



HOUSE OF REPRESENTATIVES

H. No. 3917

BY REPRESENTATIVES MARCOS, NOGRALES (M.I.), LUISTRO, ATAYDE, OAMINAL, PANALIGAN, VERGARA, ACHARON, REYES, YAP (C.T.), TARRIELA, VARGAS, GONZALEZ, DOMINGO, RIVERA, GARCIA (D.), ZUBIRI, PASCUAL, MARAÑON, NOLASCO, ADIONG, BONGALON, FORTES, GO (E.C.), BARONDA, SINGSON (R.V.), GUICO, YU (J.V.), ZAMORA (Y.M.), BERNOS, DEFENSOR, VILLA, TALLADO, VIOLAGO, SUAREZ, CUA, SINGSON-MEEHAN, TEVES (J.), COLADA, SUANSING (M.A.), ALVAREZ (J.), CRUZ (A.), NISAY, NAVA, BRIONES, PANCHO, DUJALI, SALO, GARDIOLA, AQUINO, DALOG, BARZAGA, ARENAS, CABREDO, PLAZA, BASCUG, TAN (K.M.), ORTEGA, ESCUDERO, COJUANGCO (J.), ALMARIO, KHONGHUN, ESTRELLA, FARIÑAS, HERNANDEZ, LEE, BROSAS, BENITEZ, PADUANO, SORIANO, DUTERTE, YAP (ERIC), ENVERGA, MORDEN, REVILLA (B.), GULLAS, DALIPE, DE VENECIA, BULUT-BEGTANG, DE JESUS, COJUANGCO (M.) AND PRIMICIAS-AGABAS

AN ACT

AMENDING SECTIONS 3 AND 4 OF REPUBLIC ACT NO. 10845, OTHERWISE KNOWN AS THE ANTI-AGRICULTURAL SMUGGLING ACT OF 2016 AND FOR OTHER PURPOSES

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

1 **SECTION 1.** Section 3 of Republic Act No. 10845 or the Anti-Agricultural Smuggling
2 Act of 2016 is hereby further amended to read as follows:

3 “**SEC. 3. Large-Scale Agricultural Smuggling as Economic Sabotage.** – The crime
4 of large-scale agricultural smuggling as economic sabotage, involving sugar, corn, pork,
5 poultry, garlic, onion, carrots, fish, and cruciferous vegetables, in its raw state, or which
6 have undergone the simple processes of preparation or preservation for the market, with a
7 minimum amount of one million pesos (P1,000,000.00), or rice, with a minimum amount
8 of ten million pesos (P10,000,000.00), **OR TOBACCO, WHETHER**
9 **MANUFACTURED OR UNMANUFACTURED, INCLUDING FINISHED**
10 **PRODUCTS SUCH AS CIGARS, CIGARETTES OR HEATED TOBACCO**
11 **PRODUCTS, WITH A MINIMUM EXCISE TAX AND VAT PAYABLE IN THE**
12 **AMOUNT OF ONE MILLION PESOS (P1,000,000.00),** as valued by the Bureau of
13 Customs (BOC), is committed through any of the following acts:

- 14 (a) Importing or bringing into the Philippines without the required import
15 permit from the regulatory agencies;
16 (b) Using import permits of persons, natural or juridical, other than those
17 specifically named in the permit;
18 (c) Using fake, fictitious or fraudulent import permits or shipping
19 documents;

