50% the withdrawal of goods of the common bonded warehouse user since the goods are not the property of the common bonded warehouse.
Sec. 1908. Limit to Period Of Storage in Bonded Warehouse. — Articles duly entered for warehousing may remain in bonded warehouses for a period of two years from the time of arrival at the port of entry, which period may for sufficient reason be further extended for not more than one year by the Commissioner whenever sufficient reasons for such extension are presented to him. Articles not withdrawn at the expiration of the prescribed period shall be sold at auction by the Collector.	Section 34 of SBN 1533	SEC. 34. Section 1908 of the TCCP, as amended, is hereby further amended I read as follows: "SEC. 1908. Limit to Period of Storage in Bonded Warehouse. - Articles duly entered for warehousing may remain in bonded warehouses for a maximum period of SIX (6) MONTHS, EXTENDIBLE FOR ANOTHER THREE (3) MONTHS from the time of RECEIPT OF THE WAREHOUSE. Articles not withdrawn at the expiration of the prescribed period shall be DEEMED ABANDONED AND SUBJECT TO DISPOSITION IN ACCORDANCE WITH THE PROVISIONS OF THIS CODE. EMBROIDERY AND SHIPBUILDING INDUSTRIES MAY STORE THEIR IMPORTS IN THE CUSTOMS BONDED WAREHOUSE FOR A PERIOD OF TWENTY-FOUR (24) MONTHS." "A DAILY RECORD OF ALL ENTRIES LIQUIDATED SHALL BE POSTED IN A CONSPICUOUS PLACE IN THE MAIN ENTRANCE OF THE CUSTOMS HOUSE, STATING THE NAME OF THE VESSEL OR AIRCRAFT, THE PORT FROM WHICH SHE ARRIVED, THE DATE OF HER ARRIVAL, THE NAME OF THE IMPORTER, AND THE SERIAL NUMBER OF	SEC. 34. Section 1908 of the TCCP, as amended, is hereby further amended to read as follows: "SEC. 1908. Limit to Period of Storage in Bonded Warehouse. - Articles duly entered for warehousing may remain in bonded warehouses for a maximum period of SIX (6) MONTHS, EXTENDIBLE FOR ANOTHER THREE (3) MONTHS from the time of RECEIPT OF THE WAREHOUSE. Articles not withdrawn at the expiration of the prescribed period shall be [DEEMED ABANDONED AND SUBJECT TO DISPOSITION] SUBJECT TO PAYMENT OF DUTIES AND TAXES IN ACCORDANCE WITH THE PROVISIONS OF THIS CODE. EMBROIDERY AND SHIPBUILDING INDUSTRIES MAY STORE THEIR IMPORTS IN THE CUSTOMS BONDED WAREHOUSE FOR A PERIOD OF TWENTY-FOUR (24) MONTHS." "A DAILY RECORD OF ALL ENTRIES LIQUIDATED SHALL BE POSTED IN A CONSPICUOUS PLACE IN THE MAIN ENTRANCE OF THE CUSTOMS HOUSE, STATING THE NAME OF THE VESSEL OR AIRCRAFT, THE PORT [FROM] AT WHICH	On Section 34 of SBN 1533 amending Section 1908 of the TCCP – delete phrase “DEEMED ABANDONED AND SUBJECT TO DISPOSITION” and replace same with the phrase “SUBJECT TO PAYMENT OF DUTIES AND TAXES”

		THE DATE OF ENTRY. THE COLLECTOR MUST ALSO KEEP A DAILY RECORD OF ALL ADDITIONAL DUTIES, TAXES AND OTHER CHARGES FOUND THE INTERESTED PARTIES.”	SHE ARRIVED, THE DATE OF [HER] ITS ARRIVAL, THE NAME OF THE IMPORTER, AND THE SERIAL NUMBER [OF] AND THE DATE OF ENTRY. THE COLLECTOR MUST ALSO KEEP A DAILY RECORD OF ALL ADDITIONAL DUTIES, TAXES AND OTHER CHARGES FOUND THE [INTERESTED PARTIES] IMPORTERS CONCERNED.”	replace word FROM with AT; replace the word HER with ITS replace the word OF with AND replace the words INTERESTED PARTIES with IMPORTERS CONCERNED The present practice should be retained, i.e. The payment of duties and taxes
Sec. 1908. Limit to Period Of Storage in Bonded Warehouse. — Articles duly entered for warehousing may remain in bonded warehouses for a period of two years from the time of arrival at the port of entry, which period may for sufficient reason be further extended for not more than one year by the Commissioner whenever sufficient reasons for such extension are presented to him. Articles not withdrawn at the expiration of the prescribed period shall be sold at auction by the Collector.	Section 22 of SBN 106 and SBN 615	SEC. 22. Section 1908 of the TCCP, as amended, is hereby further amended to read as follows: SEC. 1908. <i>Limit to Period of Storage in Bonded Warehouse.</i> - Articles duly entered for warehousing may remain in bonded warehouses for a maximum period of THIRTY (30) DAYS from the time of RECEIPT OF THE WAREHOUSE. Articles not withdrawn at the expiration of the prescribed period shall be DEEMED ABANDONED AND SUBJECT TO DISPOSITION IN ACCORDANCE WITH THE PROVISIONS OF THIS CODE.”	SEC. 22. Section 1908 of the TCCP, as amended, is hereby further amended to read as follows: SEC. 1908. <i>Limit to Period of Storage in Bonded Warehouse.</i> - Articles duly entered for warehousing may remain in bonded warehouses for a maximum period of SIX (6) MONTHS, EXTENDABLE FOR ANOTHER THREE (3) MONTHS, from the time of RECEIPT OF THE WAREHOUSE. Articles not withdrawn at the expiration of the prescribed period shall be DEEMED ABANDONED AND SUBJECT TO DISPOSITION IN ACCORDANCE WITH THE PROVISIONS OF THIS CODE.”	The limit of thirty (30) days of storage in the bonded warehouse is unrealistic. The present practice of six (6) months storage period limit, extendable for another three (3) months, from the time of receipt of the warehouse
Section 1908–A (NEW SECTION)	Section 23 of SBN 106 and SBN 615	SEC. 23. A new section to be known as Section 1908-A is hereby inserted after Section 1908 of the TCCP, as amended, which shall read as follows: "SEC. 1908-A. LIQUIDATION OF WAREHOUSING ENTRIES - THE LIQUIDATION OF WAREHOUSING ENTRIES SHALL BE MADE NOT MORE THAN THREE (3) MONTHS FROM THE	SEC. 23. A new section to be known as Section 1908-A is hereby inserted after Section 1908 of the TCCP, as amended, which shall read as follows: "SEC. 1908-A. LIQUIDATION OF WAREHOUSING ENTRIES - THE LIQUIDATION OF WAREHOUSING ENTRIES SHALL BE MADE NOT MORE THAN SIX (6) MONTHS,	The limit of thirty (30) days for liquidation of warehousing entries is also unrealistic. The present practice

