

TARIFF AND CUSTOMS CODE OF THE PHILIPPINES (TCCP) VOLUME II

CONTENTS

BOOK 11 CUSTOMS LAW

TITLE I - THE BUREAU OF CUSTOMS

PART 1 - ORGANIZATION, FUNCTION AND JURISDICTION OF THE BUREAU

- Section 601 - Chief Officials of the Bureau of Customs
- Section 602 - Functions of the Bureau
- Section 603 - Territorial Jurisdiction
- Section 604 - Jurisdiction Over Premises Used for Customs Purposes
- Section 605 - Enforcement of Port Regulation of. Bureau of Quarantine
- Section 606 - Power of the President to Subject Premises to Jurisdiction of
Bureau of Customs
- Section 607 - Annual Report of Commissioner
- Section 608 - Commissioner to Make Rules and Regulations
- Section 609 - Commissioner to Furnish Copies of Collector's Liquidated Duplicates

PART 2 - COLLECTION DISTRICT AND PORTS OF ENTRY

- Section 701 - Collection Districts and Ports of Entry Thereof
- Section 702 - Power of the President to Open and Close Any Port
- Section 703 - Assignment of Customs Officers and Employees to Other Duties
- Section 704 - Seal of Collector of Customs
- Section 705 - Authority of Deputy Collectors of Customs
- Section 706 - Appointment of Special Duties with Limited Powers
- Section 707 - Succession of Deputy Collector to Position of Acting Collector

Section 708 - Designation of Official as Customs Inspector

Section 709 - Authority of Collector to Remit Duties

Section 710 - Records to be Kept by Customs Officials

Section 711 - Port Regulations

Section 712 - Reports of Collector to Commissioner

TITLE II - COASTWISE TRADE

Section 906 - Requirement of Manifest in Coastwise Trade

Section 907 - Manifest Required Upon Departure from Port of Entry

Section 908 - Manifests Required Prior to Unloading at Port of Entry

Section 909 - Departure of Vessel Upon Detailed Manifest

TITLE III - VESSELS AND AIRCRAFTS IN FOREIGN TRADE

PART 1 - ENTRANCE AND CLEARANCE OF VESSELS

Section 1001 - Ports Open to Vessels Engaged in Foreign Trade - Duty of Vessel to Make Entry

Section 1002 - Control of Customs Official Over Boarding or Leaving of Incoming Vessel and Over Other Vessels Approaching the former

Section 1003 - Quarantine Certificate for Incoming Vessel

Section 1004 - Documents to be Produced by the Master Upon Entry of Vessel

Section 1005 - Manifest Required of Vessel from Foreign Port

Section 1006 - Translation of Manifest

Section 1007 - Manifests for Commission on Audit and Collector

Section 1008 - Transit Cargo

Section 1009 - Clearance of Foreign Vessels To and From Coastwise Ports

Section 1010 - Requirement as to Delivery of Mail

Section 1011 - Production of Philippine Crew

- Section 1012 - Record of Arrival and Entry of Vessels
- Section 1013 - Arrest of Vessel Departing Before Entry Made
- Section 1014 - Discharge of Ballast
- Section 1015 - Time of Unlading of Cargo
- Section 1016 - Entrance of Vessel Through Necessity
- Section 1017 - Unlading Vessel in Port from Necessity
- Section 1018 - Entry and Clearance of Vessels of a Foreign Government

- Section 1019 - Clearance of Vessel for Foreign Port
- Section 1020 - Detention of Warlike Vessel Containing Arms and Munitions
- Section 1021 - Manifest of Export Cargo to be Delivered to Chairman, Commission on Audit
- Section 1022 - Oath of Master of Departing Vessel
- Section 1023 - Extension of Time for Clearance
- Section 1025 - Export Product to Conform to Standard Grades

- PART 2 - ENTRANCE AND CLEARANCE OF AIRCRAFT IN FOREIGN TRADE

- Section 110 1 - Designation of Airports of Entry
- Section 1102 - Advance Notice of Arrival
- Section 1103 - Landing at International Airports of Entry
- Section 1104 - Report of Arrival and Entry
- Section 1105 - Documents Required in Making Entry
- Section 1106 - Manifest for Commission on Audit
- Section 1107 - Delivery of Mail
- Section 1110 - Manifest for Transit Cargo
- Section 1111 - Clearance of Aircraft for Foreign Port

Section 1112 - Oath of Person in Charge of Departing Aircraft

TITLE IV - ASCERTAINMENT, COLLECTION, AND RECOVERY OF IMPORT DUTY

PART 1 - IMPORTATION IN GENERAL

Section 1201 - Article to be Imported Only Through Customhouse

Section 1202 - When Importation Begins and Deemed Terminated

Section 1203 - Owner of Imported Articles

Section 1204 - Liability of Importer for Duties

Section 1205 - Importations by the Government

Section 1206 - Jurisdiction of Collector Over Importation of Articles

Section 1207 - Jurisdiction of Collector Over Articles of Prohibited Importation

Section 1210 - Disposition of Imported Articles Remaining on Vessel After Time for Unlading

Section 1211 - Handling of Articles on Which Duty Has Not Been Paid

PART 2 - ENTRY AT CUSTOMHOUSE

Section 1301 - Persons Authorized to Make Import Entry

Section 1302 - Import Entries

Section 1303 - Entry of Article in Part for Consumption and in Part for Warehousing

Section 1304 - Declaration of the Import Entry

Section 1305 - BY Whom to be Signed

Section 1306 - Forms and Contents of Import Entry

Section 1307 - Description of Articles

Section 1308 - Commercial Invoice

Section 1309 - (Repealed by E.O. 736)

Section 1310 - (Repealed by P.D. 1679, March 6, 1980)

Section 1311 - (Repealed by P.D. 1679, March 6, 1980)

Section 1312 - (Repealed by P.D. 1679, March 6, 1980)

Section 1313 - Information Furnished on Classification and Value

Section 1314 - Forwarding of Cargo and Remains of Wrecked Vessel or Aircraft

Section 1315 - Derelicts and Articles From Abandoned Wrecks

PART 3 - EXAMINATION, CLASSIFICATION AND APPRAISAL OF IMPORTED ARTICLES

Section 1401 - Conditions for Examination

Section 1402 - Ascertainment of Weight and Quantity

Section 1403 - Duties of Customs Officer Tasked to Examine, Classify and Appraise Imported Articles

Section 1404 - (Repealed by R.A. 7650, April 6, 1993)

Section 1405 - Proceeding and Report of Appraisers

Section 1406 - Appraisers' Samples

Section 1407 - Readjustment of Appraisal, Classification or Return

Section 1408 - Assessment of Duty on Less Than Entered Value

Section 1409 - Employment and Compensation of Persons to Assist in Appraisal or Classification of Articles

PART 4 - DELIVERY OF ARTICLES

Section 1501 - Delivery of Articles to Holder of Bill Lading

Section 1502 - Delivery of Articles Without Production of Bill of Lading

Section 1503 - Cash Deposit Upon Delivery of Unexamined Packages

Section 1504 - Delivery Upon Order of Importer

Section 1505 - Withholding Delivery Pending Satisfaction of Lien

Section 1506 - Customs Expenses Constituting Charge on Articles

Section 1507. - Fine or Surcharge on Articles

Section 1508 - Authority of the Collector of Customs to Hold the Delivery or Release of Imported Articles

PART 5 - LIQUIDATION OF DUTIES

Section 1601 - Liquidation and Record of Entries

Section 1602 - Tentative Liquidation

Section 1603 - Finality of Liquidation

Section 1604 - Treatment of Fractions in the Liquidation

PART 6 - ABATEMENTS AND REFUNDS

Section 1701 - Abatement for Damage Incurred During Voyage

Section 1702 - Abatement or Refund of Duty on Missing Package

Section 1703 - Abatement or Refund for Deficiency in Contents of Package

Section 1704 - Abatement or Refund of Duties on Articles Lost or Destroyed After Arrival

Section 1705 - Abatement of Duty on Dead or Injured Animals

Section 1706 - Investigation Required in Case of Abatements and Refunds

Section 1707 - Correction of Errors - Refund of Excess Payments

Section 1708 - Claim for Refund of Duties and Taxes and Mode of Payment

PART 7 - ABANDONMENT OF IMPORTED ARTICLES

Section 1801 - Abandonment, Kinds and Effects of

Section 1802 - Abandonment of Imported Articles

Section 1803 - (Repealed by R.A. 7651, June 4, 1993)

TITLE V - WAREHOUSING OF IMPORTED ARTICLES

PART 1 - WAREHOUSING IN GENERAL

Section 1901 - Establishment and Supervision of Warehouses

Section 1902 - Responsibility of Operators

Section 1903 - Bonded Warehouses

Section 1904 - Irrevocable Domestic Letter of Credit or Bank Guarantee or Warehousing Bond

Section 1905 - Discontinuance of Warehouses

Section 1906 - Entry of Articles for Warehousing

Section 1907 - Withdrawal of Articles from Bonded Warehouse

Section 1908 - Limit to Period of Storage in Bonded Warehouse

Section 1909 - Charges of Storage in Bonded Warehouse

PART 2 - BONDED MANUFACTURING AND SMELTING WAREHOUSE

Section 2001 - Establishment of Bonded Manufacturing warehouses

Section 2002 - Exemption from Duty

Section 2003 - Procedure for Withdrawal

Section 2004 - Verification by the Commissioner

Section 2005 - Bonded Smelting Warehouses

PART 3 - TRANSPORTATION IN BOND

Section 2101 - Entry for Immediate Transportation

Section 2102 - Bonding of Carrier Transporting Articles Under the Preceding Section

Section 2103 - Articles Entered for Immediate Exportation .

TITLE VI - ADMINISTRATIVE AND JUDICIAL PROCEEDINGS

PART 1 - SEARCH, SEIZURE AND ARREST

Section 2201 - Trespass or Obstruction of Customs Premises

Section 2202 - Special Surveillance for Protection of Customs Revenue and Prevention of Smuggling

Section 2203 - Persons Having Police Authority

- Section 2204 - Place Where Authority May Be Exercised
- Section 2205 - Exercise of Power of Seizure and Arrest
- Section 2206 - Duty of Officer or Official to Disclose Official Character
- Section 2207 - Authority to Require Assistance
- Section 2208 - Right of Police Officer to Enter Inclosure
- Section 2209 - Search of Dwelling House
- Section 2210 - Right to Search Vessels or Aircrafts and Persons or Articles Conveyed Therein
- Section 2211 - Right to Search Vehicles, Beasts and Persons
- Section 2212 - Search of Persons Arriving From Foreign Countries

PART 2 - ADMINISTRATIVE PROCEEDINGS

- Section 2301 - Warrant for Detention of Property -Cash Bond
- Section 2302 - Report of Seizure to Commissioner and Chairman, Commission on Audit
- Section 2303 - Notification to Owner or Importer
- Section 2304 - Notification to Unknown Owner
- Section 2305 - Description, Appraisal and Classification of Seized Property
- Section 2306 - Proceedings in Case of Property Belonging to Unknown Parties
- Section 2307 - Settlement of Case by Payment of Fine or Redemption of Forfeited Property
- Section 2308 - Protest and Payment Upon Protest in Civil Matters
- Section 2309 - Protest Exclusive Remedy in Protestable Case
- Section 2310 - Form and Scope of Protest
- Section 2311 - Samples to be Furnished by Protesting Parties
- Section 2312 - Decision or Action of Collector in Protest and Seizure Cases
- Section 2313 - Review of Commissioner

Section 2314 - Notice of Decision of Commissioner

Section 2315 - Supervisory Authority of Commissioner and Secretary of Finance in Certain Cases

Section 2316 - Authority of Commissioner to Make Compromise

Section 2317 - Government's Right of Compulsory Acquisition

PART 3 - JUDICIAL PROCEEDINGS

Section 2401 - Supervision and Control Over Criminal and Civil Proceedings

Section 2402 - Review of Court of Tax Appeals

PART 4 - SURCHARGES, FINES AND FORFEITURES

Section 2501 - Failure to Pay Liquidated Charges

Section 2501 - Unauthorized Withdrawal of Imported Articles From Bonded Warehouse

Section 2502 - (Repealed by P.D. 1679, March 6, 1980)

Section 2503 - Undervaluation, Misclassification and Misdeclaration in Entry

Section 2504 - Failure or Refusal of Party to Give Evidence or Submit Documents for Examination

Section 2505 - Failure to Declare Baggage

Section 2506 - Breach of Bond

Section 2513 - Vessel or Aircraft Departing Before Entry Made

Section 2514 - Obstruction to Boarding Official

Section 2515 - Unlawful Boarding or Leaving of Vessel or Aircraft

Section 2516 - Failure to Deliver or Receive Mail

Section 2517 - Unlading of Cargo Before Arrival at Port of Destination

Section 2518 - Unlading of Cargo at Improper Time or Place After Arrival

Section 2519 - Failure to Exhibit or Deposit Documents

Section 2520 - Bringing of Unmanifested Arms, Explosives or War Equipment

- Section 2521 - Failure to Supply Requisite Manifests
 - Section 2522 - Disappearance of Manifested Article
 - Section 2523 - Discrepancy Between Actual and Declared Weight of Manifested Article
 - Section 2524 - Delivery of Cargo Not Agreeing with the Master's or Pilot's In Command Report
 - Section 2525 - Breaking of Seal Placed by Customs Official
 - Section 2526 - Breaking of Lock or Fastening Placed by Customs Officials
 - Section 2527 - Disappearance of Trunk or Package Specially Noted by Customs Official
 - Section 2528 - False Statement of Vessel's or Aircraft's Destination
 - Section 2529 - Other Offenses
 - Section 2530 - Property Subject to Forfeiture Under Tariff and Customs Laws
 - Section 2531 - Properties Not Subject to Forfeiture in the Absence of Prima Facie Evidence
 - Section 2532 - Conditions Affecting Forfeiture of Article
 - Section 2533 - Enforcement of Lien, Administrative Fines, and Forfeitures
 - Section 2534 - Seizure of Vessel or Aircraft for Delinquency of Owner or Officer
 - Section 2535 - Burden of Proof in Seizure and/or Forfeiture
 - Section 2536 - Seizure of Other Articles
- PART 5 - DISPOSITION OF PROPERTY IN CUSTOMS CUSTODY
- Section 2601 - Property Subject to Sale
 - Section 2602 - Place of Sale or Other Disposition of Property
 - Section 2603 - Mode of Sale
 - Section 2604 - Disqualification to Participate in Auction Sale
 - Section 2605 - Disposition of Proceeds

Section 2606 - Disposition of Surplus from the Proceeds of Sale of Abandoned or Forfeited or Acquired Articles

Section 2607 - Disposition of Articles Liable to Deterioration

Section 2608 - Disposition of Articles Unfit for Use or Sale or Injurious to Public Health

Section 2609 - Disposition of Contraband

Section 2610 - Disposition of Unsold Articles for Want of Bidders

Section 2611 - Treatment of Dangerous Explosives

Section 2612 - Disposition of Smuggled Articles

PART 7 - FEES AND CHARGES

Section 3301 - Customs Fees and Charges

Section 3302 - Other Charges

Section 3303 - Effect of Failure to Affix Stamp Upon Document

Section 3304 - General Provision on the Authority to Increase or Decrease Fees and Charges

