

REPUBLIC OF THE PHILIPPINES }
CONGRESS OF THE PHILIPPINES }
 First Regular Session

H. No. 4502
S. No. 451

REPUBLIC ACT NO. 7651

AN ACT TO REVITALIZE AND STRENGTHEN THE BUREAU
OF CUSTOMS, AMENDING FOR THE PURPOSE
CERTAIN SECTIONS OF THE TARIFF AND CUSTOMS
CODE OF THE PHILIPPINES, AS AMENDED

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

SECTION 1. Sections 1210, 1301, 1801, 1802, 2301, 2313,
2503, 2601, and 3407 of the Tariff and Customs Code, as amended,
are hereby further amended to read as follows:

"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.

"Unless prevented by causes beyond the vessel's control,
such as port congestion, strikes, riots or civil commotions, failures
of vessel's gear, bad weather, and similar causes, articles so stored
shall be entered 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 not likewise 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."

"SEC. 1301. *Persons Authorized to Make Import Entry.*
– Imported articles must be entered in the customhouse at the
port of entry within thirty (30) days, which shall not be extendible,
from the date of discharge of the last package from the vessel or

aircraft either (a) by the importer, being holder of the bill of lading, (b) by a duly licensed customs broker acting under authority from a holder of the bill or (c) by a person duly empowered to act as agent or attorney-in-fact for each holder: *Provided*, That where the entry is filed by a party other than the importer, said importer shall himself be required to declare under oath and under the penalties of falsification or perjury that the declarations and statements contained in the entry are true and correct: *Provided, further*, That such statements under oath shall constitute *prima facie* evidence of knowledge and consent of the importer of violation against applicable provisions of this Code when the importation is found to be unlawful."

"SEC. 1801. *Abandonment, Kinds and Effects of.* – An imported article is deemed abandoned under any of the following circumstances:

"(a) When the owner, importer or consignee of the imported article expressly signifies in writing to the Collector of Customs his intention to abandon; or

"(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 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.

"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."

"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.

"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.

"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."

"SEC. 2301. *Warrant for Detention of Property-Cash Bond.* – Upon making any seizure, the Collector shall issue a warrant for the detention of the property; and if the owner or importer desires to secure the release of the property for legitimate use, the Collector shall, with the approval of the Commissioner of Customs, surrender it upon the filing of a cash bond, in an amount to be fixed by him, conditioned upon the payment of the appraised value of the article and/or any fine, expenses and costs which may be adjudged in the case: *Provided*, That such importation shall not be released under any bond when there is a *prima facie* evidence of fraud in the importation of the article: *Provided, further*, That articles the importation of which is prohibited by law shall not be released under any circumstance whatsoever: *Provided, finally*, That 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 article."

"SEC. 2313. *Review by Commissioner.* – The person aggrieved by the decision or action of the Collector in any matter presented upon protest or by his action in any case of seizure may, within fifteen (15) days after notification in writing by the Collector of his action or decision, file a written notice to the Collector with a copy furnished to the Commissioner of his intention to appeal the action or decision of the Collector to the Commissioner. Thereupon the Collector shall forthwith transmit all the records of the proceedings to the Commissioner, who shall approve, modify or reverse the action or decision of the Collector and take such steps and make such orders as may be necessary

to give effect to his decision: *Provided*, That when an appeal is filed beyond the period herein prescribed, the same shall be deemed dismissed.

"If in any seizure proceeding, the Collector renders a decision adverse to the Government, such decision shall be automatically reviewed by the Commissioner and the records of the case elevated within five (5) days from the promulgation of the decision of the Collector. The Commissioner shall render a decision on the automatic appeal within thirty (30) days from receipt of the records of the case. If the Collector's decision is reversed by the Commissioner, the decision of the Commissioner shall be final and executory. However, if the Collector's decision is affirmed, or if within thirty (30) days from receipt of the records of the case by the Commissioner no decision is rendered or the decision involves imported articles whose published value is Five million pesos (P5,000,000) or more, such decision shall be deemed automatically appealed to the Secretary of Finance and the records of the proceedings shall be elevated within five (5) days from the promulgation of the decision of the Commissioner or of the Collector under appeal, as the case may be: *Provided, further*, That if the decision of the Commissioner or of the Collector under appeal, as the case may be, is affirmed by the Secretary of Finance, or if within thirty (30) days from receipt of the records of the proceedings by the Secretary of Finance, no decision is rendered, the decision of the Secretary of Finance, or of the Commissioner, or of the Collector under appeal, as the case may be, shall become final and executory.