		<p>TIME OF RECEIPT OF THE WAREHOUSE. "A DAILY RECORD OF ALL ENTRIES LIQUIDATED SHALL BE POSTED ON A CONSPICUOUS PLACE IN THE MAIN ENTRANCE OF THE CUSTOMS HOUSE, STATING THE NAME OF THE VESSEL OR AIRCRAFT, THE PORT FROM WHICH SHE ARRIVED, THE DATE OF HER ARRIVAL, THE NAME OF THE IMPORTER, AND THE SERIAL NUMBER AND THE DATE OF ENTRY. THE COLLECTOR MUST ALSO KEEP A DAILY RECORD OF ALL ADDITIONAL DUTIES, TAXES AND OTHER CHARGES FOUND UPON LIQUIDATION, AND NOTICE SHALL PROMPTLY BE SENT TO THE INTERESTED PARTIES."</p>	<p>EXTENDABLE FOR ANOTHER THREE (3) MONTHS, FROM THE TIME OF RECEIPT OF THE WAREHOUSE. "A DAILY RECORD OF ALL ENTRIES LIQUIDATED SHALL BE POSTED ON A CONSPICUOUS PLACE IN THE MAIN ENTRANCE OF THE CUSTOMS HOUSE, STATING THE NAME OF THE VESSEL OR AIRCRAFT, THE PORT FROM WHICH SHE ARRIVED, THE DATE OF HER ARRIVAL, THE NAME OF THE IMPORTER, AND THE SERIAL NUMBER AND THE DATE OF ENTRY. THE COLLECTOR MUST ALSO KEEP A DAILY RECORD OF ALL ADDITIONAL DUTIES, TAXES AND OTHER CHARGES FOUND UPON LIQUIDATION, AND NOTICE SHALL PROMPTLY BE SENT TO THE INTERESTED PARTIES."</p>	<p>of six (6) months storage period limit, extendable for another three (3) months, from the time of receipt of the warehouse</p>
<p>Section 1910 of the TCCP (NEW SECTION)</p>	<p>Section 35 of SBN 1533</p>	<p>SEC. 35. A new Section, to be known as Section 1910, is hereby inserted in Part 1, Title V, Book 11 of the Tariff and Customs Code of the Philippines, as amended, <i>to read as follows:</i> <i>"SEC. 1910. ACTS DEEMED AS SMUGGLING PUNISHABLE UNDER SECTIONS 3601 AND 3602 OF THIS CODE.</i> - 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. FINISHED ARTICLES, EXCEPT IN THE</p>	<p>SEC. 35. A new Section, to be known as Section 1910, is hereby inserted in Part 1, Title V, Book 11 of the Tariff and Customs Code of the Philippines, as amended, <i>to read as follows:</i> <i>"SEC. 1910. ACTS DEEMED AS SMUGGLING PUNISHABLE UNDER SECTIONS 3601 AND 3602 OF THIS CODE.</i> - 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. FINISHED ARTICLES, EXCEPT THOSE</p>	<p>On Section 35 of SBN 1533 inserting a new section. Section 1910 of the TCCP –</p>