TITLE VII - GENERAL PROVISIONS

PART 1 - CUSTOMS BROKERS

Section 3401 - Qualifications of Applicants for Custom Broker's Certificate

Section 3402 - Examination by the Board of Examiners for Customs Brokers

Section 3403 - The Board of Examiners

Section 3404 - Compensation of Members of the Board

Section 3405 - Fee

Section 3406 - Annual License Fee

Section 3407 - Issuance, Revocation and Suspension of Certificate

Section 3408 - Roster of Customs Brokers

Section 3409 - Rules and Regulations by the Commissioner of Civil Service

PART 2 - MISCELLANEOUS PROVISIONS

Section 3501 - Duty of Collector to Report Rulings to Commissioner

Section 3502 - Application of Established Ruling or Decision

Section 3503 - Authority of Official to Administer Oaths and Take Testimony

Section 3504 - General Bonds

Section 3505 - Supervision Over Attorneys -in -Fact

Section 3506 - Assignment of Customs Employees to Overtime Work

Section 3510 - Reduction of Testimony to Writing

Section 3511 - Collector Not Liable in Respect of Ruling in Customs Cases

Section 3512 - Interest Prohibited to be Held by Customs Employees

Section 3513 - Reward to Persons Instrumental in the Discovery and Seizure of Smuggled Goods

Section 3514 - Requirement to Keep Records

Section 3515 - Compliance Audit or Examination of Records

Section 3516 - Scope of the Audit

Section 3517 - Documents in Foreign Language

Section 3518 - Records to be Kept by Customs

Section 3519 - Words and Phrases Defined

PART 3 - PROVISIONS ON PENALTIES

Section 3601 - Unlawful Importation

Section 3602 - Various Fraudulent Practices Against Customs Revenue

Section 3603 - Failure to Report Fraud

Section 3604 - Statutory Offenses of Officials and Employees

Section 3605 - Concealment or Destruction of Evidence of Fraud

Section 3606 - Affixing Seals

Section 3607 - Removal, Breakage, Alteration of Marks

Section 3608 - Removing or Repacking Goods in Warehouse

Section 3609 - Removing Goods from Customs Custody

Section 3610 - Failure to Keep Importation Records and Give Full Access to Customs Officers

Section 3611 - Failure to Pay Correct Duties and Taxes on Imported Goods

Section 3612 - Violations of Tariff and Customs Laws And Regulations in General

FINAL PROVISIONS

Section 3701 - Repealing Clause

Section 3702 - Transitory Provisions

Section 3703 - Separability Clause

Section 3704 - Effectivity Date

BOOK II - CUSTOMS LAW

TITLE I - THE BUREAU OF CUSTOMS

PART 1 - ORGANIZATION, FUNCTION AND JURISDICTION OF THE BUREAU

SEC. 601. Chief Officials of the Bureau of Customs. -The Bureau of Customs shall have one chief and four assistant 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 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 the Deputy Commissioners of Customs shall be appointed by the President of the Philippines. (As amended by E.O. 127 effective 30 January 1987).

In case of temporary and permanent vacancy, one of the Deputy Commissioners shall be designated by the Secretary of Finance to act as Commissioner of Customs, until the incumbent Commissioner reassumes his duties or the position is filled by permanent appointment.

SEC. 602. Functions of the Bureau. - The general duties, powers and jurisdiction of the bureau shall include:

- a. The assessment and collection of the lawful revenues from imported articles and all other dues, fees, charges, fines and penalties accruing under the tariff and customs laws;
- b. The prevention and suppression of smuggling and other frauds upon the customs;
- c. The supervision and control over the entrance and clearance of vessels and aircraft engaged in foreign commerce;
- d. The enforcement of the tariff and custom laws and all other laws, rules and regulations relating to the tariff and customs administration;
- e. The supervision and control over the handling of foreign mails arriving in the Philippines, for the purpose of the collection of the lawful duty on the dutiable articles thus imported and the prevention of smuggling through the medium of such mails;
- f. Supervise and control all import and export cargoes, landed or stored in piers, airports, terminal facilities, including container yards and freight stations, for the protection of government revenue;
- g. Exercise exclusive original jurisdiction over seizure and forfeiture cases under the tariff and customs laws

SEC. 603. Territorial Jurisdiction. - For the due and effective exercise of the powers conferred by law and to the extent requisite therefore, said Bureau shall have the right of supervision and police authority over all seas within the jurisdiction of the Philippines and over all coasts, ports, airports, harbors, bays, rivers, and inland waters whether navigable or not from the sea.

When a vessel becomes subject to seizure by reason of an act done in Philippine waters in violation of the tariff and customs laws, a pursuit of such vessel began within the jurisdictional waters may continue beyond the maritime zone, and the vessel may be seized on the high seas. Imported articles which may be subject to seizure for violation of the tariff and customs laws may be pursued in their transportation in the Philippines by land, water or air and such jurisdiction exerted over them at any place therein as may be necessary for the due enforcement of the law.

SEC. 604. Jurisdiction Over Premises Used for Customs Purposes. - The Bureau of Customs shall for customs purposes, have exclusive control, direction and management of customhouses, warehouses, offices, wharves, and other premises in the respective ports of entry, in all cases without prejudice to the general police powers of the city or municipality and the Philippine Coast Guard in the exercise of its functions wherein such premises are situated.

SEC. 605. Enforcement of Port Regulation of Bureau of Quarantine. - Customs employees shall cooperate with the quarantine authorities in the enforcement of the port quarantine regulations promulgated by the Bureau of Quarantine and shall give effect to the same in so far as connected with matters of shipping and navigation.

SEC. 606. Power of the President to Subject Premises to Jurisdiction of Bureau of Customs any public wharf, landing place, street or land, not previously under the jurisdiction of the Bureau of C in any port of entry, is necessary or desirable for any proper customs purpose, the President of the Pr may, by executive order, declare such premises to be under the jurisdiction of the Bureau of Custo - -thereafter the authority of such Bureau in respect thereto shall be fully effective.

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 custom duties, taxes and other charges assessed and collected on imported articles itemized in accordance with the tariff headings and subheadings as appearing 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 of 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, 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.

For more scientific preparation of the annual report, the Commissioner shall cause computerization of the data contained in the liquidated entries filed with the Bureau of Customs.

SEC. 608. Commissioner to Make Rules and Regulations. - The Commissioner shall, subject to approval of the Secretary of Finance, promulgate all rules and regulations necessary to enforce the provisions of this Code. He shall also cause the preparation and publication of a customs manual covering up -to -date rules and regulations and decisions of the Bureau of Customs. The manual shall be published and made available to the public at least once every quarter within the first month after the end of every quarter. The Secretary of Finance and/or the Commissioner of Customs shall furnish the Central Bank of the Philippines, Board of Investments, the NEDA and the Tariff Commission with at least three copies each of eve department order, administrative order, memorandum circulars and such rules and regulations which a promulgated from time to time for the purpose of implementing the provisions of the Code.

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,

PART 2. - COLLECTION DISTRICTS AND PORT OF ENTRY

SEC. 701. Collection Districts and Ports of Entry Thereof. - For administrative purposes, the Philippines shall be divided into as many collection districts as necessary, the respective limits of which may be changed from time to time by the Commissioner of Customs upon approval of the Secretary of Finance. The principal ports of entry for the respective

collection districts shall be Manila, Ninoy Aquino International Airport, Cebu, Iloilo, Davao, Tacloban, Zamboanga, Cagayan de Oro, Surigao, Legaspi, Batangas, San Fernando, Subic and Manila International Container Port.

SEC. 702. Power of the President to Open and Close Any Port. - The president may open or close any port of entry upon recommendation of the Commissioner and the Secretary of Finance. While a port of entry is closed, its existing personnel shall be reassigned to other duties by the Commissioner subject to the approval of the Secretary of Finance.

SEC. 703. Assignment of Customs Officers and Employees to Other Duties. - The Commissioner of Customs may, with the approval of the Secretary of Finance, assign any employee of the Bureau of Customs to any port, service, division or office within the Bureau or assign him duties as the best interest of the service may require, in accordance with the staffing pattern or organizational set -up as may be prescribed by the Commissioner of Customs with the approval of the Secretary of Finance: Provided, That such assignment shall not affect the tenure of office of the employees nor result in the change of status, demotion in rank and/or deduction in salary.

SEC. 704. Seal of Collector of Customs. - In the office of the Collector of a collection district there shall be kept a seal of such design as the Commissioner shall prescribe, with the approval of the Secretary of Finance with which shall be sealed all documents and records requiring authentication in such office.

SEC. 705. Authority of Deputy Collectors of Customs. - The deputy collector at a principal port of entry may, in the name of the District Collector and subject to his supervision and control, perform any particular act which might be done by the District Collector himself; at subports, a deputy collector may, in his own name, exercise the general powers of a collector, subject to the supervision and control of the Collector of the subport.

SEC. 706. Appointment of Special Deputies with Limited Powers - Collectors may, with the approval of the Commissioner, appoint from their force such number of special deputies as may be necessary for the proper conduct of the public business, with authority to sign documents and perform such service as may be specified in writing.

SEC. 707. Succession of Deputy Collector to Position of Acting Collector. - In the absence or disability of a Collector at any port or in the case of a vacancy in his office, the temporary discharge of his duties shall devolve upon the deputy collector of the port. Where no deputy collector is available, an official to serve in such contingency may be designated in writing by the Collector from his own force. The Collector making such designation shall report the same without delay to the Commissioner and the Chairman, Commission on Audit, forwarding them the signature of the person so designated.

SEC. 708. Designation of Official as Customs Inspector. -At a coastwise port where no customs official or employee is regularly stationed, the Commissioner may designate any national, provincial or municipal official of the port to act as an inspector of customs for the purpose of enforcing laws and regulations of the Bureau of Customs in the particular port, but all such designations shall be made with the consent of the proper Department head of the official so design:,'9d.

SEC. 709. Authority of Collector to Remit Duties. -A Collector shall have discretionary authority to remit the assessment and collection of custom duties, taxes and other charges when the aggregate amount of such duties, taxes and other charges is less than ten pesos, and he may dispense with the seizure of articles of less than ten pesos in value except in cases of prohibited importations or the habitual or the intentional violation of the tariff and customs laws.

SEC. 710, Records to be Kept by Customs Officials. - District Collectors, deputy collectors, and other customs officials acting in such capacities are required to keep true, correct and permanent records of their official transactions, to submit the same to the inspection of authorized officials at all times, and turn over all records and official papers to their successors or other authorized officials.

SEC. 711. Port Regulations. -A Collector may prescribe local administrative regulation, not inconsistent with law or the general bureau regulations, for the government of his port or district, the same to be effective upon the approval by the Commissioner.

SEC. 712. Reports of Collector to Commissioner. - A Collector shall immediately make report to the Commissioner concerning prospective or newly begun litigation in his district touching matters relating to the customs service; and he shall, in such form and detail as shall be required by the Commissioner make regular monthly reports of all transactions in his port and district.

TITLE II. - COASTWISE TRADE

SEC. 906. Requirement of Manifest in Coastwise Trade. - Manifests shall be required for cargo and passengers transported from one place or port in the Philippines to another only when one or both of such places is a port of entry.

SEC. 907. Manifest Required Upon Departure from Port of Entry. - Prior to departure from a port of entry, the master of a vessel licensed for the coastwise trade shall make out and subscribe duplicate Manifests of the whole cargo and all of the passengers taken on board on such vessels, specifying in the cargo manifests the marks and numbers of packages, the port of destination and names of the consignees, together with such further information as may be required and in the passengers manifest the name, sex, age, residence, port of embarkation, and destination of all passengers, together with such further information may be required. He shall deliver such manifests to the Collector of Customs or other customs authorized, before whom he shall swear to the best of his knowledge and belief, in respect to the cargo manifests, that the goods therein described, if foreign, were imported legally and that duties, taxes and other charges thereon have been paid or secured to be paid, and with respect to the passenger manifests, that the information therein contained is true and correct as to all passengers taken on board. Thereupon, then said Collector of Customs or customs official, shall certify the same on the manifests, the original of which he shall return to the master with a permit specifying thereon, generally, the landing on board such vessel and authorizing him to proceed to his port of destination retaining the duplicates.

SEC. 908. Manifests Required Prior to Unloading at Port of Entry. - Upon arrival at a port of entry a vessel engaged in the coastwise trade and prior to the unloading of any part of the cargo, the master shall deliver to the Collector or other proper customs official complete manifests of all the cargo and passengers brought into said port, together with the clearance

manifests of cargo and passengers for said port granted port or ports of entry from which said vessel may have cleared during the voyage.

SEC. 909. Departure of Vessel Upon - Detailed Manifest. - The owner, agents or consignees of vessels are required to present the proper detailed manifest before departure of the vessel: Provided, however, that the Commissioner of Customs may by regulation permit a vessel to depart coastwise port of entry upon the filing of a general manifest by the master thereof.

TITLE III. - VESSELS AND AIRCRAFT IN FOREIGN TRADE

SEC. 1001. Ports Open to Vessels Engaged in Foreign Trade. - Duty of Vessel to Make Entry. - Vessels engaged in the foreign trade shall touch at ports of entry only, except as otherwise specially allowed; and every such vessel arriving within a customs collection district of the Philippines from a foreign port make entry at the port of entry for such district and shall be subject to the authority of the Collector of the while within his jurisdiction.

The master of any war vessel employed by any foreign government shall not be required to report, enter on arrival in the Philippines, unless engaged in the transportation of articles in the way of trade.

SEC. 1002. Control of Customs Official Over Boarding or Leaving of Incoming Vessel and Over Other Vessel Approaching the Former. - Upon the arrival in port of any vessel engaged in foreign trade, it shall be unlawful for any person (except the pilot, consul, quarantine officials, custom officials or other duly authorized persons) to board or leave the vessel without permission of the customs official in charge; and it shall likewise be unlawful for any tugboat, rowboat or other craft to go along side and take any person aboard such vessel take any person therefrom, except as aforesaid, or loiter near or along side such vessel. Unauthorized and other vessels shall keep away from such vessel engaged in foreign trade at a distance of less than fifty meters.

SEC. 1003. Quarantine Certificate for Incoming Vessel. - Entry of a vessel from a foreign port or place outside of the Philippines shall not be permitted until it has obtained a quarantine certificate issued the Bureau of Quarantine.

SEC. 1004. Documents to be Produced by the Master Upon Entry of Vessel. - For the purpose making entry of a vessel engaged in foreign trade, the master thereof shall present the following document duly certified by him, to the customs boarding officials:

- a. The original manifest of all cargo destined for the port, to be returned with the endorsement of the boarding officials;
- b. Three copies of the same manifest, one of which, upon certification by the boarding official as to the correctness of the copy, shall be returned to the master;
- c. A copy of the cargo storage plan;
- e. One copy of passenger list;

- f. One copy of the crew list;
- g. The original of all through cargo manifest, for deposit, while in port, with customs official in charge of the vessel;
- h. A passenger manifest of all aliens, in conformity with the requirements of the immigration laws in force in the Philippines;
- i. One copy of the original duplicate of bills of lading fully accomplished;
- j. The shipping articles and register of the vessel of Philippine registry.