"In any seizure proceeding, the release of imported articles shall not be allowed unless and until a decision of the Collector has been confirmed in writing by the Commissioner of Customs."

"SEC. 2503. *Undervaluation, Misclassification and Misdeclaration in Entry.* – When the dutiable value of the imported articles shall be so declared and entered that the duties, based on the declaration of the importer on the face of the entry, would be less by ten percent (10%) than should be legally collected, or when the imported articles shall be so described and entered that the duties based on the importer's description on the face of the entry would be less by ten percent (10%) than should be legally

collected based on the tariff classification, or when the dutiable weight, measurement or quantity of imported articles is found upon examination to exceed by ten percent (10%) or more than the entered weight, measurement or quantity, a surcharge shall be collected from the importer in an amount of not less than the difference between the full duty and the estimated duty based upon the declaration of the importer, nor more than twice of such difference: *Provided*, That an undervaluation, misdeclaration in weight, measurement or quantity of more than thirty percent (30%) between the value, weight, measurement, or quantity declared in the entry, and the actual value, weight, quantity, or measurement shall constitute a *prima facie* evidence of fraud penalized under Section 2530 of this Code: *Provided, further*, That any misdeclared or undeclared imported articles/items found upon examination shall *ipso facto* be forfeited in favor of the Government to be disposed of pursuant to the provisions of this Code.

"When the undervaluation, misdescription, misclassification or misdeclaration in the import entry is intentional, the importer shall be subject to the penal provision under Section 3602 of this Code."

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

"a. Abandoned articles;

"b. Articles entered under warehousing entry not withdrawn nor the duties and taxes paid thereon within the period prescribed under Section 1908 of this Code;

"c. Seized property, other than contraband, after liability to sale shall have been established by proper administrative or judicial proceedings in conformity with the provisions of this Code; and

"d. Any article subject to a valid lien for customs duties, taxes or other charges collectible by the Bureau of Customs, after

the expiration of the period allowed for the satisfaction of the same.

"SEC. 3407. *Issuance, Revocation and Suspension of Certificate.* – A candidate who has passed the customs brokers' examination shall be entitled to the issuance of a certificate as a customs broker: *Provided*, That (1) persons who qualified as customs broker in accordance with customs regulations existing before the adoption of this Code; (2) Commissioner of Customs who has acted as *ex officio* Chairman of the Board of Examiners for Customs Brokers and the Tariff Commissioner who has acted as members of the said board; and (3) Collectors of Customs who have served as such in any of the collection districts for a period of at least five (5) years, who desire to have a certificate issued to them may apply for the issuance of such certificate, upon payment of the fees required under Paragraph (b) of Section Thirty-four hundred and five of this Code.

"A customs broker's certificate shall show, among other things, the full name of the registrant, shall have a serial number and shall be signed by all the members of the Board of the Commissioner of Civil Service, and shall bear the official seal of the Board.

"A complaint for the suspension or revocation of the certificate of a customs broker shall be filed with the Board of Examiners for Customs Brokers which shall investigate the case and shall submit its findings and recommendations to the Commissioner of Civil Service and shall immediately furnish the respondent customs broker with a copy of his decision.

"Any person who files an entry or facilitates the processing or release of any shipment shall be liable for smuggling if the ostensible owner, importer, or consignee and/or the ostensible given address of the owner, importer, or consignee is fictitious and the shipment is found to be unlawful. If the violator is a customs broker, his license shall also be revoked by the Commissioner of Customs."

SEC. 2. Section 1803 of the Tariff and Customs Code, as amended, is hereby repealed.

SEC. 3. The Secretary of Finance shall, upon the recommendation of the Commissioner of Customs, promulgate the rules and regulations necessary for the effective implementation of this Act.

SEC. 4. *Separability Clause.* – If any part or parts of this Act should, for any reason be held to be invalid or unconstitutional, the remaining parts thereof shall remain in full force and effect.

SEC. 5. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations and other issuances inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 6. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days from the date of publication in the *Official Gazette* or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved, June 4, 1993.