		<p>TEXTILE AND GARMENT INDUSTRIES – FINISHED ARTICLES, AS USED IN THIS SECTION, SHALL REFER TO SCIENTIFICALLY OR TECHNOLOGICALLY PROCESSED ARTICLES IN FINAL STATE SUCH THAT NO OTHER PRODUCT CAN BE MANUFACTURED THEREFROM UNLESS ITS PRINCIPAL CHARACTER IS FIRST DESTROYED.</p> <p>"2. ARTICLES NOT DECLARED IN THE IMPORT ENTRIES OR IN EXCESS OF THE VOLUME AND QUANTITY ALLOWED UNDER THE LICENSE OF THE CUSTOMS BONDED WAREHOUSE.</p> <p>"3. PROHIBITED ARTICLES AND REGULATED ARTICLES WITHOUT THE CORRESPONDING CLEARANCE AND/OR IMPORT AUTHORITY DULY ISSUED BY A COMPETENT AUTHORITY.</p> <p>"(D) UNAUTHORIZED TRANSFERS FROM THE CUSTOMS ZONE OF WAREHOUSING ARTICLES IMPORTED BY THE BONDED WAREHOUSE.</p> <p>"(E) UNAUTHORIZED WITHDRAWAL FROM A BONDED WAREHOUSE WITHOUT PAYMENT OF DUTIES AND TAXES.</p> <p>"(F) EXCEPT FOR THE GARMENTS AND THE SHPBUIDING INDUSTRIES, FAILURE TO LIQUIDATE IMPORTED ARTICLES WITHDRAWN FROM THE BONDED WAREHOUSE WITHIN SIX (6) MONTHS, EXTENDIBLE FOR ANOTHER THREE (3) MONTHS, FROM ISSUANCE BY THE BUREAU OF THE CERTIFICATE OF LOADING IN A VESSEL DESTINED TO A FOREIGN PORT."</p> <p>"(G) FAILURE TO PAY DUTIES AND TAXES ON THE REMAINING (NOT EXPORTED) IMPORTED MATERIALS WITHIN THIRTY</p>	<p>TO BE USED AS INTERMEDIATE GOODS AND/OR AS ACCESSORIES AND THOSE IN THE TEXTILE AND GARMENT INDUSTRIES – FINISHED ARTICLES, AS USED IN THIS SECTION, SHALL REFER TO SCIENTIFICALLY OR TECHNOLOGICALLY PROCESSED ARTICLES IN FINAL STATE SUCH THAT NO OTHER PRODUCT CAN BE MANUFACTURED THEREFROM UNLESS ITS PRINCIPAL CHARACTER IS FIRST DESTROYED.</p> <p>"2. ARTICLES NOT DECLARED IN THE IMPORT ENTRIES [OR IN EXCESS OF THE VOLUME AND QUANTITY ALLOWED UNDER THE LICENSE OF THE CUSTOMS BONDED WAREHOUSE].</p> <p>"3. PROHIBITED ARTICLES AND REGULATED ARTICLES WITHOUT THE CORRESPONDING CLEARANCE AND/OR IMPORT AUTHORITY DULY ISSUED BY A COMPETENT AUTHORITY.</p> <p>"(D) UNAUTHORIZED TRANSFERS FROM THE CUSTOMS ZONE OF WAREHOUSING ARTICLES IMPORTED BY THE BONDED WAREHOUSE.</p> <p>"(E) UNAUTHORIZED WITHDRAWAL FROM A BONDED WAREHOUSE WITHOUT PAYMENT OF DUTIES AND TAXES.</p> <p>"(F) EXCEPT FOR THE GARMENTS AND THE SHPBUIDING INDUSTRIES, FAILURE TO LIQUIDATE IMPORTED ARTICLES WITHDRAWN FROM THE BONDED WAREHOUSE WITHIN SIX (6) MONTHS, EXTENDIBLE FOR ANOTHER THREE (3) MONTHS, FROM [ISSUANCE BY THE BUREAU OF THE CERTIFICATE OF LOADING IN A VESSEL DESTINED TO A FOREIGN PORT] RECEIPT OF THE GOODS AT THE WAREHOUSE."</p>	<p>insert between the “EXCEPT and IN the following phrase THOSE TO BE USED AS INTERMEDIATE GOODS AND/OR AS ACCESSORIES AND THOSE</p> <p>delete the phrase OR IN EXCESS OF THE VOLUME AND QUANTITY ALLOWED UNDER THE LICENSE OF THE CUSTOMS BONDED WAREHOUSE</p> <p>replace the phrase issuance ISSUANCE BY THE BUREAU OF</p>
--	--	--	--	--

		(30) DAYS FROM LAPSE OF THE PERIOD FOR REEXPORTATION. "IMPORTATIONS MADE IN VIOLATION OF THE ABOVE PROVISIONS IN THIS SECTION SHALL <i>IPSO FACTO</i> BE FORFEITED IN FAVOR OF THE GOVERNMENT TO BE DISPOSED OF PURSUANT TO THE PROVISIONS OF THIS CODE."	"(G) FAILURE TO PAY DUTIES AND TAXES ON THE REMAINING (NOT EXPORTED) IMPORTED MATERIALS WITHIN THIRTY (30) DAYS FROM LAPSE OF THE PERIOD FOR REEXPORTATION. "IMPORTATIONS MADE IN VIOLATION OF THE ABOVE PROVISIONS IN THIS SECTION SHALL <i>IPSO FACTO</i> BE FORFEITED IN FAVOR OF THE GOVERNMENT TO BE DISPOSED OF PURSUANT TO THE PROVISIONS OF THIS CODE."	THE CERTIFICATE OF LOADING IN A VESSL DESTINED TO A FOREIGN PORT with the phrase RECEIPT OF THE GOODS AT THE WAREHOUSE.
Section 1911 of the TCCP (NEW SECTION)	Section 36 of SBN 1533	SEC. 36. 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, to read as follows: "SEC. 1911. VERIFICATION OF RECORDS KEPT IN CUSTOMS BONDED WAREHOUSES. - A CAREFUL ACCOUNT SHALL BE KEIT 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 OF THE SECRETARY OF FINANCE, 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. 36. 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, to 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 OF THE SECRETARY OF FINANCE, 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 AS	On Section 36 of SBN 1533 inserting a new section, Section 1911 of the TCCP –