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.

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 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.

A cargo manifest shall in no case be changed or altered after entry of vessel, except by means of an amendment by the master, consignee or agent thereof, under oath, and attached to the original manifest: Provided, however, That after the invoice and/or entry covering an importation have been received and recorded in the office of the appraiser, no 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 would not have been made until after examination of the importation has been completed. SEC. 1006. Translation of Manifest. - The cargo manifest and each copy thereof shall be accompanied by a translation into the official language of the Philippines, if originally written in another language.

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 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.

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.

SEC. 1009. Clearance of Foreign Vessels To and From Coastwise Ports. - Passengers or articles arriving from abroad upon a foreign vessel may be carried by the same vessel through any port of entry to the port of destination in the Philippines or articles intended for export may be carried in a foreign vessel through a Philippine port.

Upon such reasonable condition as he may impose, the Commissioner may clear foreign vessels for any port and authorize the conveyance therein of either articles or passengers brought from abroad upon such vessels; and he may likewise, upon such conditions as he may impose, allow a foreign vessel to take cargo and passengers at any port and convey the same, upon such vessel to a foreign port.

SEC. 1010. Requirement as to Delivery of Mail. -A vessel arriving within a collection district in the Philippines shall not be permitted to make entry or break bulk until it is made to appear, to the satisfaction of the Collector, that the master, consignee or agent of the vessel is ready to deliver to the postmaster of the nearest post office all mail matter on board such vessel and destined for that port. Collectors are authorized to examine and search vessels for mail carried contrary to law.

SEC. 1011. Production of Philippine Crew. - The master of a Philippine vessel returning from abroad shall produce the entire crew listed in the vessel's shipping articles; and if any member be missing, the master shall produce proof satisfactory to the Collector that such member has died, absconded, has been forcibly impressed into other service, or has been discharged; and in case of discharge in a foreign country, he shall produce a certificate from the consul, vice consul or consular agent of the Philippines there residing, showing that such discharge was effected with the consent of the representative of the Philippines aforesaid

SEC. 1012. Record of Arrival and Entry of Vessels. - A record shall be made and kept open to public inspection in every customhouse of the date of arrival and entry of all vessels.

SEC. 1013. Arrest of Vessel Departing Before Entry Made. -When a vessel arriving within a collection district from a foreign port departs or attempts to depart before entry shall have been made - being thereunto compelled by stress of weather, duress of enemies, or other necessity, the Collector of the port or the commander of any revenue cutter may arrest and bring back such vessel to the most convenient port.

SEC. 1014. Discharge of Ballast. - When not brought to port as article, the ballast of no commercial value may be discharged upon permit granted by the Collector for such purpose.

SEC. 1015. Time of Unlading Cargo. -Articles brought in a vessel from a foreign port shall be unladen only during regular working hours or regular work days. Unlading at any other time or day may be done upon authority of the Collector conditioned on the payment of losses and overtime pay by the interested parties.

SEC. 1016. Entrance of Vessel Through Necessity. - When a vessel from a foreign port is compelled, by stress of weather or other necessity to put into any other port than that of her destination, the master within twenty-four hours of arrival, shall make protest under oath setting forth the causes or circumstances of such necessity. This protest, if not made before the Collector, must be produced to him, and a copy thereof lodged with him.

With the same time, the master shall make a report to the Collector if any part of the cargo was unladen from necessity or lost by casualty before arrival, and such fact should be made to appear by sufficient proof to the Collector who shall give his approval thereto and the unloading shall be deemed to have been lawfully effected,

SEC. 1017. Unlading of Vessel in Port from Necessity. -If the situation is such as to require t, unloading of the vessel pending sojourn in port, the Collector shall, upon sufficient proof of the necessity, grant a permit therefore, and the articles shall be unladen and stored under the supervision of the customs authorities,

At the request of the master of the vessel or the owner thereof, the Collector may grant permission enter and pay duties, taxes and other charges on, and dispose of, such a part of the cargo as may be perishable nature or as may be necessary to defray the expenses attending the vessel.

Upon departure, the cargo, or a residue thereof, may be reladen on board the vessel, and the vessel may proceed with the same to her destination, subject only to the charge for storing and safe -keeping of the articles and the fees for entrance and clearance.

No port charges shall be collected on vessels entering through stress of weather or other causes above described.

SEC. 1018. Entry and Clearance of Vessels of a Foreign Government. - The entry and clearance transport or supply ship of a foreign government shall be in accordance with the agreement by and between the Philippines and the foreign government.

SEC. 1019. Clearance of Vessel for Foreign Port. - Before a clearance shall be granted to any vessel bound to a foreign port, the master, or the agent thereof, shall present to the Collector the following properly authenticated documents:

- a. A bill of health from the quarantine official or official of the public health service in the port.
- b. Three copies of the manifest of export cargo, one of which, upon certification by the customs official as to the correctness of the copy, shall be returned to the master.
- c. Two copies of the passenger list, showing alien and other passengers.
- d. The register and shipping articles, if the vessel is of Philippine registry.
- e. The consular certificate of entry, if the vessel is of foreign registry, when required.
- f. A certificate of the Bureau of Posts to the effect that it received timely notice of the sailing of the Vessel: Provided, That the Collector shall not permit any vessel to sail for a foreign port if the master or agent thereof refuses to receive bags of mail delivered to the same by the Bureau of Posts for transportation for a reasonable compensation, In case the Director of Posts and said master or agent do not come to an agreement concerning the amount of the compensation to be paid for the carriage of the mail, the matter shall be submitted for decision to a Board of Referees composed of three members appointed,

respectively, by the Bureau of Posts, the agency of the company to which the vessel concerned belongs, and the Bureau of Customs, which board shall fix a reasonable rate of compensation.

SEC. 1020. Detention of Warlike Vessel Containing Arms and Munitions. - Collectors shall detain any vessel of commercial registry manifestly built for warlike purposes and about to depart from the Philippines with a cargo consisting principally of arms and munitions of war, when the number of men shipped on board or other circumstances render it probable that such vessel is intended to be employed by the owner or owners to cruise or commit hostilities upon the subjects, citizens, or property of any foreign prince or state, or of any colony, district, or people with whom the Philippines is at peace, until the decision of the President of the Philippines be had thereon, or until the owner or owners shall give bond or security, in double the value of the vessel and cargo, that she will not be so employed, if in the discretion of the Collector such bond will prevent the violation of the provisions of this section.

SEC. 1021. Manifest of Export Cargo to be Delivered to Chairman, Commission on Audit. - The master shall, prior to departure, deliver mail to the Chairman, Commission on Audit, Manila, the returned copy of the manifest of export cargo.

SEC. 1022. Oath of Master of Departing Vessel. - The master of such departing vessel shall state under oath to the effect:

- a. That all cargo conveyed on said vessel, with destination to the Philippines, has been duly discharged or accounted for.
- b. That he has mailed or delivered to the Chairman, Commission on Audit a true copy of the outgoing cargo manifest.
- c. That he has not received and will not convey any letters or packets not, enclosed in properly stamped envelope sufficient to cover postage, except those relating to the vessel, and that he has delivered at the proper foreign port all mails placed on board his vessel before her last clearance from the Philippines.
- d. That if clearing without passenger, the vessel will not carry upon the instant voyage, from the Philippine port, any passenger of any class, or other person not entered upon the ship's declaration.

SEC. 1023. Extension of Time for Clearance. -At the time of clearance, the master of a departing vessel shall be required to indicate the time of intended departure, and if the vessel should remain in port forty -eight hours after the time indicated the master shall report to the Collector for an extension of time of departure, and without such extension the original clearance shall be of no effect.

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 foreign port, unless the shipment conforms to the requirements of law relative to the shipment of such products.

PART 2. - ENTRANCE AND CLEARANCE OF AIRCRAFT IN FOREIGN TRADE

SEC. 1101. Designation of Airports of Entry. - The Secretary of Finance, upon recommendation the Commissioner and the Director of the Civil Aeronautics Administration is authorized to designate airports of entry for civil aircraft arriving in the Philippines from any place outside thereof and for articles carried such aircraft. Such airport of entry shall be considered as a port of entry for aliens arriving on such aircraft as a place of quarantine inspection.

SEC. 1102. Advance Notice of Arrival. - (a) Non -scheduled Arrivals. - Before an aircraft comes any area in the Philippines from any place outside thereof, a timely notice of the intended flight shall be furnished to the Collector or other customs officer in charge at or nearest the intended place of first landing such area, and to the quarantine and immigration officers in charge at or nearest such place of landing. If dependable facilities for giving notice are not available before departure, any radio equipment of the p shall be used if this will result in the giving of adequate and timely notice during its approach, otherwise landing shall be made at a place where the necessary facilities do exist before coming into any area in Philippines. If, upon landing in any area, the government officers have not arrived, the pilot -in -command s hold the aircraft and any baggage and article thereon intact and keep the passengers and crew members segregated place until the inspecting officers arrive.

(b) Scheduled Arrivals - Such advance notice will not be required in the case of aircraft scheduled airline arriving in accordance with the regular schedule filed with the Collector for the Customs district in which the place of first landing in the area is situated, and also with the quarantine and immigration officials in charge of such place.

SEC. 1103. Landing at International Airport of Entry. - Except in the case of emergency or for: landings, aircraft arriving in the Philippines from any foreign port or place shall make the first landing at an international airport of entry, unless permission to land elsewhere than at an international airport of entry is first obtained from the Commissioner. In such cases, the owner, operator, or person in charge of the aircraft shall pay the expenses incurred in inspecting the aircraft, articles, passengers and baggage carried there and such aircraft shall be subject to the authority of the Collector at the airport while within his jurisdiction.

Should an emergency or forced landing be made by an aircraft coming into the Philippines from place outside thereof, the pilot -in -command shall not allow any article, baggage, passenger or crew member to be removed or to depart from the landing place without permission of a customs officer, unless such removal or departure is necessary for purposes of safety, communication with customs authorities, or preservation of life, health or property. As soon as practicable, the pilot -in -command, or a member of the c in charge, or the owner of the aircraft, shall communicate with the custom officer at the intended place of landing or at the nearest international airport or other customs port of entry in the area and make a full re~ of the circumstances of the flight and of the emergency or forced landing.

SEC. 1104. Report of Arrival and Entry. - The pilot -in -command of any aircraft arriving from a fore port or place shall immediately report his arrival to the Collector at the airport of entry or to the customs off detailed to meet the aircraft at the place of first landing. Such aircraft upon arrival shall be boarded by quarantine officer and after pratique is granted shall be boarded by customs officer, and no person shall permitted to board or leave the aircraft without the permission of the customs officer in charge.

The pilot -in -command or any other authorized agent of the owner or operator of the aircraft shall make the necessary entry. No such aircraft shall, without previous permission therefore from the collector, de~ from the place of first landing or discharge articles, passengers or baggage.

SEC. 1105. Documents Required in Making Entry.

a. For the purpose of making entry, there shall be presented to the customs boarding officer f copies of a general declaration which shall contain the following data, unless any of such data is otherwise presented on a separate official form:

1. Name of owner or operator of aircraft, registration marks and nationality of aircraft, and flight number of identification;
2. Points of clearance and entry, and date of arrival;
3. Health and customs clearance at the last airport of departure;
4. Itinerary of aircraft, including information as to airport of origin and departure dates; Itinerary of aircraft, including information as to airport of origin and departure dates,,
 5. Names and nationality of crew members;
 6. Passenger manifest showing places of embarkation and destination;
7. Cargo manifest showing information as to airway bill number, the number of packages related to each airway bill number, nature of goods, destination, and gross weight, together with a copy of each airway securely attached thereto; and
8. Store list

b. The general declaration shall be written in English and duly signed by the pilot -in -command or operator of the aircraft, or the authorized agent. The Health Section thereon, however, shall be signed only by the pilot -in -command or when necessary, by a crew member when the general declaration itself has been signed by a non -crew member. If the aircraft does not carry cargo or passengers such facts must be shown in the manifests.

c. Cargo manifest shall in no case be changed or altered after entry of the aircraft, except by means of an amendment by the pilot -in -command or authorized agent thereof, under oath, and attached to the original manifest: Provided, however, That after the invoice and/or entry covering an importation have been received and recorded in the office of the appraiser, no amendment shall be allowed except when it is obvious that a clerical error or any other discrepancy has been committed without any fraudulent intent in the preparation of the manifest, discovery of which could not have been made until after examination of the importation has been completed.

SEC. 1106. Manifest for Commission on Audit. - The pilot -in -command or authorized agent of an aircraft, upon arrival from a foreign port, shall deliver or mail to the Chairman,

Commission on Audit, a copy of the general declaration properly endorsed by the customs Boarding Officer.

SEC. 1107. Delivery of Mail. - Aircraft arriving within a customs collection district in the Philippines shall not be permitted to make entry until it is shown to the satisfaction of the Collector that the pilot -in-command or authorized agent of the aircraft is ready to deliver to the postmaster of the nearest post office all mail matters on board such aircraft and destined for that port.

SEC. 1110. Manifest for Transit Cargo. - When transit cargo from a foreign port for other local ports is forwarded from the port of importation, separate manifest, in triplicate, shall be presented by each carrier.

SEC. 1111. Clearance of Aircraft for Foreign Port.

a. Any aircraft bound to a foreign port shall, before departure, clear at an airport of entry or at the same place where such aircraft has been authorized to make its landing by the Commissioner

b. Before clearance shall be granted to an aircraft bound to a foreign port, there shall be presented to the Collector or to the customs officer detailed at the place of departure four copies of a general declaration signed by the pilot -in -command or authorized agent of an aircraft which shall contain the following data:

1. Name of owner or operator of aircraft, registration marks and nationality of aircraft, and flight number of identification;
2. Point of clearance, data thereof and destination',
3. Health and customs clearance;
4. Itinerary of aircraft, including information as to airport of destination and departure date;
5. Names and nationality of crew members;
6. Passenger manifest showing place of destination;
7. Export cargo manifest showing information as to airwaybill number, the number of packages related to each airwaybill number, nature of goods, destination, and gross weight, together with a copy of each airwaybill securely attached thereto; and
8. Store list showing stores laden.

SEC. 1112. Oath of Person in Charge of Departing Aircraft. - The pilot -in -command i agent of such departing aircraft shall also state under oath to the effect that:

a. All cargo conveyed on said aircraft destined to the Philippines has been duly dli -z. -
- accounted for. b. He has mailed or delivered to the Commission on Audit a true copy

of the outward general declaration. c. He has not received nor will convey any letter or packet not enclosed in proper, envelope sufficient to cover postage, except those relating to the cargo of the aircraft, and that he has delivered to the proper foreign port all mails placed on board said aircraft before clearance from the Philippines.

d. If clearing without passengers, the aircraft will not carry upon departure any passenger.

A record shall be made and kept open to public inspection in every customhouse at an airport the dates of arrival and entry of all aircrafts.

TITLE IV. - ASCERTAINMENT, COLLECTION AND RECOVERY OF IMPORT DUTY

PART 1. - IMPORTATION IN GENERAL

SEC. 1201. Article to be Imported Only Through Customhouse. - All articles imported Philippines whether subject to duty or not shall be entered through a customhouse at a port of entry.