- 1 (d) Selling, lending, leasing, assigning, consenting or allowing the use of
2 import permits of corporations, nongovernment organizations,
3 associations, cooperatives, or single proprietorships by other persons;
4 (e) Misclassification, undervaluation or misdeclaration upon the filing of
5 import entry and revenue declaration with the BOC in order to evade
6 the payment of rightful taxes and duties due to the government;
7 (f) Organizing or using dummy corporations, nongovernment
8 organizations, associations, cooperatives, or single proprietorships for
9 the purpose of acquiring import permits;
10 (g) Transporting or storing the agricultural product subject to economic
11 sabotage regardless of quantity;
12 (h) Acting as A broker, AGENT, FACILITATOR, FORWARDER, OR
13 WAREHOUSE LESSOR of the violating importer;
14 (i) **ALLOWING THE USE OF A PRIVATE PORT, FISH PORT,
15 FISH LANDING SITE, RESORT, AND/OR AIRPORT TO
16 PERPETUATE THE ECONOMIC SABOTAGE REGARDLESS
17 OF QUANTITY;**
18 (j) **IMPORTING FINISHED PRODUCTS SUCH AS CIGARETTES,
19 CIGARS, AND HEATED TOBACCO PRODUCTS, THAT ARE
20 NOT REGISTERED WITH THE BUREAU OF INTERNAL
21 REVENUE. FOR THIS PURPOSE, THE BUREAU OF
22 INTERNAL REVENUE SHALL PUBLISH AND REGULARLY
23 UPDATE THE LIST OF FINISHED GOODS THAT ARE
24 REGISTERED IN THEIR OFFICE, STATING THEREIN THAT
25 ALL UNREGISTERED PRODUCTS ARE ILLEGAL AND ARE
26 SUBJECT TO IMMEDIATE CONFISCATION; AND**
27 (k) **MANUFACTURED TOBACCO REFERS TO ANY PRODUCT
28 THAT CONSISTS OF LOOSE TOBACCO THAT CONTAINS
29 NICOTINE AND IS INTENDED FOR USE IN A CIGARETTE,
30 INCLUDING ANY PRODUCT CONTAINING TOBACCO AND
31 INTENDED FOR SMOKING OR HEATING OR PUFFING OR
32 ORAL OR NASAL USE. UNMANUFACTURED TOBACCO
33 REFERS TO AGRICULTURAL COMPONENTS DERIVED
34 FROM THE TOBACCO PLANT, WHICH ARE PROCESSED
35 FOR USE IN THE MANUFACTURING OF CIGARETTES AND
36 OTHER TOBACCO PRODUCTS.”**

37 **SECTION 2.** Section 4 of Republic Act No. 10845 or the Anti-Agricultural Smuggling
38 Act of 2016 is hereby further amended to read as follows:

39 “SEC. 4. *Penalties.* – (a) The penalty of life imprisonment and a fine of twice the
40 fair value of the smuggled agricultural product and the aggregate amount of the
41 taxes, duties and other charges avoided shall be imposed on any person who
42 commits any of the acts enumerated under Section 3 of this Act. **HOWEVER, IN
43 THE CASE OF TOBACCO PRODUCTS WHETHER MANUFACTURED
44 OR UNMANUFACTURED, THE PENALTIES TO BE IMPOSED ARE
45 THOSE SPECIFIED UNDER PARAGRAPH (E) OF THIS SECTION.**

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

8 (c) The penalty of imprisonment of not less than fourteen (14) years but not more
9 than seventeen (17) years and a fine equal to the fair value of the smuggled
10 agricultural product and the aggregate amount of the taxes, duties and other charges
11 avoided shall be imposed on the following:

12 (1) The registered owner and its lessee or charterer, in case of lease, of a
13 chartered boat, motorized commercial vessel of more than three (3) gross
14 tonnage, who knowingly transports the agricultural product subject to
15 economic sabotage, regardless of quantity;

16 (2) The registered owner and its lessee, in case of lease of six (6) or more
17 wheeler trucks, vans and other means of transportation, who knowingly
18 transports the agricultural product subject to economic sabotage, regardless
19 of quantity;

20 (3) The registered owner and lessee of a warehouse, or any property, who
21 knowingly stores the smuggled agricultural product subject to economic
22 sabotage; or

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

26 (d) The penalty of imprisonment of not less than twelve (12) years but not more
27 than fourteen (14) years and a fine equal to the fair value of the smuggled
28 agricultural product subject to economic sabotage and the aggregate amount of the
29 taxes, duties and other charges avoided shall be imposed on the following:

30 (1) The registered owner and its lessee or charterer, in case of lease, of a
31 chartered boat, motorized commercial vessel of three (3) gross tonnage or
32 less, who knowingly transports the agricultural product subject to economic
33 sabotage, regardless of quantity; or

34 (2) The registered owner and its lessee, in case of lease, of less than six (6)
35 wheeler trucks, vans and other means of transportation, who knowingly
36 transports the agricultural product subject to economic sabotage, regardless
37 of quantity.
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1 (E) THE PENALTY OF IMPRISONMENT OF NOT LESS THAN THIRTY
2 (30) YEARS BUT NOT MORE THAN FORTY (40) YEARS AND A FINE OF
3 TWICE THE FAIR VALUE AND THE AGGREGATE AMOUNT OF THE
4 TAXES, DUTIES AND OTHER CHARGES AVOIDED BY THE
5 SMUGGLING OF TOBACCO, WHETHER MANUFACTURED OR
6 UNMANUFACTURED, INCLUDING FINISHED PRODUCTS SUCH AS
7 CIGARS, CIGARETTES OR HEATED TOBACCO PRODUCTS SHALL
8 BE IMPOSED ON THE FOLLOWING:

9 (1) THE REGISTERED OWNER AND ITS LESSEE OR
10 CHARTERER, IN CASE OF LEASE, OF A CHARTERED BOAT,
11 MOTORIZED COMMERCIAL VESSEL, WHO KNOWINGLY
12 TRANSPORTS THE TOBACCO PRODUCT SUBJECT TO
13 ECONOMIC SABOTAGE, REGARDLESS OF QUANTITY;

14 (2) THE REGISTERED OWNER AND ITS LESSEE, IN CASE
15 OF LEASE OF TRUCKS, VANS AND OTHER MEANS OF
16 TRANSPORTATION, WHO KNOWINGLY TRANSPORTS THE
17 TOBACCO PRODUCT SUBJECT TO ECONOMIC SABOTAGE,
18 REGARDLESS OF QUANTITY;

19 (3) THE REGISTERED OWNER AND LESSEE OF A
20 WAREHOUSE, OR ANY PROPERTY, WHO KNOWINGLY
21 STORES THE SMUGGLED TOBACCO PRODUCT SUBJECT TO
22 ECONOMIC SABOTAGE; OR

23 (4) THE REGISTERED OWNER, LESSEE, PRESIDENT OR
24 CHIEF EXECUTIVE OFFICER OF THE PRIVATE PORT, FISH
25 PORT, FISH LANDING SITES, RESORTS, OR AIRPORTS WHO
26 KNOWINGLY ALLOWS THE TOBACCO PRODUCT TO BE
27 SMUGGLED INTO THE COUNTRY.

28 PROVIDED, THAT FOR PURPOSES OF THIS ACT, THE
29 OFFENSE UNDER THIS PARAGRAPH SHALL BE NON-
30 BAILABLE.

31 In all cases, the smuggled agricultural products shall be confiscated and the
32 property used in agricultural smuggling, consistent with Section 2530 of the Tariff
33 and Customs Code and without prejudice to Section 2531 of the same Code, shall
34 be forfeited in favor of the government.

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

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

4 In applying the abovementioned penalties, if the offender is an alien and the
5 prescribed penalty is not life imprisonment, he/she shall be deported after serving
6 the sentence without further proceedings for deportation.

7 If the offender is a government official or employee, the penalty shall be the
8 maximum as hereinabove prescribed and the offender shall suffer an additional
9 penalty of perpetual disqualification from public office, to vote and to participate
10 in any public election.”

11 **SECTION 3. *Repealing Clause.*** – All laws, executive orders, presidential decrees, rules and
12 regulations and other issuances contrary to or inconsistent with this Act shall be deemed repealed
13 or modified accordingly.

14 **SECTION 4. *Separability Clause.*** – If any provision of this Act is subsequently declared
15 invalid or unconstitutional, the other provisions hereof which are not affected thereby shall remain
16 in full force and effect.

17 **SECTION 5. *Effectivity.*** – This Act shall take effect fifteen (15) days from the date of
18 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,