			PROVIDED IN SECTION 27 HEREOF.”	add the phrase AS PROVIDED IN SECTION 27 HEREOF
Sec. 2001. Establishment of Bonded Manufacturing Warehouses. — All articles manufactured in whole or in part of imported materials, and intended for exportation without being charged with duty, shall, in order to be so manufactured and exported, be made and manufactured in bonded warehouses under such rules and regulations as the Commissioner, with the approval of the department head, shall prescribe: Provided, That the manufacturer of such articles shall first file a satisfactory bond for the faithful observance of all laws, rules and regulations applicable thereto.	Section 24 of SBN 106 and SBN 615	SEC. 24. Section 2001 of the TCCP, as amended, is hereby further amended to read as " SEC. 2001. <i>Establishment of Bonded Manufacturing Warehouses.</i> - All articles manufactured in whole or in part of imported materials, and intended for exportation without being charged with duty, shall, in order to be so manufactured and exported, be made and manufactured in manufacturing warehouses under such rules and regulations as the Commissioner of Customs with the approval of the Secretariat of Finance, shall prescribe: Provided, That the manufacturer of such articles shall first file a satisfactory bond for the faithful observance of all laws, rules and regulations applicable thereto; PROVIDED FURTHER, BONDED MANUFACTURING WAREHOUSES SHALL LIKEWISE BE SUBJECT TO THE PROVISIONS UNDER TITLE V, PART 1 OF THIS CODE, AS AMENDED; PROVIDED FINALLY, THAT THESE REQUIREMENTS SHALL EXTEND TO REGISTERED LOCATORS OPERATING UNDER THE CHARTERS OF THE PHILIPPINE ECONOMIC ZONE AUTHORITY, THE SUBIC BAY METROPOLITAN AUTHORITY, AND OTHER FREEPORTS AND ECOZONES."		
Sec. 2002. Exemption From Duty. — a. Whenever articles manufactured in any bonded warehouse established under the provisions of the preceding section shall be exported directly therefrom or shall be	Section 38 of SBN 1533 Section 25 of SBN 106 and	SEC. 38 (25). Section 2002 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: " SEC. 2002. <i>Exemption from Duty.</i> -	SEC. 38. Section 2002 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: " SEC. 2002. <i>Exemption from Duty.</i> -	On Section 38 of SBN 1533 amending Section 2002 of the TCCP -

<p>duly laden for immediate exportation under the supervision of the proper official such articles shall be exempt from duty.</p> <p>b. Any imported material used in the manufacture of such articles, and any packages, coverings, brands and labels used in putting up the same may, under the regulations prescribed by the Commissioner with the approval of the department head, be conveyed without the payment of duty into any bonded manufacturing warehouse, and imported articles may, under the aforesaid regulations, be transferred without the payment of duty from any bonded warehouse into any bonded manufacturing warehouse; but this privilege shall not be held to apply to implements, machinery or apparatus to be used in the construction or repair of any bonded manufacturing warehouse or for the operation of the business carried on therein.</p>	<p>SBN 615</p>	<p>a. xxx</p> <p>b. Any imported material used in the manufacture of such articles, and any package, covering, brand and label used in putting up the same may, under the regulation prescribed by the Commissioner, with the approval of the Secretary of Finance, be conveyed without the payment of duty into any bonded manufacturing warehouse, and imported articles may, under the aforesaid regulations, be transferred without the payment of duty from any bonded warehouse into any bonded manufacturing warehouse, or to duly accredited subcontractors of manufacturers who shall process the same into finished products for exports and deliver such finished products back to the bonded manufacturing warehouse, there from to be exported; but this privilege shall not be held to apply to implements, machinery or apparatus to be used in the construction or repair of any bonded manufacturing warehouse: <i>Provided, however,</i> That the materials transferred or conveyed into any bonded manufacturing warehouse shall be used in the manufacture of articles for exportation within a period of THIRTY (30) DAYS from date of such transfer or conveyance into the bonded manufacturing warehouse, which period may for sufficient reasons be further extended for not more than THIRTY (30) DAYS by the Commissioner. Materials not used in the manufacture of articles for exportation within the prescribed period shall pay the corresponding duties: <i>Provided, further,</i> That the operation of embroidery and apparel firms shall continue to be governed by Republic Act Numbered Thirty-one hundred and thirty seven."</p>	<p>a. xxx</p> <p>b. Any imported material used in the manufacture of such articles, and any package, covering, brand and label used in putting up the same may, under the regulation prescribed by the Commissioner, with the approval of the Secretary of Finance, be conveyed without the payment of duty into any bonded manufacturing warehouse, and imported articles may, under the aforesaid regulations, be transferred without the payment of duty from any bonded warehouse into any bonded manufacturing warehouse, or to duly accredited subcontractors of manufacturers who shall process the same into finished products for exports and deliver such finished products back to the bonded manufacturing warehouse, there from to be exported; but this privilege shall not be held to apply to implements, machinery or apparatus to be used in the construction or repair of any bonded manufacturing warehouse: <i>Provided, however,</i> That the materials transferred or conveyed into any bonded manufacturing warehouse shall be used in the manufacture of articles for exportation within a period of [THIRTY (30) DAYS] SIX (6) MONTHS from date of such transfer or conveyance into the bonded manufacturing warehouse, which period may for sufficient reasons be further extended for not more than [THIRTY (30) DAYS] THREE (3) MONTHS by the Commissioner. Materials not used in the manufacture of articles for exportation within the prescribed period shall pay the corresponding duties, REFUNDABLE UPON PROOF OF LIQUIDATION OF THE IMPORTED ARTICLES AFTER EXPORTATION: <i>Provided, further,</i> That the operation of embroidery and apparel firms shall continue to be governed by Republic Act Numbered Thirty-one hundred and thirty-seven."</p>	<p>replace THIRTY (30) DAYS to SIX (6) MONTHS</p> <p>replace THIRTY (30) DAYS to THREE (3) MONTHS</p> <p>Insert between the words duties and provided the phrase REFUNDABLE UPON PROOF OF LIQUIDATION OF THE IMPORTED ARTICLES</p>
---	-----------------------	---	---	--