SEC. 1202. When Importation Begins and Deemed Terminated. - Importation begins when the carrying vessel or aircraft enters the jurisdiction of the Philippines with intention to unlade therein. Importation is deemed terminated upon payment of duties, taxes and other charges due upon the articles, or sec be paid, at a port of entry and the legal permit for withdrawal shall have been granted, or in case said are free of duties, taxes and other charges, until they have legally left the jurisdiction of the customs.

SEC. 1203. Owner of Imported Articles. - All articles Imported into the Philippines shall be held to be the property of the person to whom the same are consigned: and the holder of a bill of lading duly en -by the consignee therein named, or, if consigned to order, by the consignor, shall be deemed the consignee thereof. The underwriters of abandoned articles and the salvors of articles saved from wreck at sea, a coast or in any area of the Philippines may be regarded as the consignees.

SEC. 1204. Liability of Importer for Duties. - Unless relieved by laws or regulations, the liability for duties, taxes, fees and other charges attaching on importation constitutes a personal debt due from the importer to the government which can be discharged only by payment in full of all duties, taxes, fees and other charges legally accruing. It also constitutes a lien upon the articles imported whish may be enforced while such articles are in custody or subject to the control of the government.

SEC. 1205. Importations by the Government. - Except those provided for in Section One Hundred and Five of this Code, all importations by the Government for its own use or that of its subordinate branches or instrumentalities, or corporations, agencies or instrumentalities owned or controlled by the government shall be subject to the duties, taxes, fees and other charges provided for in this code.

SEC. 1206. Jurisdiction of Collector Over Importation of Articles. - The Collector shall cause all articles entering the jurisdiction of his district and destined for importation through his port to be entered a~ customhouse, shall cause all such articles to be appraised and classified, and shall assess and collect the duties, taxes, and other charges thereon, and shall hold

possession of all imported articles upon which duties, taxes, and other charges have not been paid or secured to be paid, disposing of the same according to law. SEC. 1207. Jurisdiction of Collector Over Articles of Prohibited Importation, - Where articles are of prohibited importation or subject to importation only upon conditions prescribed by law, it shall be the duty of the Collector to exercise such jurisdiction in respect thereto as will prevent importation or otherwise secure compliance with all legal requirements. 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, failure 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 (R.A. 7651, June 04, 1993).

SEC. 1211. Handling of Articles on, Which Duty Has Not Been Paid. - Except when done under customs supervision, all unloading or transshipment of the cargo of vessels from foreign ports, which do not discharge at a wharf, must be by bonded lighters; and likewise, on land imported goods on which duty has not been paid shall be carried about and handled by bonded draymen or cartmen only.

PART 2. - ENTRY AT CUSTOMHOUSE

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 (R.A. 7651, June 04, 1993

SEC. 1302. Import Entries. - All imported articles, except importations 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, not in commercial quantity, imported in passenger's baggage, mail or otherwise, for personal use, shall be cleared on an informal entry whenever duty, tax or other charges are collectible.

The Commissioner may, upon instruction of the Secretary of Finance, for the protection of domestic industry or of the revenue, require a formal entry, regardless of value, whatever be the purpose and nature of the importation.

A formal entry may be for immediate consumption, or under irrevocable domestic letter of credit, bank guarantee or bond for:

- a. Placing the article in customs bonded warehouse;
- b. Constructive warehousing and immediate transportation to other ports of the Philippines upon proper examination and appraisal; or
- c. Constructive warehousing and immediate exportation.

Import entries under irrevocable domestic letter of credit, bank guarantee or bond shall be subject to the provisions of Title V, Book 11 of this Code.

All importations entered under formal entry shall be covered by a letter of credit or any other verifiable document evidencing payment." (R.A. 9135, April 27, 2001)

SEC. 1303. Entry of Article in Part for Consumption and in Part for Warehousing.- Import entries of articles covered by one bill of lading may be made simultaneously for both consumption and warehousing. Where an intent to export the articles is shown by the bill of lading and invoice, the whole or a part of a bill of lading not less than one package) may be entered for warehousing and immediate exportation. Articles received at any port from another port in the Philippines on any entry for immediate transportation entered at the port of delivery either for consumption or warehousing.

SEC. 1304. Declaration of the Import Entry. - Except in case of informal entry, no entry of article shall be effected until there shall have been submitted to the collector a written declaration under penalties of falsification or perjury, in such form as shall be prescribed by the Commissioner, containing statements in Substance as follows:

- a. That the entry delivered to the Collector contains a full account of the value or price articles, including subject of the entry;
- b. That the invoice and entry contain a just and faithful account of the value or price of said articles including and specifying the value of all containers or coverings, and that nothing has been omitted, therefrom or concealed whereby the government of the Republic of the Philippines be defrauded of any part of the duties lawfully due on the articles;
- c. That, to the best of the declarant's information and belief, all the invoice and bills of lading to the articles are the only ones in existence relating to the importation in question and that they are in the state in which they were actually received by him;
- d. That, to the best of the declarant's information and belief, the entries, invoices and bill of and the declaration thereon under penalties of falsification of perjury are in all respects ge and true, and were made by the person by whom the same purpose to have been made.

SEC. 1305. By Whom to be Signed. - The declaration shall be signed, under penalties of falsification or perjury, by the importer, consignee or holder of the bill, by or for whom the entry is effected if such p. is an individual, or in case of a corporation, firm or association, by its manager, or by a licensed customs broker duly authorized to act for either of them.

SEC. 1306. Forms and Contents of Import Entry. - Import entries shall be in the required number of copies in such forms as prescribed by regulations. They shall be signed by the person making the entry articles, and shall contain the names of the importing vessel or aircraft, port of departure and date of a the number and mark of packages, or the quantity, if in bulk, the nature and correct commodity description of the articles contained therein, and its value as set forth in a proper invoice to be presented in duplicate the entry.

SEC. 1307. Description of Articles. - The description of the articles in the import entry must sufficient detail to enable the articles to be identified both for tariff classification of terms of the headings subheadings of this code and in the currency of the invoice and the quantity and values of each of the several classes of articles he separately declared according to their respective headings or subheadings and the totals of each heading or subheading shall be duty shown.

SEC. 1308. Commercial Invoice. - Contents of Commercial invoice of articles imported Philippines shall in all cases set forth all the following:

a. The place where, the date when, and the person by whom and the person to whom the articles sold or agreed to be sold, or if to be imported otherwise than in pursuance of a purchase place from which shipped, the date when the person to whom and the person by whom the shipped:

b. The port of entry to which the articles are destined:

c. A detailed description of the articles according to the terms of the heading or subheadings, if specifically mentioned in this code, otherwise the description must be in sufficient detail to e, the articles to be identified both for tariff classification and statistical purposes, indicating correct commodity description, in customary terms or commercial designation, including the grade or quality, numbers, marks or symbols under which they are sold by the seller or manufacturer, together with the marks and number of the packages in which the articles are packed;

d. The quantities in the weights and measures of the country or place form which the articles are shipped, and in the weights and measures used in this Code;

e. The purchase price of each article in the currency of the purchase and in the unit of the quantity which the articles were bought and sold in the place of country of exportation, if the articles are shipped in pursuance of a purchase or an agreement to purchase;

f. If the articles are shipped otherwise than in pursuance of the purchase or an agreement to purchase, the value of each article in the unit of quantity in which the articles are usually bought and sold, and in the currency in which the transactions are usually made, or, in the absence of such value, the price in such currency which the manufacturer, seller, shipper or owner would have received, or was willing to receive, for such articles if sold in the ordinary course of trade and the usual wholesale quantities in the country of exportation;

g. All charges upon the articles itemized by name and amount when known to the seller or shipper; or all charges by name (e.g., commission, insurance, freight, cases, containers, coverings and cost of packing) included in invoice prices when the amount for such charges are unknown to the seller or shipper;

h. All discounts, rebates, drawbacks and bounties separately itemized allowed upon the exportation of the articles, all internal and excise taxes applicable to the home market;

i. The current home consumption value or price of which same, like or similar article is offered or for sale for exportation to the Philippines, on the date the invoice is prepared or the date of exportation; and,

Any other facts deemed necessary to a proper examination, appraisement and classification of the articles which the Commissioner may require.

SEC. 1309. - Repealed by E.O. 736.

SEC. 1310. - Repealed by P.D. 1679, March 6, 1980.

SEC. 1311. - Repealed by P.D. 1679, March 6, 1980.

SEC. 1312. - Repealed by P.D. 1679, March 6, 1980.

SEC. 1313. Information Furnished on Classification and Value.

a. As to classification. - When an article imported or intended to be imported is not specifically classified in this Code, the interested party, importer or foreign exporter may submit to the Tariff Commission a sample together with a full description of its component materials and uses, and request it in writing to indicate the heading under which the article is or shall be dutiable, and the Tariff Commission shall comply with such requests within thirty days from receipt thereof if it is satisfied that the application is made in good faith, in which case classification of the article in question upon the particular importation involved shall be made according to the heading indicated by the Tariff Commission: Provided, however, That such rulings of the Tariff Commission on commodity classification, shall be binding upon the Bureau of Customs. the Secretary shall rule otherwise.

b. As to Value. - Upon written application of owner or his agent, the Collector shall furnish any importer within thirty days from receipt thereof the latest information in his possession as dutiable value of the articles to be entered at his port, after arrival or upon satisfactory evidence that they have been exported and are enroute to the Philippines: Provided, That the information shall be given only if the Collector is satisfied, after questioning the importer and examining pertinent papers presented to him, such as invoices, contracts of sale or purchase, orders other commercial documents that the importer is acting in good faith and is unable to proper information as to the dutiable value of the articles on the date of exportation unusual conditions: And, Provided, further, That the information so given is in no ser appraisal or binding upon the Collector's action on appraisal.

SEC. 1314. Forwarding, of Cargo and Remains of Wrecked Vessel or Aircraft. - When vessels or aircrafts are wrecked within the Philippines, application must be made to the Commissioner by the c owners or consignees of the cargo, or by the underwriters, in case of abandonment to them, for permission to forward the articles saved from the wreck to the ports of destination, in other conveyance, without entry customhouse in the district in which the article was cast ashore or unladen. On receipt of such permission articles may be so

forwarded with particular manifests thereof, duly certified by customs officials in cha the articles.

If the owner of the vessel or aircraft wishes to export the remains of the wreck, he may be permit' do so upon proper examination and inspection.

The remains of a wrecked vessel shall be considered to be not only the hull and rigging of the same but also all sea stores and articles of equipment, such as sails, ropes, chains, anchors and so forth.

SEC. 1315. Derelicts and Articles from Abandoned Wrecks. - Derelicts and all articles picked a, or recovered from abandoned wrecks, shall be taken possession of in the port or district where they shall first arrive, and be retained in the custody of the Collector, and if not claimed and entered, as the case may be, by the owner, underwriter or salvor, shall be dealt with as unclaimed property.

When such articles are brought into port by lighters or other craft, each of such vessels shall make entry by manifest of her cargo.

If, in case of wreck, there be no customhouse at the point where the vessel or aircraft is wrecked, coastguard or customs official nearest the scene of the wreck shall render all possible aid in saving the c -and cargo of the vessel or aircraft, taking charge of the articles saved and giving immediate notice to Collector or the nearest customhouse.

In order to prevent any attempt to defraud the revenue the Collector shall be presented at the salvage of the cargo by customs officials detailed for that purpose, who shall examine and countersign the inventory made of such cargo and receive a copy of the same.

Derelicts and articles salvaged from foreign vessels or aircrafts picked up at sea, or taken from wreck is prima facie dutiable and may be entered for consumption or warehousing. If claimed to be of Philippine production, and consequently free, proof must be adduced as in ordinary cases of reimportation of articles. Foreign articles landed from a vessel or aircraft in distress is dutiable if sold or disposed of in the Philippines.

Before any article which has been taken from a recent wreck shall be admitted to entry, the same shall be appraised, and the owner or importer shall have the same right to appeal as in ordinary importation.

No part of a Philippine vessel or aircraft or her equipment, wrecked either in Philippine or foreign waters, shall be subject to duty.

PART 3. - EXAMINATION, CLASSIFICATION AND APPRAISAL OF IMPORTED ARTICLES

SEC. 1401. Conditions for Examination. - For the protection of government revenue and public interest and to prevent the entry into the country of smuggled or contraband goods, the Commissioner shall, in consultation with the Oversight Committee and subject to approval of the Secretary of Finance, promulgate the rules and regulations that shall prescribe the procedure in accordance with which the examination shall be undertaken on

the importation and the required quantity or percentage thereof: Provided, That the imported articles shall in any case be subject to the regular physical examination when:

- 1) The government surveyor's seal on the container has been tampered with or broken or the container shows signs of having been opened or having its identity changed;
- (2) The container is leaking or damaged;
- (3) The number, weight, and nature of packages indicated in the customs entry declaration and supporting documents differ from that in the manifest;
- (4) The shipment is covered by alert/hold order issued pursuant to existing orders;
- (5) The importer disagrees with the findings as contained in the government surveyor's report; or
- (6) The articles are imported through air freight where the Commissioner or Collector has knowledge that there is a variance between the declared and true quantity, measurement, weight and tariff classification (R.A. 7650, April 06, 1993).

SEC. 1402. Ascertainment of Weight and Quantity. - Where articles dutiable by weight, and not otherwise specially provided for, are customarily contained in packing, packages, or receptacles of uniform or similar character, it shall be the duty of the Commissioner, from time to time, to ascertain by tests the weight as quantity of such articles, and the weight of the packing, packages or receptacles thereof, respectively, in which the same are customarily imported, and upon such ascertainment, to prescribe rules for estimating the dutiable weight or quantity thereof, and thereafter such articles, imported in such customary packing, packages or receptacles shall be entered, and the duties thereon levied and collected, upon the bases of such estimated dutiable weight or quantity: Provided, That if the importer, consignee or agent shall be dissatisfied, with such estimated dutiable weight or quantity, and shall file with the Collector prior to the delivery of the packages designated for examination a written specification of his objections thereto, or if the Collector shall have reason to doubt the exactness of the prescribed weight or quantity in any instance, it shall be his duty to cause such weights or quantities to be ascertained.

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 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. He shall submit 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.

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.

Failure on the part of the customs officer to comply with his duties shall subject him to the per prescribed under 3604 of this Code (R.A. 7650, April 06, 1993).

SEC. 1404. - Repealed by R.A. 7650, April 06, 1993.

SEC. 1405. Proceedings and Report of Appraisers. - Appraisers shall, by all reasonable way~ means, ascertain, estimate and determine the value or price of the articles as required by law, any invoice or affidavit thereto or statement of cost, or of cost of production to the contrary notwithstanding, and revising and correcting the report of the examiners as they may judge proper, shall report in writing c face of the entry the value so determined, irrespective of whether such value is equal, higher or lower than the invoice and/or entered value of the articles.

Appraisers shall describe all articles on the face of the entry in tariff and such terms as will enable the Collector to pass upon the appraisal and classification of the same, which appraisal and classification shall be subject to his approval or modification, and shall note thereon the measurements and quantities, an disagreement with the declaration.

