



HOUSE OF REPRESENTATIVES

H. No. 4947

BY REPRESENTATIVES ZIALCITA, LAPUS, VILLAFUERTE, CODILLA AND
GIDAYA, PER COMMITTEE REPORT NO. 1221

AN ACT CONSOLIDATING THE LAWS GRANTING REWARDS TO
INFORMERS OF VIOLATIONS OF INTERNAL REVENUE AND
CUSTOMS LAWS, REPEALING FOR THIS PURPOSE SECTION
282 OF THE NATIONAL INTERNAL REVENUE CODE OF 1997,
SECTION 3513 OF THE TARIFF AND CUSTOMS CODE OF THE
PHILIPPINES AND FOR OTHER PURPOSES.

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

1 SECTION 1. Any person, except internal revenue or customs officials or
2 employees, or any other public official or employee, or said officials' or
3 employees' relative within the sixth degree of consanguinity or affinity, who
4 voluntarily gives definite and sworn information, not yet in the possession of
5 the Bureau of Internal Revenue (BIR) or the Bureau of Customs (Bc), stating
6 facts personally known to him that lead to the discovery of fraud upon the
7 internal revenue or customs laws, or violation of any provision thereof, thereby

1 resulting in the recovery of revenues, surcharges and fees and/or the conviction
2 of the guilty party and/or the imposition of any fine or penalty, shall be
3 rewarded in a sum equivalent to ten percent (10%) of the revenues, surcharges
4 or fees actually recovered and/or fine or penalty imposed and actually
5 collected. The same amount of reward shall also be given to informers in cases
6 where the violator has offered to compromise the violation of law committed
7 by him and his offer has been accepted by the Commissioner of Internal
8 Revenue or the Commissioner of Customs, as the case may be, and in such a
9 case, the ten percent (10%) reward fixed herein shall be based on the amount
10 agreed upon in the compromise and actually collected from the violator:
11 *Provided*, That in no case shall the reward granted exceed five million pesos
12 (Php5,000,000.00): *Provided, further*, That should no revenues, surcharges or
13 fees and/or fine or penalty be actually recovered or collected in accordance
14 with law, such persons should not be entitled to a reward: *Provided, finally*,
15 That the information required herein shall not refer to a case already pending
16 or previously investigated or examined by the Commissioner of Internal
17 Revenue or the Commissioner of Customs, or any of their deputies, agents or
18 examiners, as the case may be, and that the reward provided herein shall be
19 paid under regulations issued by the Secretary of Finance.

20 The reward herein authorized shall be paid out of revenues, surcharges,
21 compromises, fines and penalties established by law, actually collected and

1 accounted for in accordance with law as a result of the information furnished
2 by the informer.

3 SEC. 2. (a) Applications for rewards granted herein amounting to One
4 million pesos (Php1,000,000.00) and below shall be filed by the informer with
5 the Office of the Commissioner of the BIR or the Commissioner of the BoC, as
6 the case may be, who shall render a final disposition thereof.

7 (b) Applications for rewards granted herein amounting to more than
8 One million pesos (Php1,000,000.00) shall, upon approval of the reward, be
9 automatically reviewed by the Secretary of Finance.

10 (c) In both cases, the rewards granted shall be paid to the informer only
11 after revenues, surcharges or fees and/or fines or penalties are actually
12 recovered or collected in accordance with law, and after all reports and
13 documents required for the evaluation and approval of the claim for informer's
14 reward, including the endorsement by the Commissioner of the BIR or the
15 Commissioner of the BoC, as the case may be, shall have been submitted to the
16 Department of Finance (DOF) in the appropriate cases.

17 (d) The rewards of the informer shall be subject to income tax,
18 collected as a final withholding tax, at the rate of twenty percent (20%).

19 SEC. 3. It shall be unlawful for any official or employee of the BIR, the
20 BoC or the DOF to disclose or reveal the name of any informer. The identity of
21 the informer shall not be revealed except (a) when the informer has given his

1 written consent; or (b) when the information he has provided is proven to be
2 malicious or false.

3 Disclosure of such confidential information shall be punished by a fine
4 of not less than Five hundred thousand pesos (Php500,000.00) but not more
5 than One million pesos (Php1,000,000.00) and suffer imprisonment of not less
6 than ten (10) years but not more than fifteen (15) years and shall likewise
7 suffer an additional penalty of perpetual disqualification to hold public office,
8 to vote and to participate in any public election.

9 Should the information later turn out or be proven to be false or to have
10 been made only for the purpose of harassing, molesting or in any way
11 prejudicing the person so denounced, the person so denounced shall be entitled
12 to any action, *criminal or civil, as the facts may warrant.*

13 SEC. 4. The following laws or provisions of laws are hereby repealed:

14 (a) Section 282 of Republic Act No. 8424, the National Internal
15 Revenue Code of 1997, as amended;

16 (b) Section 3513 of the Tariff and Customs Code of the Philippines, as
17 amended;

18 (c) Republic Act No. 2338 entitled, "An Act to Provide for Reward to
19 Informers of Violations of the Internal Revenue and Customs Laws, as
20 Amended"; and

1 (d) All other laws, acts, decrees, executive orders, issuances and rules
2 and regulations or parts thereof that are contrary to and inconsistent with any
3 provision of this Act are hereby repealed, amended or modified accordingly.

4 SEC. 5. If any provision of this Act is subsequently declared
5 unconstitutional, the validity of the remaining provisions hereof shall remain in
6 full force and effect.

7 SEC. 6. This Act shall take effect fifteen (15) days after its publication
8 in the *Official Gazette* or in a newspaper of general circulation, whichever
9 comes first.

Approved,