				AFTER EXPORTATION. Since taxes have been paid, upon exportation of the finished goods and subsequent liquidation, the importer/exporter should be granted a tax refund.
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 official, 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: <i>Provided</i>, That the waste and by-products incident to the processes of manufacture in said bonded warehouse may be withdrawn for domestic consumption upon payment of duty equal to the duty which would be assessed and collected pursuant to law as if such waste or by-products were imported from a foreign country: <i>Provided, further</i>, That all waste materials may be 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.	Section 39 of SBN 1533	SEC. 39. Section 2003 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 2003. Procedure for Withdrawal. - Articles received into such bonded manufacturing warehouse x x x: <i>Provided, further</i> , 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 WHICH SHALL BE 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. 39. Section 2003 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 2003. Procedure for Withdrawal. - Articles received into such bonded manufacturing warehouse x x x: <i>Provided, further</i> , 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 WHICH SHALL BE 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."	On Section 39 of SBN 1533 amending Section 2003 of the TCCP: This section proposed "that all waste materials may be DESTROYED (instead of DISPOSED OF) under government supervision. This provision may not have to be amended to allow the present provision in the TCCP on <u>Disposal of Wastage by the corresponding payment of duties and taxes</u> does not only bring in revenue to the government, however small the amounts may be, but the greater benefits go to the poor who convert these wastages to useful products such as fabric ends or cuttings to rugs, thereby generating livelihood opportunities. Thus, a choice between disposal by destruction at the expense of the importer or payment of corresponding taxes and duties would be made available.
SEC. 2317. Government's Right of Compulsory Acquisition. – In order to protect government revenues against the	Section 40 of SBN 1533	SEC. 40. Section 2317 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:	SEC. 40. Section 2317 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:	On Section 40 of SBN 1533 amending Section 2317 of the TCCP –

<p>undervaluation of goods subject to <i>ad valorem</i> duty, the Commissioner of Customs may acquire imported goods under question for a price equal to their declare customs value plus any duties already paid on the goods, payment for which shall be made within ten (10) working days from issuance of a warrant signed by the Commissioner of Customs for the acquisition of such goods.</p> <p>An importer who is dissatisfied with a decision of the Commissioner of Customs pertaining to this section may, within twenty (20) working days after the date on which notice of the decision is given, appeal to the Secretary of Finance and thereafter if still dissatisfied, to the court of Tax Appeals as provided for in Section 2402 of the Tariff and Customs Code of the Philippines, as amended.</p> <p>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.</p> <p>Nothing in this Section limits or affects any other powers of the Bureau of Customs with respect to the disposition of the goods or any liability of the importer or any other person with respect to an offense committed in the importation of the goods."</p>		<p>"SEC. 2317. <i>Government's Right of Compulsory Acquisition.</i> – In order to protect the government revenues against the undervaluation of goods 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 TWO HUNDRED PERCENT (200%) OF THE DECLARED CUSTOMS VALUE OF THE GOODS UNDER QUESTION, PLUS ANY DUTIES, TAXES, FEES OR 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.</p> <p>"An importer who is dissatisfied x x x.</p> <p>"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</p>	<p>"SEC. 2317. <i>Government's Right of Compulsory Acquisition.</i> – In order to protect the government revenues against the undervaluation of goods x x x.</p> <p>"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 [TWO HUNDRED PERCENT (200%) OF THE DECLARED CUSTOMS] ASSESSED VALUE OF THE GOODS UNDER</p> <p>QUESTION, [PLUS] LESS ANY DUTIES, TAXES, FEES OR 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.</p> <p>"An importer who is dissatisfied x x x.</p> <p>"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</p>	<p>replace "TWO HUNDRED PERCENT (200%) OF THE DECLARED CUSTOMS" with the word <u>ASSESSED</u></p> <p>replace PLUS with LESS</p>
--	--	---	---	---

		<p>THE INDUSTRY ASSOCIATION OR INDUSTRY SECTOR WHICH POSTED THE INSTRUMENT.</p> <p>"Nothing in this Section limits x x x."</p>	<p>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.</p> <p>"Nothing in this Section limits x x x."</p>	
<p>Sec. 6. Supervision and control over criminal and civil proceedings. - Civil and criminal actions and proceedings instituted in behalf of the government under the authority of this Code or other law enforced by the Bureau shall be brought in the name of the government of the Philippines and shall be conducted by customs officers but no civil or criminal action for the recovery of duties or the enforcement of any fine, penalty or forfeiture under this Code shall be filed in court without the approval of the Commissioner.</p>	<p>Section 1 of SBN 1414</p>	<p>Section 1. Section 1. Section 2401, Book II, Title VI, Part 111, of P.D. 1464, otherwise known as the Tariff and Customs Code of the Philippines, as further amended by Section 6 of R.A. 9135, is hereby amended to read as follows:</p> <p>“Sec. 6. Supervision and control over criminal and civil proceedings. - Civil and criminal actions and proceedings instituted in behalf of the government under the authority of this Code or other law enforced by the Bureau shall be brought in the name of the government [of the Philippines] and shall be [conducted] INVESTIGATED, PROSECUTED AND HANDLED EXCLUSIVELY by [customs officers] LAWYERS OF THE BUREAU OF CUSTOMS, [but] AND no civil or criminal action for the recovery of duties or the enforcement of any fine, penalty or forfeiture under this Code shall be filed in court without the approval of the Commissioner. FOR THIS PURPOSE, THE BUREAU OF CUSTOMS SHALL BE PRIMARILY AND EXCLUSIVELY RESPONSIBLE FOR THE CONDUCT OF PRELIMINARY INVESTIGATION AND PROSECUTION OF CUSTOMS-RELATED CASES, AS WELL AS THE PROSECUTION AND DEFENSE OF CUSTOMS-RELATED CIVIL CASES, TO THE EXCLUSION ALL OTHER GOVERNMENT AGENCIES INVOLVED THEREIN. THE BUREAU OF CUSTOMS SHALL HAVE EXCLUSIVE</p>		<p>Support</p>