SEC. 1406. Appraiser's Samples. - Appraisers shall see that representative and sufficient samples all kinds of articles which may be readily sampled are taken under proper receipt and retained for official purposes; but samples of articles identical in quality, material and values shall not be retained, if their re desired, longer than may be required for use in contested cases.

The quantity and value of the samples taken shall be noted on the face of entry. Such samples shall be duly labeled as will definitely identify them with the importation for which they are taken.

SEC. 1407. Readjustment of Appraisal, Classification or Return. -Such appraisal, classification return as finally passed upon and approved or modified by the Collector shall not be altered or modified in any manner, except:

(a) Within one year after payment of the duties, upon statement of error in conformity with seventeen hundred and seven hereof, approved by the Collector.

(b) Within fifteen days after such payment upon request for reappraisal and/or reclassification addressed to the Commissioner by the Collector, if the appraisal and/or classification is deemed to be low.

(c) Upon request for reappraisal and/or reclassification, in the form of a timely protest addressed to the Collector by the interested party if the latter should be dissatisfied with the appraisal or return.

(d) Upon demand by the Commissioner of Customs after the completion of compliance audit p, to the provisions of this Code." (R.A. 9135, April 27, 21001)

SEC. 1408. Assessment of Duty on Less Than Entered Value. - Duty shall not be assessed case upon an amount less than the entered value, unless by direction of the Commissioner in cases which the importer certifies at the time of entry that the entered value is higher than the dutiable value and that the articles are so entered in order to meet increases made by

the appraiser in similar cases then pending reappraisal; and the lower assessment shall be allowed only when the importer's contention is sustained by the final decision, and shall appear that such action of the importer was taken in good faith after due diligence and inquiry on his part.

SEC. 1409. Employment and Compensation of Persons to Assist in Appraisal or Classification & Articles. - When necessary, the Collector may request two disinterested persons versed in the matter to the appraiser in appraising or ascertaining dutiable value of any article. Persons so employed shall receive compensation in an amount to be determined by the Commissioner, not exceeding fifty pesos (P 50.00) for each day of such service.

PART 4. - DELIVERY OF ARTICLES

SEC. 1501. Delivery of Articles to Holder of Bill of Lading. - A Collector who makes a delivery of a shipment, upon the surrender of the bill of lading, to person who by the terms thereof appears to be the consignee or lawful holder of the bill shall not be liable on account of any defect in the bill or irregularity in its negotiation, unless he has notice of the same.

SEC. 1502. Delivery of Articles Without Production of Bill of Lading. - No Collector shall deliver imported articles to any person without the surrender by such person of the bill of lading covering said article, except on written order of the carrier or agent of the importing vessel or aircraft, in which case neither the Government nor the Collector shall be held liable for any damages arising from wrongful delivery of the articles: Provided, however, That where delivery of articles is made against such written order of the carrier or agent of the importing vessel or aircraft, the Collector may, for customs purposes, require the production of an exact copy of the bill of lading therefore.

SEC. 1503. Cash Deposit Upon Delivery of Unexamined Packages. - To effect immediate delivery of packages not ordered for examination, the Collector shall require a cash deposit, an irrevocable domestic letter of credit, bank guarantee or a bond, in an amount equivalent to one hundred per cent (100 %) of the duties, taxes, fees or other charges sufficient to safeguard the revenue.

If such cash deposit, irrevocable domestic letter of credit, bank guarantee or bond is not supplied, all the packages shall be held until the return is made and duties, taxes and other charges paid.

SEC. 1504. Delivery Upon Order of Importer. - An importer of record may authorize delivery to another person by writing upon the face of the warehouse withdrawal entry his orders to that effect. Such authority to deliver the article entered for warehousing in accordance with section nineteen hundred and four shall not relieve the importer and his cash deposit, irrevocable domestic letter of credit, bank guarantee or bond from liability for the payment of the duties, taxes and other charges due on the said article unless the person to whom the delivery was authorized to be made assumes such liability by complying with the requirements of above mentioned section.

SEC. 1505. Withholding Delivery Pending Satisfaction of Lien. - When the Collector is duly notified in writing of a lien for freight, lighterage or general average upon any imported articles in his custody, he shall withhold the delivery of the same until he is satisfied that the claim has been paid or secured.

In case of a disagreement, as to the amount due between the party filling the lien and the importer regarding the amount of the freight and lighterage based upon the quantity or weights of the articles imported, the Collector may deliver the articles upon payment of the freight and lighterage due on the quantity or weight actually landed as shown by the return of the proper official or by other means to his satisfaction.

SEC. 1506. Customs Expenses Constituting Charges on Articles. - All expenses incurred by the customs service for the handling or storage of articles and other necessary operations in connection therewith, or incident to its seizure, shall be charged against such articles, and shall constitute a lien upon it.

SEC. 1507. Fine or Surcharge on Articles. - No article which is liable for any fine or surcharge imposed under the tariff and customs laws shall be delivered until the same shall have been paid or secured by cash deposit, irrevocable domestic letter of credit, bank guarantee or bond.

SEC. 1508. Authority of the Collector of Customs to Hold the Delivery or Release of Imported Articles. - Whenever any importer, except the government, has an outstanding and demandable account with the Bureau of Customs, the Collector shall hold the delivery of any article imported or consigned to such importer unless subsequently authorized by the Commissioner of Customs, and upon notice as in seizure cases, he may sell such importation or any portion thereof to cover the outstanding account of such importer; Provided, however, That at any time prior to the sale, the delinquent importer may settle his obligations with the Bureau of Customs, in which case the aforesaid articles may be delivered upon payment of the corresponding duties and taxes and compliance with all other legal requirements.

PART 5. - LIQUIDATION OF DUTIES

Sec. 1601. Liquidation and Record of Entries. - If the Collector shall approve the returns of the appraiser and the report of the weights, gauge or quantity, the liquidation shall be made on the face of the entry showing the particulars thereof, initiated by the customs assessor, approved by the chief customs assessor, and recorded in the record of liquidations.

A daily record of all entries liquidated shall be posted in public corridor of the customhouse, 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 the entry. The daily record must also be kept by the collector of all additional duties, taxes and other charges found upon liquidation, and notice shall promptly be given to the interested parties.

SEC. 1602. Tentative Liquidation. - If to determine the exact amount due under the law in part some future action is required, the liquidation shall be deemed to be tentative as to the item or items affected and shall to that extent be subject to future and final readjustment and settlement within a six (6) months from date of tentative liquidation. The entry in such case shall be stamped liquidation."

SEC. 1603. Finality of Liquidation. When articles have been entered and passed free of duty or final adjustments of duties made, with subsequent delivery, such entry and passage free of duty or settlements of duties will, after the expiration of three (3) years from the date of the final payment of duties, in the absence of fraud or protest or compliance audit pursuant

to the provisions of this Code, be final and conclusive upon all parties, unless the liquidation of the import entry was merely tentative." (R.A. 9135, April 27, 2001)

SEC. 1604. Treatment of Fractions in the Liquidation. - In determining the total amount taxes, surcharges, and/or other charges to be paid on entries, a fraction of a peso less than fifty centavos shall be disregarded, and a fraction of a peso amounting to fifty centavos or more shall be considered as one peso. In case of overpayment or, underpayment of duties, taxes, surcharges and/or other charges entries, where the amount involved is less than ten pesos, no refund or collection shall be made.

PART 6. - ABATEMENTS AND REFUNDS

SEC. 1701. Abatement for Damage Incurred During Voyage. - Except as herein specially no abatement of duties shall be made on account of damage incurred or deterioration suffered d, voyage of importation; and duties will be assessed on the actual quantity imported, as shown by the return of weighers, gauges, measurers, examiners or appraisers, as the case may be.

SEC. 1702. Abatement or Refund of Duty on Missing Package. - When any package or p; appearing on the manifest or bill of lading are missing, an abatement or refund of the duty thereon a be made if it is certified, under penalties of falsification or perjury, by the importer or consignee, and upon production of proof satisfactory to the Collector that the package or packages in question have not been imported in to the Philippines contrary to law.

SEC, 1703. Abatement or Refund for Deficiency in Contents of Packages. - If, upon opening any package, a deficiency or absence of any article or of part of the contents thereof as called for by the shall be found to exist, such deficiency shall be certified, under penalties of falsification or perjury or perjury, to the Collector by the examiner and appraiser; and upon the production of proof satisfactory to the C showing that the shortage occurred before the arrival of the article in the Philippines, the proper rebatement or refund of the duty shall be made.

SEC, 1704. Abatement or Refund of Duties on Articles Lost or Destroyed After Arrival. - A C may abate or refund the amount of duties accruing or paid, and may likewise make a corresponding allowance on the irrevocable domestic letter of credit, bank guarantee, or the entry bond or other doc upon satisfactory proof of injury, destruction, or loss by theft, fire or other causes of any article as follow:

- a. While within the limits of any port of entry prior to unloading under customs supervisions;
- b. While remaining in customs custody after unloading;
- c. While in transit under irrevocable domestic letter of credit, bank guarantee or bond with formal entry in accordance with section one thousand three hundred two from the port of entry to any port in the Philippines;
- d. While released under irrevocable domestic letter of credit, bank guarantee or bond for export except in case of loss by theft.

SEC. 1705. Abatement of Duty on Dead or Injured Animals. - Where it is certified, under penalties falsification or perjury, and upon production of proof satisfactory to the Collector that an animal which is the subject of importation dies or suffers injury before arrival, or while in customs custody, the duty shall be correspondingly abated by him, provide the carcass of any dead animal remaining on board or in customs custody be removed in the manner required by the Collector and at the expense of the importer.,

SEC. 1706. Investigation Required in Case of Abatements and Refunds. - The Collector shall, in al; 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.

SEC. 1707. Correction of Errors. - Refund of Excess Payments. - Manifest clerical errors made in an invoice or entry, errors in return of weight, measure and gauge, when duly certified to, under penalties of falsification or perjury, by the surveyor or examining official (when there are such officials at the port), and errors in the distribution of charges on invoices not involving any question of law and certified to, under penalties of falsification or perjury, by the examining official, may be corrected in the computation of duties, if such errors be discovered before the payments of duties, or if discovered within one year after the final liquidation, upon written request and notice of error from the importer, or upon statement of error certified by the Collector.

For the purpose of correcting errors specified in the next preceding paragraph the Collector is authorized to reliquidate entries and collect additional charges, or to make refunds on statement of errors within the statutory time limit.

SEC. 1708. Claim for Refund of Duties and Taxes and Mode of Payment. - All claims for refund of duties shall be made in writing and forwarded to the Collector to whom such duties are paid, who upon receipt of such claim, shall verify the same by the records of his Office, and if found to be correct and in accordance with law, shall certify the same to the Commissioner with his recommendation together with all necessary papers and documents. Upon receipt by the Commissioner of such certified claim he shall cause the same to be paid if found correct.

If a result of the refund of customs duties there would necessarily result a corresponding refund of internal revenue taxes on the same importation, the Collector shall likewise certify the same to the Commissioner who shall cause the said taxes to be paid, refunded, or tax credited in favor of the importer, with advice to the Commissioner of Internal Revenue.

PART 7. - ABANDONMENT OF IMPORTED ARTICLES

SEC. 1801. Abandonment, Kinds and Effects of - 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; 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 (R.A. 7651, June 04, 1993).

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 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 shall be -punished with the penalties prescribed in Paragraph 1, Section 3604 of this Code (R.A. 7651, June 04, 1993).

SEC. 1803. Repealed by R.A. 7651, June 04, 1993.

TITLE V. - WAREHOUSING OF IMPORTED ARTICLES

PART 1. - WAREHOUSING IN GENERAL

SEC. 1901. Establishment and Supervision of Warehouses. - When the business c 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 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 an -stored therein.

SEC. 1902. Responsibility of Operators. - The operators of bonded warehouse in cast 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 article -s customs warehouse, sheds, yards or premises.

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 and the purpose for which the building is to be used.

Upon receipt of such application, the Collector shall cause an examination of the premises 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. 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 employees who shall be appointed in accordance with the Civil Service Law, rules and regulations.

SEC. 1904. Irrevocable Domestic Letter of Credit or Bank Guarantee or Warehousing Bond. Articles declared in the entry for warehousing shall have been examined and the duties, taxes and charges shall have been determined, the Collector shall require from the importer an irrevocable letter of credit, 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 of this Code and for payment of any duties, taxes and other charges to which the articles shall be the and upon compliance with all legal requirements regarding their importation.

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 private warehouse, upon receipt of request to that effect from the operator thereof of the premises, provided all the requirements of the regulations have been complied with by said operator. Where the dutiable article is stored in such premises, the same must be removed at the risk and expense of the operator and the premises shall be relinquished, nor shall the use be 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.

SEC. 1906. Entry of Articles for Warehousing. - The entry of articles for warehousing shall be required 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.

SEC. 1907. Withdrawal of Articles from Bonded Warehouse. Articles entered under irrevocable domestic letter of credit, 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 must 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.

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 one year from the time of arrival at the port of entry. Articles not withdrawn at the expiration of the prescribed period shall be sold at public auction by the Collector.

SEC. 1909. Charges of Storage in Bonded Warehouse. - The rates of storage in public or private bonded warehouses shall be subject to arrangement between the importer and the warehouse operator, but such rates shall not be in excess of the customary charges fixed by the Collector of the port for such warehouses.

PART 2. - BONDED MANUFACTURING AND SMELTING WAREHOUSE

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 manufacturing warehouses under such rules and regulations as the Commissioner of Customs with the approval of the Secretary 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.

SEC. 2002. Exemption from Duty. -

a. Whenever articles manufactured in any bonded manufacturing warehouse established under the provisions of the preceding section shall be exported directly therefrom or shall be duly laden for immediate exportation under the supervision of the proper official, such articles shall be exempt from duty.

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 sub - contractors of manufacturers who shall process the same into finished products for exports and deliver such finished products back to the bonded manufacturing warehouse, therefrom 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: Provided, however, 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 nine (9) 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 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: Provided, further, That the operation of embroidery and apparel firms shall continue to be governed by Republic Act Numbered Thirty -one hundred and thirty -seven,

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 under the supervision of the proper customs officer, 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, in the name of the vessel of aircraft: Provided, That the waste and by -products incident to the process 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: Provided, further, That all waste materials may be disposed under government supervision. All labor performed and services rendered under these provisions shall be under the supervision of officer and at the expense of the manufacturer.

SEC. 2004. Verification by the Commissioner. - A careful account shall be kept by articles delivered by him to any bonded manufacturing warehouse, and a sworn monthly return, verified by the customs officer In-charge, shall be made by the manufacturer containing a detailed statement of all the imported articles used by him in the manufacture of the exported articles.

All documents, books and records of accounts concerning the operation of any bonded manufacturing warehouse shall, upon demand, be made available to the Collector or his representative for examination and/or audit.

Before commencing business the operator of any bonded manufacturing warehouse shall file Commissioner a list of all the articles intended to be manufactured in such warehouse, and state the formula of manufacture and the names and quantities of the ingredients to be used therein.