		AUTHORITY TO FILE ANY CRIMINAL OR CIVIL CASE DIRECTLY WITH THE PROPER COURT FOR PROSECUTION OF VIOLATORS OF THE TARIFF AND CUSTOMS CODE, AND THE COLLECTION, RECOVERY OR ENFORCEMENT OF ANY FINE, PENALTY OR FORFEITURE UNDER THE CODE.”	
Sec. 3513. Reward to Persons Instrumental in the Discovery and Seizure of or Recovery of Revenue on Smuggled Goods and Successful Prosecution of Offenders. - The provisions of general and special laws to the contrary notwithstanding, a cash reward equivalent to twenty per centum (20%) of the fair market value of the smuggled and confiscated goods shall be given to the officers and men and informers who are instrumental	Section 1 of SBN 1463	<p>Section 1. Section 3513, Book II, Title VII, Part II, of P.D. 1464, otherwise known as the Tariff and Customs Code of the Philippines, is hereby amended to read as follows:</p> <p>Sec. 3513. Reward to Persons Instrumental in the Discovery and Seizure of or Recovery of Revenue on Smuggled Goods and Successful Prosecution of Offenders. - The provisions of general and special laws to the contrary notwithstanding, a cash reward equivalent to twenty per centum (20%) of the [fair market value of] REVENUE RECOVERED FROM the [smuggled and] SEIZED OR confiscated goods shall be given to the officers and men and informers who are instrumental in the discovery and seizure of such goods [in accordance with the rules and regulations to be issued by the Secretary of Finance.]; PROVIDED, THAT IN CASE OF SUCCESSFUL PROSECUTION OF SMUGGLERS OR SEIZURE AND FORFEITURE CASES, THE AMOUNT EQUIVALENT TO TEN PER CENTUM (10%) THEREOF SHALL BE GIVEN TO BUREAU OF CUSTOMS LAWYERS WHO ACTIVELY PROSECUTED THE CASE THAT RESULTED IN THE RECOVERY OF REVENUE, SURCHARGES, AND FEES, OR IMPOSITION OF FINE OR PENALTY OR OFFER OF COMPROMISE BY THE OFFENDER, OR</p>	Support

		<p>CONVICTION OF THE OFFENDER; PROVIDED, FURTHER, THAT IN CASE OF CONVICTION, WHERE THE PENALTY IS INCAPABLE OF PECUNIARY ESTIMATION, THE AMOUNT OF REWARD SHALL BE EQUIVALENT TO TWENTY PER CENTUM (20%) OF THE CIVIL LIABILITY INCLUDING FINES, PENALTIES AND SURCHARGES IMPOSED BY THE COURT; PROVIDED, FINALLY, THAT WHERE NO CIVIL LIABILITY IS AWARDED BY THE COURT, THE SUM OF P250,000.00 OR P500,000.00 SHALL BE GRANTED WHERE THE CASE IS RESOLVED WITH FINALITY IN THE TRIAL COURT OR THE APPELLATE COURTS, RESPECTIVELY.</p> <p>The provisions of this section, not those of Republic <i>Act</i> Numbered Twenty-three Hundred and Thirty-eight, shall govern the giving of reward cases covered by the former.</p>		
<p>Sec. 3519. Words and Phrases Defined. - x x x</p> <p>x x x....</p> <p>x x x.</p> <p>"Smuggling' is an act of 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. It includes the exportation of articles in a manner contrary to law. Articles subject to this paragraph shall be</p>	<p>Section 48 of SBN 1533</p>	<p>SEC. 48. Section 3519 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows:</p> <p>Sec. 3519. Words and Phrases Defined. - x x x</p> <p>x x x....</p> <p>"FOREIGN TRANSSHIPMENT' SHALL REFER TO THE TRANSPORT OF GOODS FROM A FOREIGN COUNTRY INTO THE PORT OF MANILA FOR SHIPMENT TO A FOREIGN DESTINATION WITHOUT INTRODUCING THE SAME INTO THE PHILIPPINE CUSTOMS TERRITORY, PROVIDED THE SAME IS COVERED BY A CERTIFICATE OF</p>		<p>Support</p>

<p>known as smuggled articles:</p>		<p>DISCHARGE. x x x.</p> <p>"Smuggling' is an act of 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. It includes the exportation of articles in a manner contrary to law. Articles subject to this paragraph shall be known as smuggled articles: <i>PROVIDED</i>, THAT THE ACT OF RECEIVING ARTICLES THAT ARE SUPPOSED TO BE EXPORTED BUT ARE SUBSEQUENTLY RETURNED AND REJECTED BY THE IMPORTING COUNTRY SHALL NOT BE CONSIDERED SMUGGLING."</p>		
<p>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 punished by a fine of not less than six hundred pesos nor more than five thousand pesos and imprisonment for not less than six months nor more than two years and, if the offender is an alien, he shall be deported after serving the sentence.</p> <p>When, upon trial for a violation of this section, the defendant is shown to have or to have had possession of the article in question, such possession shall be deemed</p>	<p>Section 49 of SBN 1533</p>	<p>SEC. 49. Section 3601 of the Tariff and Customs Code of the Philippines, as amended, is hereby further amended to read as follows: "SEC. 3601. SMUGGLING. - Any person who shall fraudulently import or bring into the Philippines, or assist in so doing, any article, contrary to law, SHALL BE GUILTY OF SMUGGLING AND SHALL BE PUNISHABLE AS HEREIN PROVIDED. ANY PERSON [or] WHO should 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 DEEMED guilty of smuggling and shall LIKEWISE be [punished with] PUNISHABLE AS HEREIN PROVIDED <i>ANY</i> IMPORTATION WHICH IS NOT COVERED BY A LETTER OF CREDIT AND/OR PERMIT FROM THE BANGKO SENTRAL NG PILIPINAS TO IMPORT SAID PRODUCT, SHALL BE CONSIDERED AS ILLEGALLY IMPORTED</p>	<p>On Section 49 of SBN 1533 amending Section 3601 of the TCCP –</p> <ul style="list-style-type: none"> •lines 7 to 12, ANY IMPORTATION WHICH IS NOT COVERED BY A LETTER OF CREDIT AND OR PERMIT FROM THE BANGKO SENTRAL NG PILIPINAS TO IMPORT SAID PRODUCTS SHALL BE CONSIDERED AS ILLEGALLY IMPORTED AND SHALL BE DISPOSED OF IN THE MANNER AS PROVIDED FOR IN SECTION 2602 OF THIS CODE 	<p>Support</p>

<p>sufficient evidence to authorize conviction, unless the defendant shall explain the possession to the satisfaction of the court.</p>		<p>AND SHALL BE DISPOSED OF IN THE MANNER AS PROVIDED FOR IN SECTION 2602 OF THIS CODE.</p> <p>1. A fine IN AN AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF and imprisonment of not less than <i>six</i> months and one day nor more than four years, 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 THOUSAND PESOS (P5,000.00) but does not exceed fifty thousand pesos (F50,000.00);</p> <p>2. A fine IN AN AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF and imprisonment of not less than FOUR YEARS and one day nor more than eight years, 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 pesos (<i>P50,000.00</i>) but does not exceed one hundred fifty thousand pesos (<i>150,000.00</i>);</p> <p>3. A FINE IN AN AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF <i>AND</i> IMPRISONMENT OF NOT LESS THAN EIGHT YEARS AND ONE DAY NOR MORE THAN TWELVE YEARS, 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</p>		
--	--	---	--	--

		<p>FIFTY THOUSAND PESOS (P150,000.00) BUT DOES NOT EXCEED TWO HUNDRED FIFTY THOUSAND PESOS (P250,000.00);</p> <p>4. A FINE IN AN AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF AND IMPRISONMENT OF NOT LESS THAN TWELVE YEARS AND ONE DAY NOR MORE THAN FIFTEEN YEARS, IF THE APPRAISED VALUE, TO BE DETERMINED IN THE MANNER PRESCRIBED UNDER THIS CODE, INCLUDING DUTIES AND TAXES, OF THE ARTICLE UNLAWFULLY IMPORTED EXCEEDS TWO HUNDRED FIFTY THOUSAND PESOS (P250,000.00) BUT DOES NOT EXCEED FIVE HUNDRED THOUSAND PESOS (P500,000.00);</p> <p>5. A FINE IN AN AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF AND IMPRISONMENT OF NOT LESS THAN FIFTEEN YEARS AND ONE DAY NOR MORE THAN TWENTY YEARS, 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 HUNDRED THOUSAND PESOS (P500,000.00) BUT DOES NOT EXCEED ONE MILLION PESOS (P1,000,000.00);</p> <p>6. A FINE IN AN AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF AND LIFE IMPRISONMENT, IF THE APPRAISED</p>		
--	--	--	--	--

		<p>VALUE, TO BE DETERMINED IN THE MANNER PRESCRIBED UNDER THIS CODE, INCLUDING DUTIES AND TAXES, OF THE ARTICLE UNLAWFULLY IMPORTED EXCEEDS ONE MILLION PESOS (P1,000,000.00);</p> <p>7.The penalty of <i>prision mayor</i> TO <i>RECLUSION TEMPORAL</i> shall be imposed when the crime of serious physical injuries shall have been committed and the penalty of <i>reclusion perpetua</i> to death shall be imposed when the crime of homicide shall have been committed by reason or on the occasion of the unlawful importation. "In applying the above scale of penalties, if the offender is an alien and the prescribed penalty is not death, he shall be deported after serving the sentence without further proceedings for deportation. If the offender is a government official or employee, the penalty shall be a maximum as hereinabove prescribed and the offender shall suffer and additional penalty of perpetual disqualification from public office, to vote and to participate in any public election. HE SHALL ALSO LOSE ALL THE BENEFITS DUE HIM AS A RESULT OF HIS SERVICE IN THE GOVERNMENT, INCLUDING THE FORFEITURE OF HIS SEPARATION AND RETIREMENT BENEFITS. <i>(Enrile amendment)</i></p> <p>"When, upon trial for violation of this section, the defendant is shown to have had possession of the article in question, possession shall be deemed</p>		
--	--	--	--	--