SEC. 2005. Bonded Smelting Warehouses. - The plants of manufacturers engaged in smelting or refining, or both, of ores and crude metals, may, upon the filing of satisfactory bonds, be designated as bonded smelting warehouses. Ores or crude metals may be removed from the vessel or aircraft in which imported, or from the bonded warehouse, into a bonded smelting warehouse without the payment of duties thereon, and there smelted or refined, or both, together with ores or crude metals of home or foreign production: Provided, That the bonds shall be charged with a sum equal in amount to the regular duties which would have been payable on such ores and crude metals if entered for consumption at the importation, and the several charges against such bond shall be cancelled upon the exportation a bonded manufacturing warehouse established under section twenty hundred and one hereof a quantity of the same kind of metal equal to the quantity of metal producible from the smelting or refining, or dutiable metal contained in such ores or crude metals, due allowance being made of smelter ascertained from time to time by the Commissioner: Provide, further, That the said metals so producible or any portion thereof, may be withdrawn for domestic consumption or transferred to a bonded warehouse and withdrawn therefrom and the several charges against the bond cancelled upon the payment of the duties chargeable against an equivalent amount of ores or crude metals from which said metal would be in their condition as imported: Provided, further, That on the arrival of the ores or crude meta establishments they shall be sampled and assayed according to commercial methods under the S of proper government officials: Provided, further, That all labor performed and services rendered pursuant to this section shall be under the supervision of the proper customs official and at the expense of the manufacturer: Provided, further, That all regulations for carrying out the provisions of this section shall be prescribed by the Commissioner with the approval of the Department head: And Provided, finally several charges against the bond of any smelting warehouse established under the provisions of this section may be cancelled upon the exportation or transfer to a bonded manufacturing warehouse from bonded smelting warehouse established under this section of a quantity of the same kind of metal, of that covered by open bonds, equal to the amount of metal producible from the smelting or refining or both of the dutiable metal contained in the imported ores or crude metals, due allowance being made of the wastage as ascertained from time to time by the Commissioner with the approval of the department head.

PART 3. - TRANSPORTATION IN BOND

SEC. 2101. Entry for Immediate Transportation. - Articles entered for constructive warehouse immediate transportation under transit manifest to other ports of the Philippines without appraisal transported under irrevocable domestic letter of credit, bank guarantee or bond, upon proper examination consigned to the Collector at the port of destination, who will allow entry to be made at his port consignee.

Articles received at any port from another port of the Philippines on an entry for immediate transportation may be entered at the port of delivery either for consumption or warehousing.

SEC. 2102. Bonding of Carrier Transporting Articles Under the Preceding Section. - A carrier engaged in conveying imported articles under the preceding section from a port of importation to other shall give security in the nature of a general transportation bond, in a sum not less than ten thousand (P 10,000.00) conditioned that the carrier shall transport and deliver without delay, and in accordance with law and regulations, to the Collector at the port of destination all articles delivered to such carrier and that all proper charges and expenses incurred by the customs authorities or at their instance by reason of transshipments shall be duly paid.

SEC. 2103. Articles Entered for Immediate Exportation. - Where an intent to export the articles is shown by the bill of lading, invoice, manifest, or other satisfactory evidence, the whole or a part of a bill (no: less than one package) may be entered for immediate exportation under bond. The Collector shall designate the vessel or aircraft in which the articles are laden constructively as a warehouse to facilitate the direct transfer of the articles to the exporting vessel or aircraft.

Unless it shall appear by the bill of lading, invoice, manifest, or other satisfactory evidence, that articles arriving in the Philippines are destined for transshipment, no exportation thereof will be permitted except under entry for immediate exportation under irrevocable domestic letter of credit, bank guaranty or bond in an amount equal to the ascertained duties, taxes and other charges.

Upon the exportation of the articles, and the production of proof of landing of same beyond the limits of the Philippines, the irrevocable domestic letter of credit, bank guaranty or bond shall be released.

TITLE VI. - ADMINISTRATIVE AND JUDICIAL PROCEEDINGS.

PART 1. - SEARCH, SEIZURE AND ARREST

SEC. 2201. Trespass or Obstruction of Customs Premises. - No person other than those with legitimate business with, or employees of, the port or the Bureau of Customs shall be allowed to enter the customs premises without a written permission of the Collector. No person shall obstruct a customhouse, warehouse, office, wharf, street or other premises under the control of the Bureau of Customs, or in any approaches to that house or premises.

SEC. 2202. Special Surveillance for Protection of Customs Revenue and Prevention of Smuggling. In order to prevent smuggling and to secure the collection of the legal duties, taxes and other charges, the customs service shall exercise surveillance over the coast, beginning when a vessel or aircraft enters Philippine territory and concluding when the article imported therein has been legally passed through the customhouse: Provided, That

the function of the Philippine Coast Guard to prevent and suppress illegal entry, smuggling and other customs frauds and violations of the maritime law and its proper surveillance of vessels entering and/or leaving the Philippine territory as provided in section 3 (a) of Republic Act Numbered Fifty -one hundred and seventy -three shall continue to be in force and effect.

SEC, 2203. Persons Having Police Authority. - For the enforcement of the tariff and customs laws, the following persons are authorized to effect searches, seizures and arrests conformably with the provisions of said laws.

- a. Officials of the Bureau of Customs, district collectors, deputy collectors, police officers, agents, inspectors and guards of the Bureau of Customs;
- b. Officers of the Philippine Navy and other members of the Armed Forces of the Philippines and national law enforcement agencies when authorized by the Commissioner;
- c. Officials of the Bureau of Internal Revenue on all cases falling within the regular performance of their duties, when the payment of internal revenue taxes are involved;
- d. Officers generally empowered by law to effect arrests and execute processes of courts, when acting under the direction of the Collector.

In order to avoid conflicts, and insure coordination among these persons having authority to effect searches, seizures and arrests for the effective enforcement of, and conformably with tariff and customs laws, the Secretary of Finance, shall, subject to the approval of the President of the Philippines, define the scope, areas covered, procedures and conditions governing the exercise of such police authority including custody and responsibility for the goods seized. The rules and regulations to this effect shall be furnished to all the government agencies and personnel concerned for their guidance and compliance, and shall be published in a newspaper of general circulation.

SEC. 2204. Place Where Authority May be Exercised. - All persons conferred with powers in the preceding section may exercise the same at any place within the jurisdiction of the Bureau of Customs.

SEC. 2205. Exercise of Power of Seizure and Arrest. - It shall be within the official or person authorized as aforesaid, and it shall be his duty, to make seizure of any vessel, aircraft, cargo, article, animal or other movable property, when the same is subject to forfeiture imposed under tariff and customs laws, rules and regulations, such power to be exercise the law and the provisions of this Code: Provided, That the powers of the Fisheries C arrests, searches and seizures as provided in section four paragraphs "g" and "I" of Rep Thirty -five hundred and twelve, and the Philippine Coast Guard under Republic Act hundred and seventy -three shall continue to be in force and effect.

SEC. 2206. Duty of Officer or Official to Disclose Official Character. - It Shall person exercising authority as aforesaid, upon being questioned at the time of the exercise thereof, to make known his official character as an officer or official of the Government, and if his authority is derived from special authorization in writing to exhibit the same for inspection, if demanded.

SEC. 2207. Authority to Require Assistance. - Any person exercising police authority under the customs and tariff laws may demand assistance of any police officer when such assistance shall be necessary to effect any search, seizure or arrest which may be lawfully made or attempted c. the duty of any police officer upon whom such requisition is made to give such lawful assistance in the matter as may be required.

SEC. 2208. Right of Police Officer to Enter Inclosure. - For the more effective discharge of his official duties, any person exercising the powers herein conferred, may at any time enter, pass through, or search any land or inclosure or any warehouse, store or other building, not being a dwelling house.

A warehouse, store or other building or inclosure used for the keeping or storage of a become a dwelling house within the meaning hereof merely by reason of the fact that the person as watchman lives in the place, nor will the fact that his family stays there with him alter the case.

SEC. 2209. Search of Dwelling House. - A dwelling house may be entered and search only upon warrant issued by a Judge of the Court or such other responsible officers as may be authorize -sworn application showing probable cause and particularly describing the place to be searched a thing to be seized.

SEC. 2210. Right to Search Vessels or Aircrafts and Persons or Articles Conveyed Thebe lawful for any official or person exercising police authority under the provisions of this Code to go aboard any vessel or aircraft within the limits of any collection district, and to inspect, search and examine or aircraft and any trunk, package, box or envelope on board, and to search any person on bcc vessel or aircraft if under way, to use all necessary force to compel compliance; and if it shall appear that any breach or violation of the customs and tariff laws of the Philippines has been committed, whereby or in consequence of which such vessels or aircrafts, or the article, or any part thereof, on board of or imported by such vessel or aircraft, is liable to forfeiture to make seizure of the same or any part thereof.

The power of search hereinabove given, shall extend to the removal of any false bottom bulkhead or other obstruction, so far as may be necessary to enable the officer to discover W dutiable or, forfeitable articles may be concealed therein.

No proceeding herein shall give rise to any claim for the damage thereby caused to article or vessel or aircraft.

SEC. 2211. Right to Search Vehicles, Beasts and Persons. - It shall also be lawful for exercising authority as aforesaid to open and examine any box, trunk, envelope or other container, found when he has reasonable cause to suspect the presence therein of dutiable or prohibited article introduced into the Philippines contrary to law, and likewise to stop, search and examine any vehicle person reasonably suspected of holding or conveying such article as aforesaid.

SEC. 2212. Search of Persons Arriving From Foreign Countries. -All persons coming Philippines from foreign countries shall be liable to detention and search by the customs authorities under such regulations as may be prescribed relative thereto.

Female inspectors may be employed for the examination and search of persons of their own sex.

PART 2. - ADMINISTRATIVE PROCEEDINGS

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 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 whomsoever, 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 (R.A. 7651, June 04, 1993).

SEC. 2302. Report of Seizure to Commissioner and Chairman, Commission on Audit. - When a seizure is made for any cause, the Collector of the district wherein the seizures is effected shall immediately make report thereof to the Commissioner and Chairman of the Commission on Audit.

SEC. 2303. Notification~ to Owner or Importer. - The Collector shall give the owner or importer of the property or his agent a written notice of the seizure and shall give him an opportunity to be heard in reference to the delinquency which was the occasion of such seizure.

For the purpose of giving such notice and of all other proceedings in the matter of such seizure, the importer, consignee or person holding the bill of lading shall be deemed to be the "owner" of the article included in the bill.

For the same purpose, "agent" shall be deemed to include not only any agent in fact of the owner of the seized property but also any person having responsible possession of the property at the time of the seizure, if the owner or his agent in fact is unknown or cannot be reached.

SEC. 2304. Notification to Unknown Owner. - Notice to an unknown owner shall be effected by posting for fifteen days in the public corridor of the customhouse of the district in which the seizure was made, and, in the discretion of the Commissioner, by publication in a newspaper or by such other means as he shall consider desirable.

SEC. 2305. Description, Appraisal and Classification of Seized Property. - The Collector shall also cause a list and particular description and/or classification of the property seized to be prepared and an appraisement of the same, like, or similar article at its wholesale value in the local market in the usual wholesale quantities in the ordinary course of trade to be made by at least two appraising officials, if there are such officials at or near the place of seizure. In the absence of - those officials, then by two competent and disinterested citizens of the Philippines, to be selected by him for that purpose, residing at or near the place of

seizure, which list and appraisal shall be properly attested to by the Collector and the persons making the appraisal.

SEC. 2306. Proceedings in Case of Property Belonging to Unknown Parties. - If, within fifteen days after the notification prescribed in section twenty -three hundred and four of this Code, no owner or agent can be found or appears before the Collector, the latter shall declare the property forfeited to the government to be sold at auction in accordance with law.

SEC. 2307. Settlement of Case by Payment of Fine or Redemption of Forfeited Property. - Subject to approval of the Commissioner, the district collector may, while the case is still pending, except when there is fraud, accept the settlement of any seizure case provided that the owner, importer, exporter, or consignee or his agent shall offer to pay to the collector a fine imposed by him upon the property, or in case of forfeiture, the owner, exporter, importer or consignee or his agent shall offer to pay for the domestic market value of the seized article. The Commissioner may accept the settlement of any seizure case on appeal in the same manner.

Upon payment of the fine as determined by the district collector which shall be in amount not less than twenty per centum (20%) nor more than eighty per centum (80%) of the landed cost of the seized imported article or the F.O.B. value of the seized article for export, or payment of the domestic market value, the property shall be forthwith released and all liabilities which may or might attach to the property by virtue of the offence which was the occasion of the seizure and all liability which might have been incurred under any cash deposit or bond given by the owner or agent in respect to such property shall thereupon be deemed to be discharged.

Settlement of any seizure case by payment of the fine or redemption of forfeited property shall not be allowed in any case where the importation is absolutely prohibited or where the release of the property would be contrary to law.

SEC. 2308. Protest and Payment Upon Protest in Civil Matters. - When a ruling or decision of the Collector is made whereby liability for duties, taxes, fees or other charges are determined, except the fixing of fines in seizure cases, the partly adversely affected may protest such ruling or decision by present Collector at the time when payment of the amount claimed to be due the government is made, or wit, (15) days thereafter, a written protest setting forth his objection to the ruling or decision in question with the reason's therefore. No protest shall be considered unless payment of the amount due liquidation has first been made and the corresponding docket fee, as provided for in Section 3301.

SEC. 2309. Protest Exclusive Remedy in Protestable, Case. - In all cases subject to pr interested party who desires to have the action of the Collector reviewed, shall make a protest, other action of the Collector shall be final and conclusive against him, except as to matters collectible for error in the manner prescribed in section one thousand seven hundred and seven hereof.

SEC. 2310. Form and Scope of Protest. - Every protest shall be filed in accordance prescribed rules and regulations promulgated under this section and shall point out the particular de ruling, of the Collector to which exception is taken or objection made, and shall

indicate with re precision the particular ground or grounds upon which the protesting party bases his claim for relief.

The scope of a protest shall be limited to the subject matter of a single adjustment independent transaction, but any number of issue may be raised in a protest with reference to the particular item or items constituting the subject matter of the protest.

SEC. 2311. Samples to be Furnished by Protesting Parties. - If the nature of the articles permit, importers filing protests involving questions of fact must, upon demand, supply the Collector with samples of the articles which are the subject matter of the protest. Such samples shall be verified by the customs official who made the classification against which the protest are filed.

SEC. 2312. Decision or Action of Collector in Protest and Seizure Cases. - When a protest in proper form is presented in a case where protest is required, the Collector shall issue an order for hearing within fifteen (15) days from receipt of the protest and hear the matter thus presented. Upon the termination of the hearing, the Collector shall render a decision within thirty (30) days, and if the protest is sustained, in whole or in part, he shall make the appropriate order, the entry reliquidated necessary.

In seizure cases, the Collector, after a hearing shall in writing make a declaration of forfeiture amount of the fine or take such other action as may be proper.

SEC. 2313. Review of Commissioner. - The person aggrieved by the decision or Collector in any matter presented upon protest or by his action in any case of seizure may, within days after notification on writing by the Collector of his actions or decisions, 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 recc, proceedings to the Commissioner, who shall approve, modify or reverse the action or decision of t~~ 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 shag be deemed dismissed.