		sufficient evidence to authorize conviction unless the defendant shall explain the possession to the satisfaction of the court: <i>Provided, however,</i> That payment of the tax due after apprehension shall not constitute a valid defense in any prosecution under this section."	
<p>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 punished by a fine of not less than six hundred pesos nor more than five thousand pesos and imprisonment for not less than six months nor more than two years and, if the offender is an alien, he shall be deported after serving the sentence.</p> <p>When, upon trial for a violation of this section, the defendant is shown to have or to have had possession of the article in question, such possession shall be deemed sufficient evidence to authorize conviction, unless the defendant shall explain the possession to the satisfaction of the court.</p>	<p>Section 29 of SB 106 and SBN 615</p>	<p>SEC 29. Section 3601 of the TCCP, as amended, is hereby further amended to read as follows:</p> <p>“Sec. 3601. <i>Unlawful Importation.</i> - Any person who shall fraudulently import or bring to the Philippines, or assist in so doing, any article, contrary to law or receive, conceal, buy, sell, or in any way facilitate the transportation, concealment or sale of such article after importation, knowing the same to have been imported contrary to law, <i>shall</i> be guilty of smuggling and shall be punished with:</p> <p>1. A fine IN AN AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF and imprisonment of not less than six (6) months and one (1) day nor more than four (4) years, if the appraised value, to be determined in the manner prescribed under this Code, including duties and taxes, of the articleunlawfully imported exceeds FIVE THOUSAND PESOS (P5,000.00) but does not exceed Fifty Thousand Pesos (P50,000.00);</p> <p>2. A fine IN AN AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF and imprisonment of not less than FOUR (4) YEARS and one (1) day nor more than eight (8) years, if the appraised value, to be determined in the manner prescribed under this Code, including duties and taxes, of the articles unlawfully imported is more than</p>	<p>Support</p>

		<p>FIFTY Thousand Pesos (P50,000.00) but does not exceed One Hundred Fifty Thousand Pesos (PI 50,000.00);</p> <p>3. A FINE IN THE AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF AND IMPRISONMENT OF NOT LESS THAN EIGHT (8) YEARS AND ONE (1) DAY NOR MORE THAN TWELVE (12) YEARS, 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 FIFTY THOUSAND PESOS (P150,000.00) BUT DOES NOT EXCEED TWO HUNDRED FIFTY THOUSAND PESOS (P250,000.00);</p> <p>4. A FINE IN THE AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF AND IMPRISONMENT OF NOT LESS THAN <i>TWELVE (12) YEARS</i> AND <i>ONE (1) DAY</i> NOR MORE THAN FIFTEEN (15) YEARS, IF THE APPRAISED VALUE, TO BE DETERMINED IN THE MANNER PRESCRIBED UNDER THIS CODE, INCLUDING DUTIES AND TAXES, OF THE ARTICLE UNLAWFULLY IMPORTED EXCEEDS TWO HUNDRED FIFTY THOUSAND PESOS (P250,000.00) BUT DOES NOT EXCEED FIVE HUNDRED THOUSAND PESOS (P500,000.00);</p> <p>5. A FINE IN THE AMOUNT EQUAL TO</p>	
--	--	---	--

THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF AND IMPRISONMENT OF NOT LESS THAN FIFTEEN (15) YEARS AND ONE (1) DAY NOR MORE THAN TWENTY (20) YEARS, 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 HUNDRED THOUSAND PESOS (P500,000.00) BUT DOES NOT EXCEED ONE MILLION PESOS (P1,000,000.00);

6. A FINE IN THE AMOUNT EQUAL TO THE APPRAISED VALUE PLUS FIFTY PERCENT (50%) THEREOF AND LIFE IMPRISONMENT, 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 MILLION PESOS (P1,000,000.00);

7. The penalty of prison mayor TO RECLUSION TEMPORAL 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.

"In applying the above scale of penalties, if the offender is an alien [and the prescribed penalty is not death], he shall be deported after serving the sentence without further proceedings of

		<p>deportation. If the offender is a government official or employee, the penalty shall be the maximum as hereinabove prescribed and the offender shall suffer an additional penalty of perpetual disqualification from public office, to vote and participate in any public election.</p> <p>"x x x."</p>		
Transitory Provisions	Section 58 of SBN 1533	<p>SEC. 58. Transitory Provision. - All existing customs bonded warehouses established under Section 1901 of the Tariff and Customs Code of the Philippines, as amended, shall have one year from approval of the law to convert themselves to manufacturing customs bonded warehouses under Section 2001 of the Code or register themselves in special economic zones or freeports. After the lapse of the one year period, any importation by these customs bonded warehouses shall be treated as regular importations to be covered by ordinary consumption entries only, unless such customs bonded warehouse in the meantime has transferred to a special economic zone or PEZA zone, which in such case the said importation shall be treated as a PEZA shipment.</p>	<p>SEC. 58. Transitory Provision. - All existing customs bonded warehouses established under Section 1901 of the Tariff and Customs Code of the Philippines, as amended, shall have one year from approval of the law to convert themselves to manufacturing customs bonded warehouses under Section 2001 of the Code or register themselves in special economic zones or freeports. COMMON BONDED WAREHOUSES WHOSE MEMBERS ARE MANUFACTURING GOODS FOR EXPORT ARE CONSIDERED MANUFACTURING WAREHOUSES.</p> <p>After the lapse of the one year period, any importation by [these] NON-MANUFACTURING customs bonded warehouses shall be treated as regular importations to be covered by ordinary consumption entries only, unless such customs bonded [warehouse] WAREHOUSES in the meantime [has] HAVE transferred to a special economic zone or PEZA zone, which in such case the said [importation] IMPORTATIONS shall be treated as a PEZA [shipment] SHIPMENTS.</p>	<p>On Section 58 of SBN 1533</p> <p>insert the following provisions after the word <u>freeports</u> and before the word <u>after</u>. “COMMON BONDED WAREHOUSES WHOSE MEMBERS ARE MANUFACTURING GOODS FOR EXPORT ARE CONSIDERED MANUFACTURING WAREHOUSES.</p> <p>replace the word “these” to “NON-MANUFACTURING”</p> <p>change “warehouse” to WAREHOUSES and the word “has” to HAVE change “importation” to IMPORTATIONS change” shipment” to SHIPMENTS</p>

--	--	--	--	--