If in any seizure proceedings, 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 (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 receipts of the records of the case. If the Collector's~ is reversed by the Commissioner, the decision of the Commissioner shall be final and executory: K the Collector's decision is affirmed, or if within thirty (30) days from receipt of the record of the ca~ Commissioner no decision is rendered or the decision involves imported articles whose published value is five million pesos (P 5,000,000.00) 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 promulgation of the decision of the Commissioner or of the Collector under appeal, as the case may be, is affirmed by the Secretary of Finance, or within thirty (30) days from receipt 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 (R.A. 7651, June 04, 1993).

SEC. 2314. Notice of Decision of Commissioner. - Notice of the decision of the Commissioner shall be given to the party by whom the case was brought before him for review, and in seizure cases such notice shall be effected by personal service if practicable.

SEC. 2315. Supervisory Authority of Commissioner and Secretary of Finance in Certain Cases. - If any case involving the assessment of duties, the Collector renders a decision adverse to the Government, such decision shall be automatically elevated to, and reviewed by, the Commissioner; and if the Collector's decision would be affirmed by the Commissioner, such decision shall be automatically elevated to, and be finally reviewed by, the Secretary of Finance: Provided, however, That if within thirty (30) days from receipt of the record of the case by the Commissioner or by the Secretary of Finance, as the case may be, no decision is rendered by either of them, the decision under review shall be final and executory: Provided, further, That any party aggrieved by either the decision of the Commissioner or of the Secretary of Finance may appeal to the Court of Tax Appeals within thirty (30) days from receipt of a copy of such decision. For this purpose, Republic Act numbered eleven hundred and twenty-five is hereby amended accordingly.

Except as provided in the preceding paragraph, the supervisory authority of the Secretary of Finance over the Bureau of Customs shall not extend to the administrative review of the ruling or decision of the Commissioner in matters appealed to the Court of Tax Appeals.

SEC. 2316. Authority of Commissioner to make Compromise. - Subject to the approval of the Secretary of Finance, the Commissioner of Customs may compromise any case arising under this Code or other laws or part of laws enforced by the Bureau of Customs involving the imposition of fines, surcharges and forfeitures unless otherwise specified by law.

SEC. 2317. Government's Right of Compulsory Acquisition. - In order to protect government revenues against the undervaluation of goods subject to ad valorem duty, the Commissioner of Customs may acquire imported goods under question for a price equal to their declared 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.

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.

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.

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." (R.A. 9135, April 27, 2001)

PART 3. - JUDICIAL PROCEEDINGS

SEC. 2401. 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." (R.A. 9135, April 27, 2001)

SEC. 2402. Review by Court of Tax Appeals. - The party aggrieved by the ruling of the Commissioner in any matter brought before him upon protest or by his action or ruling in any case of seizure may appeal to the Court of Tax Appeals, in the manner and within the period prescribed by law and regulations.

Unless an appeal is made to the Court of Tax Appeals in the manner and within the period prescribe by laws and regulations, the action or ruling of the Commissioner shall be final and conclusive.

PART 4. - SURCHARGES, FEES AND FORFEITURES

SEC. 2501. Failure to Pay Liquidated Charges. - For failure to pay the amount of liquidated duties taxes and other charges of a liquidation within ten (10) working days after the notice of liquidation shall have been publicly posted in the customhouse, surcharge of ten percent (10%) of the total amount or balance found upon liquidation shall be added thereto and collected therewith, which surcharge shall be increased to twenty-five percent (25%) if the delinquency lasts for more than one year.

SEC. 2501 -A. Unauthorized Withdrawal of Imported Articles From Bonded Warehouse. - Upon any unauthorized withdrawal of imported articles stored in a custom bonded warehouse, a surcharge of fifty percent (50%) of duties, taxes, custom fees and charges, found to be due and unpaid, shall be added thereto and collected. The surcharge shall be increased by twenty-five percent (25%) annually taxes if the delinquency lasts for more than one year.

SEC. 2502. - Repealed by P.D. 1679. March 6. 1980.

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 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 of 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: Provide, further, That any misdeclaration or undeclared imported article/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 penal provision under Section 3602 of this Code (R.A. 7651, June 04, 1993).

SEC. 2504. Failure or Refusal of Party to Give Evidence or Submit Documents for Examination. When the owner, importer or consignee of any imported articles, or the agent of either, fails or refuses, upon lawful demand in writing by any customs official to appear, make oath or submit himself to examination or to answer any material question or refuses to produce records, accounts or invoices in his possession pertaining to the value, classification or disposition of the article in question and deemed material in appraising the same, the Collector shall assess a surcharge of twenty percentum ad valorem on the article which is the subject of the importation.

SEC. 2505. Failure to Declare Baggage. - Whenever any dutiable article is found in the baggage of any person arriving in the Philippines which is not included in the baggage declaration, such article shall be seized and the person in whose baggage it is found may obtain release of such article, if not imported contrary to any law upon payment of treble and appraised value of such article plus all duties, taxes and other charges due thereon unless it shall be established to the satisfaction of the Collector that the failure to mention or declare such dutiable article was without fraud.

Nothing in this section shall preclude the bringing of criminal action against the offender.

SEC. 2506. Breach of Bond. - Upon breach of bond required to be filed under the tariff and customs laws, the Collector subject to the approval of the Commissioner may accept in satisfaction thereof a smaller sum than that mentioned in the penalty clause of the bond, but in no case less than the amount necessary to indemnify the Government for the damage occasioned by such breach.

SEC. 2513. Vessel or Aircraft Departing Before Entry Made. - Any vessel or aircraft arriving within the limits of a collection district from a foreign port which departs before the entry is made, without being compelled to do so by stress of weather, pursuit or duress of enemies, or other necessity, shall be fined in the sum not exceeding five thousand pesos.

SEC. 2514. Obstruction to Boarding Official. - If the master or pilot in command or any member of the complement of any vessel or aircraft arriving at the Philippine port obstructs or hinders any official from lawfully going on board such vessel or aircraft for the purpose of enforcing the customs and tariff laws, or intentionally causes any such official to be so obstructed or hindered, the vessel or aircraft shall be fined in a sum not exceeding five thousand pesos.

SEC. 2515. Unlawful Boarding or Leaving of Vessel or Aircraft. - If upon arrival at the Philippine port, any master of a vessel or pilot in command of an aircraft engaged in a

foreign trade permits any person to board or leave the vessel or aircraft without the permission of the customs official in charge, such vessel or aircraft shall be fined In a sum not exceeding five thousand pesos.

SEC. 2516. Failure to Deliver or Receive Mail. - if the master of a vessel or the pilot in command of an aircraft arriving at the Philippine port fails or refuses to deliver to the postmaster of the nearest post office, as required by law or contract, all mail matters on board such vessel or aircraft and destined for the particular port, the vessel or aircraft shall be fined in a sum not exceeding one thousand pesos.

When any vessel or aircraft which is required by law or contract to carry mail matter departs from a port or place where mail should be received, without giving the postmaster or other postal official a reasonable opportunity to deliver to the vessel or aircraft or its proper officer or agent, any mail matter addressed to or destined for the port or place to which the vessel or aircraft is bound, such vessel or aircraft shall be fined in a sum not exceeding one thousand pesos.

SEC. 2517. Unlading of Cargo Before Arrival at Port of Destination. - If, upon the arrival within the limits of any collection district of the Philippines of any vessel or aircraft engaged in foreign trade, the master or pilot in command thereof permits any part of the cargo to be unladen before her arrival at her port of destination, and without authority from a proper customs official, such vessel or aircraft shall be fined a sum not less than thirty thousand pesos (P 30,000.00) but not exceeding one hundred thousand pesos (P 100,000.00), provided that no fine shall accude, upon satisfactory proof to the proper collector that the unlading was rendered necessary by stress of weather, accident or other necessity.

SEC. 2518. Unlading of Cargo at Improper Time or Place After Arrival. - Any vessel or aircraft, which after arrival at her port of destination in the Philippines, discharges cargo at any time or place other than that designated by the Collector shall be fined in a sum not less than thirty thousand pesos (P 30,000.00) and not exceeding one hundred thousand pesos (P 100,000.00), provided that no fine shall accrue upon satisfactory proof to the proper collector that the unlading was rendered necessary by stress of weather, accident or other necessity.

SEC. 2519. Failure to Exhibit or Deposit Documents. - When the master of a vessel or pilot in command of an aircraft engaged in foreign trade fails to exhibit to the Collector at the time of entry of his vessel or aircraft the register or other paper in lieu thereof, together with the clearance and other papers granted by the customs officials to his vessel or aircraft at the last foreign port of departure, or fails to exhibit any certificate or other documents required to be then exhibited, such vessel or aircraft shall be fined in a sum not exceeding five thousand pesos.

Such vessel shall be liable for the payment of the aforesaid fine if the master, within forty eight hours, after arrival, shall fail to deliver to the proper consular officer of his nation such document as are required by law to be deposited with him, or, if after having made such deposit, the master shall fail to produce to the Collector the required evidence that the same has been effected.

SEC. 2520. Bringing of Unmanifested Arms, Explosives or War Equipment. - Any vessel or aircraft arriving at a port in the Philippines having firearms, gunpowder, cartridges, dynamite

or any other explosives, munitions or equipment of war concealed on board the vessel or not contained in the manifest of the vessel or aircraft, shall be fined a sum of not less than thirty thousand pesos (P 30,000.00) but not exceeding one hundred thousand pesos (P 100,000.00).

SEC. 2521. Failure to Supply Requisite Manifests. - If any vessel or aircraft enters or departs from port of entry without submitting the proper manifests to the customs authorities, or shall enter or depart conveying unmanifested cargo other than as stated in the next proceeding section hereof, such vessel aircraft shall be fined in a sum not less than ten thousand pesos (P 10,000.00) but not exceeding thirty thousand pesos (P 30,000.00).

The same fine shall be imposed upon any arriving or departing vessel or aircraft If the master or pilot in command shall fail to deliver or mail to the Commission on Audit a true copy of the manifest of the incoming or outgoing cargo, as required by law.

SEC. 2522 - Disappearance of Manifested Article. – When any package or article mentioned in the manifest shall not be duly forthcoming upon the arrival of the vessel or aircraft shall be fined in a sum not exceeding two thousand pesos (P 2,000.00).unless the disappearance of the package or article in question was not due to the negligence of the master of the vessel or pilot in command of an aircraft and explained to the satisfaction of the Collector.

The vessel or aircraft shall be liable for the payment of the same fine when a package or article listed in the manifest does not tally materially in character or otherwise with the description thereof in the manifest.

SEC. 2523. Discrepancy Between Actual and Declared Weight of Manifested Article. - If the gross weight of any article or package described in the manifest exceeds by more than twenty (20) percentum the gross weight as declared in the manifest or bill of lading thereof, and the Collector shall be of the opinion that such discrepancy was due to the carelessness or incompetency of the master or pilot in command, owner or employee of the vessel or aircraft, a fine of not more than fifteen (15) percentum of the value of the package or article in respect to which the deficiency exists, may be imposed upon the importing vessel or aircraft.

SEC. 2524. Delivery of Cargo Not Agreeing with the Master's or Pilot's in Command Report. – When a vessel or aircraft arriving from a foreign port is compelled by necessity to put into another port than the port of her destination and permission is granted by the Collector for the unloading of the vessel or aircraft or the delivery of any part of her cargo and it shall be found that the delivery of the cargo does not agree with the master's or the pilot's in command report, and the discrepancy is not satisfactorily explained, the vessel or aircraft shall be fined in a sum not exceeding five thousand pesos.

SEC. 2525. Breaking of Seal Placed by Customs Officials. – If any seal placed by a customs official upon any vessel or aircraft or compartment thereof, or upon any box, trunk or other package of article on board any vessel or aircraft shall be fined a sum not exceeding ten thousand pesos (P 10,000.00) for each seal so broken or destroyed.

SEC. 2526. Breaking of Lock or Fastening Placed by Customs Officials. - If any lock or other fastening device placed by a customs official upon any hatch door, or other means of communication with the hold of a vessel or aircraft, or other part thereof, for the security of the same during the night time, shall be unlawfully opened, broken or removed, or if any of

the articles contained in the hold or in the other compartments so secured shall be clandestinely abstracted and landed, the vessel or aircraft shall be fined in a sum not exceeding ten thousand (P 10,000.00) pesos.

SEC. 2527. Disappearance of Trunk or Package Specially Noted by Customs Official. - When any box, trunk or other package of article is found by a customs official on any incoming vessel or aircraft separate from the rest of the cargo or in any unusual or improper place on such vessel or aircraft and the same shall be noted by him, with proper description, and the attention of the master or pilot in command or other responsible officer of the vessel or aircraft is called thereto, the vessel or aircraft shall be fined in a sum not exceeding ten thousand pesos (P 10,000.00) for every such package which may subsequently be missing and unaccounted for upon the arrival of the vessel or aircraft at the port of entry.

SEC. 2528. False Statement of Vessel's or Aircraft's Destination. - When the master or pilot in command of a vessel or aircraft laden with articles shall make a false statement as to the next destination of such vessel or aircraft when information concerning the same is required of him by a customs official, such vessel or aircraft shall be fined in a sum not exceeding ten thousand pesos (P 10,000.00); and the circumstances that a vessel or aircraft after clearing for a certain port of destination goes to some other port, not being impelled to do so by necessity, shall be prima facie proof that the original statement of the vessel's or aircraft's actual destination was false.

SEC. 2529. Other Offences. - A vessel shall be fined in an amount hereafter fixed for:

1. Anchoring at any dock, pier, wharf, quay, or bulkhead without rat guards, two hundred pesos (P 200.00) for coastwise vessels, and one thousand pesos (P 1,000.00) for overseas vessels;
2. Dumping garbage or slops over the sides within three miles from the nearest coastline, one thousand pesos (P 1,000.00);
3. Dumping or causing to spread crude oil, kerosene or gasoline in the bay or at the piers within three miles from the nearest coastline, one thousand pesos (P 1,000.00) for each offence;
4. Loading gasoline at a place other than that designated by the regulations, one thousand pesos (P 1,000.00) for each offence;
5. Causing the emission and spread of harmful gas, fumes and chemicals, five thousand pesos (P 5,000.00) for each offence.

SEC. 2530. Property Subject to Forfeiture Under Tariff and Customs Laws. - Any vehicle, vessel or aircraft, cargo, article and other objects shall, under the following conditions be subjected to forfeiture:

- a. Any vehicle, vessel or aircraft, including cargo, which shall be used unlawfully in the importation or exportation of articles or in conveying and/or transporting contraband or smuggled articles in commercial quantities into or from any Philippine port or place. The mere carrying or holding on board of contraband or smuggled articles in commercial quantities shall subject such vessel, vehicle, aircraft, or any other craft to forfeiture:

Provided, That the vessel, or aircraft or any other craft is not used as duly authorized common carrier and as such a carrier it is not chartered or leased;

b. Any vessel engaging in the coastwise which shall have on board any article of foreign growth, produce, or manufacture in excess of the amount necessary for sea stores, without such article having been properly entered or legally imported;

c. Any vessel or aircraft into which shall be transferred cargo unladen contrary to law prior to the arrival of the importing vessel or aircraft at her port of destination;

d. Any part of the cargo, stores or supplies of a vessel or aircraft arriving from a foreign port which is unladen before arrival at the vessel's or aircraft's port of destination and without authority from the customs officials; but such cargo, ship or aircraft stores and supplies shall not be forfeited if such unloading was due to accident, stress of weather or other necessity and is subsequently approved by the Collector;

e. Any article which is fraudulently concealed in or removed contrary to law from any public or private warehouse, container yard or container freight station under customs supervision;

f. Any article the importation or exportation of which is effected or attempted contrary to law, or any article of prohibited importation or exportation, and all other articles which, in the opinion of the Collector, have been used, are or were entered to be used as instruments in the importation or the exportation of the former;

g. Unmanifested article found on any vessel or aircraft if manifest therefore is required;

h. Sea stores or aircraft stores adjudged by the Collector to be excessive, when the duties assessed by the Collector thereon are not paid or secured forthwith upon assessment of the same,

i. Any package of imported article which is found by the examining official to contain any article not specified in the invoice or entry, including all other packages purportedly containing imported articles similar to those declared in the invoice or entry to be. the contents of the misdeclared package; Provided, That the Collector is of the opinion that the misdeclaration was contrary to law;

j. Boxes, cases, trunks, envelopes and other containers of whatever character used as receptacle or as device to conceal article which is itself subject to forfeiture under the tariff and customs laws or which is so designed as to conceal the character of such articles;

k. Any conveyance actually being used for the transport of articles subject to forfeiture under the tariff and customs laws, with its equipage or trappings, and any vehicle similarly used, together with its equipage and appurtenances including the beast steam or other motive power drawing or propelling the same. The mere conveyance of contraband or smuggled articles by such beast or vehicle shall be sufficient cause for the outright seizure and confiscation of such beast or vehicle but the forfeiture shall not be effected if it is established that the owner of the means of conveyance used as aforesaid, is engaged as

common carrier and not chartered or leased, or his agent in charge thereof at the time, has no knowledge of the unlawful act;

1. Any article sought to be imported or exported

(1) Without going through a customhouse, whether the act was consummated, frustrated or attempted;

(2) By failure to mention to a customs official, articles found in the baggage of a person arriving from abroad;

(3) On the strength of a false declaration or affidavit executed by the owner, importer, exporter or consignee concerning the importation of such article;

(4) On the strength of a false invoice or other document executed by the owner, importer, exporter or consignee concerning the importation or exportation of such article; and

(5) Through any other practice or device contrary to law by means of which such articles was entered through a customhouse to the prejudice of the government.

SEC. 2531. Properties Not Subject to Forfeiture in the Absence of Prima Facie Evidence. – The forfeiture of the vehicle, vessel, or aircraft shall not be effected if it is established that the owner thereof or his agent in charge of the means of conveyance used as aforesaid has no knowledge of or participation in the unlawful act: Provided, however, That a prima facie presumption shall exist against the vessel, vehicle or aircraft under any of the following circumstances:

1. If the conveyance has been used for smuggling at least twice before;

2. If the owner is not in the business for which the conveyance is generally used; and

3. If the owner is not financially in a position to own such conveyance.

SEC. 2532. Conditions Affecting Forfeiture of Article. - As regards imported or exported article or articles whereof the importation or exportation is merely attempted, the forfeiture shall be effected only when and while the article is in the custody or within the jurisdiction of the customs authorities or in the hands or subject to the control of the importer, exporter, original owner, consignee, agent of other person effecting the importation, entry or exportation in question, or in the hands or subject to the control of some persons who shall receive, conceal, buy, sell or transport the same or aid in any such acts, with knowledge that the article was imported, or was the subject of an attempt at importation or exportation, contrary to law.

SEC. 2533. Enforcement of Lien, Administrative Fines, and Forfeitures. - Administrative fines and forfeitures shall be enforced by the seizure of the vehicle, vessel or aircraft or other property subject to the fine or forfeiture and by subsequent proceedings in conformity with the provisions of Parts 2 and 3, Title VI, Book 11, of this Code. For the purpose of enforcing the lien for customs duties, fees and other charges on any seized or confiscated

article in the custody of the Bureau of Internal Revenue., the Bureau of Internal Revenue is hereby authorized to impose and enforce the said lien.

SEC. 2534. Seizure of Vessel or Aircraft for Delinquency of Owner or Officer. - When the owner, .agent, master, pilot in command or other responsible officer of any vessel or aircraft becomes liable to be fined under the tariff and customs laws on account of a delinquency in the discharge of a duty imposed upon him with reference to the said vessel or aircraft, the vessel or aircraft itself may be seized and subjected in an administrative proceeding for the satisfaction of the fine for which such person would have been liable.

SEC. 2535. Burden of Proof in Seizure and/or Forfeiture. - In all proceedings taken for the seizure and/or forfeiture of any vessel, vehicle, aircraft, beast or articles under the provisions of the tariff and customs laws, the burden of proof shall lie upon the claimant: Provided, That probable cause shall be first shown for the institution of such proceedings and that seizure and/or forfeiture was made under the circumstances and in the manner described in the preceding sections of this Code.

SEC. 2536. Seizure of Other Articles. - The Commissioner of Customs and Collector of Customs any other customs officer, with the prior authorization in writing by the Commissioner, may demand evidence of payment of duties and taxes on foreign articles openly offered for sale or kept in storage, and if no such evidence can be produced, such articles may be seized and subjected to forfeiture proceedings: , however, That during such proceedings the person or entity for whom such articles have been shall be given the opportunity to prove or show the source of such articles and the payment of duties and taxes thereon.

PART 5. - DISPOSITION OF PROPERTY IN CUSTOMS CUSTODY

SEC. 2601. Property Subject to Sale. - Property iii 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 described 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 (R.A. 7651, June 04,1993).

SEC. 2602. Place of Sale or Other Disposition of Property. - Property within the purview of this Part of this Code shall be sold, or otherwise disposed of, upon the order of the Collector of the port where the property in question is found, unless the Commissioner shall direct its conveyance for such purpose to some other port.

SEC. 2603. Mode of Sale. - In the absence of any special provision, subject to the provisions of on 2601 above provided, property subject to sale by the customs authorities shall be sold at public on within thirty (30) days after ten (10) days notice of such sale shall have been conspicuously posted at port and such other advertisement as may appear to the Collector to be advisable in the particular case.

SEC. 2604. Disqualification to Participate in Auction Sale. - No customs official or employee shall be ed to bid directly or indirectly, in any customs action.

SEC. 2605. Disposition of Proceeds. - The following charges shall be paid from the proceeds of the in the order named:

- a. Expenses of appraisal, advertisement of sale.
- b. Duties except in the case of abandoned and forfeited articles.
- c. Taxes and other charges due the Government.
- d. Government storage charges.
- e. Arrastre and private storage charges.
- f. Freight, lighterage or general average, on the voyage of importation, of which due notice shall have been given to the Collector.

SEC. 2606. Disposition of Surplus from the Proceeds of Sale of Abandoned or Forfeited or Acquired Articles. - Except in the case of the sale of abandoned or forfeited articles, and articles which are not claimed by payment of duties, taxes and other charges and compliance with all legal requirements within prescribed period, any surplus remaining after the satisfaction of all unlawful charges as aforesaid shall retained by the Collector for ten (10) days subject to the call of the owner.

Upon failure of the owner to claim such surplus within this period, the Collector shall deposit such amount in a special trust fund which shall be used solely for the purpose of financing the compu1scacquisition of imported goods by the government as provided in Section 2317 hereof.

In all such cases the Collector shall report fully his action in the matter, together with all the particulars the Commissioner and to the Chairman on Audit After one year, the unused amounts in such special trust funds, except for an amount necessary to finance forced government acquisitions before the first auction . the succeeding year, shall be turned over to the Bureau of Treasury as customs receipts." (R.A. 9135, April 27, 2001)

SEC. 2607. Disposition of Articles Liable to Deterioration. - Perishable articles shall be deposited any appropriate bonded warehouse; and, if not immediately entered for export or transportation from the vessel or aircraft in which imported or entered for consumption and the duties and taxes paid thereon, such articles may be sold at auction, after such public notice, not exceeding three days, as the necessities of the case permit.

When seizure shall be made of property which, in the opinion of the Collector, is liable to perish or be wasted or to depreciate greatly in value by keeping or which cannot be kept without great disproportionate expense, whether such property consists of live animals or of any article, the appraiser shall so certify in his appraisal, then the Collector may proceed to advertise and sell the same at auction, upon notice as he shall deem to be reasonable.

The same disposition may be made of any warehoused articles when the opinion of the Collector it is likely that the cost of depreciation, damage, leakage, or other causes, may so reduce its value as to be insufficient to pay the duties, taxes and other charges due thereon, if should be permitted to be so kept and be subjected to sale in the usual course..

SEC. 2608. Disposition of Articles Unfit for Use or Sale or Injurious to Public Health. - When any article, which in the opinion of the Collector, is a menace to public health, is seized or otherwise comes into the custody of the Bureau of Customs, the Collector of the port shall, if the matter is not disposable under the provisions relating to food and drugs, appoint a board of three members to examine the article. Whenever possible, one member shall be a representative of the Department of Health or of local health officer, and the two others shall be responsible officials of the Bureau of Customs at loom one of whom shall be an appraiser. Such board shall examine said article, and if the same is found a be unfit or a menace to the public health, the board shall so report in writing to the Collector, who shall! kn9nWh aide its destruction in such manner as the case may require.

Health authorities at port of entry shall collaborate with the collectors in such matters with reasonable dispatch.

SEC. 2609. Disposition of Contraband. - Article of prohibited importation or exportation, known as contraband, shall, in the absence of special provision, be dealt with as follows:

- a. Dynamite, gunpowder, ammunition and other explosives, firearms and weapons of war and parts thereof, shall be turned over to the Armed Forces of the Philippines;
- b. If the article in question is highly dangerous to be kept or handled, it shall forthwith be destroyed;
- c. Contraband coin or bullion, foreign currencies and negotiable instruments shall accrue to the Stabilization Fund of the Central Bank subject to the payment of the expenses incident to seizure, including the reward to the informer, if any;
- d. Other contraband of commercial value and capable of legitimate use may be sold under such restrictions as will insure its use for legitimate purposes only; but if the thing is unfit for use or the Collector is of the opinion that, if sold, it would be used for unlawful purposes, it shall be destroyed in such manner as the Collector shall direct.

SEC. 2610. Disposition of Unsold Articles for Want of Bidders. - Articles subject to sale at public auction by Customs authorities shall be sold at a price not less than the wholesale value or price in the domestic market of these or similar articles in the usual wholesale quantities and in the ordinary course of trade as determined in accordance with section twenty-three hundred and five of this Code.

When any article remains unsold in at WW two public biddings for want of bidders or for the lack of an acceptable bid, and the article is perishable and/or suitable for official use, then the Collector shall report the matter immediately to the Commissioner of Customs who may, subject to the approval of the Secretary of Finance, authorize the official use of that article by the Bureau of Customs to promote the intensive collection of taxes and/or to help prevent or suppress smuggling and other frauds upon the Customs, and if the article is not suitable for such use, then it may be channeled to the official use of other offices of the National Government. If the article is suitable for shelter or consists of foodstuffs, clothing materials or medicines then that article shall be given to government charitable institutions through the Department of Social Services and Development.

If the article offered for sale is not suitable either for official use or charity, then the same may be reexported as government property through the Department of Trade or any other government entity through barter or sale. If the article cannot be disposed of as provided above, the Collector shall report the matter immediately to the Commissioner who may, subject to the approval of the Secretary of Finance, dispose of the article to the best advantage of the government in a negotiated private sale which shall be consummated in the presence of a representative of the Commission on Audit, in the manner provided for by this Code.

SEC. 2611. Treatment of Dangerous Explosives. - Gunpowder or other dangerous or explosive substances, including firecrackers, shall not be deposited in a bonded warehouse, and when not entered for immediate use, transportation or export, shall be subject to such disposition, in the discretion of the Commissioner of Customs, consistent with public safety.

Expenses incurred in such disposition shall constitute a lien on the articles and a charge against the owner.

SEC. 2612. Disposition of Smuggled Articles. - Smuggled articles, after liability to seizure or forfeiture shall have been established by proper administrative or judicial proceedings in conformity with the provisions of this Code, shall be disposed of as provided for in section twenty -six hundred and ten: Provided, That articles whose importation is prohibited under Section One Hundred Two sub -paragraphs b, c, d, e and j shall, upon order to the Collector in writing, be burned or destroyed, in such manner as the case may require as to render them absolutely worthless, in the presence of a representative each from the Commission on Audit, Ministry of Justice, Bureau of Customs, and if possible, any representative of the private sector,

PART 6. - FEES AND CHARGES

SEC. 3301. Customs Fees and Charges. - For services rendered and documents issued by the Bureau of Customs, the following fees shall be charged and collected, by affixing documentary customs stamps in the correct amount upon the document or any other paper which is the subject of the charge and by the cancellation of such stamps in the manner prescribed by the Commissioner, and no such document or any other paper shall be issued or granted by any customs official until the correct amount of stamps shall have been affixed and cancelled: Provided, however, That fees of twenty pesos or over may be paid in cash.

For each amendment allowed to a foreign inward manifest

P 30.00

For each permit to others than passengers to take cigars aboard ship, per thousand cigars
30.00

For each permit (to other than passengers) to take cigarettes aboard ship, per thousand
cigarettes, 30.00

For each original import or export entry exceeding fifty pesos in value, 30.00

For each entry for immediate transportation in bond, 30.00

For each original internal revenue entry, 30.00

For each original withdrawal entry from any bonded warehouse, 30.00

For each bond accepted or renewed, 30.00

For each approval of application in respect to transaction covered by general bond,
30.00

For every formal protest filed before the Collector of Customs, 50.00

For each appeal in protest and seizure cases, 50.00

For each -certificate not hereinabove specified, exclusive of such are made in the course of
routine administration in the bureau which do not subserve any special pecuniary interest of
the party concerned therein, 30.00

SEC. 3302. Other Charges. -When any article is sold or any service rendered by the Bureau
o Customs in any matter for which a charge may be collected legally, no fee therefore
having been fixed by law such charge shall be on such amount as may from time to time be
fixed by regulations or order of the Commissioner and approved by the Department of
Finance, and the payment of such charge may be made by affixing and canceling the
documentary customs stamps.

SEC. 3303. Effect of Failure to Affix Stamp upon Document. - No document or any other
paper upon which no documentary customs stamps have been affixed and cancelled shall
be received or recognized b~ any customs officials.

SEC. 3304. General Provision on the Authority to Increase or Decrease Fees and Charges.
- The rates of the fees and charges in all ports in the Philippines shag be those now
provided for under section thirty -three hundred and one of this Code: Provided. however.
That the Secretary of Finance may, upon recommendation of the Commissioner of Customs,
increase or decrease the said fees, dues and charges collectible by the Bureau of Customs
to protect the interest of the Government.

TITLE VI - GENERAL PROVIISIONIS

PART 1. - CUSTOMS BROKERS

SEC. 3401. Qualifications of Applicants for Customs Broker's Certificate. - All applicants for customs broker's certificates shall pass a written examination for the purpose.

Applicants for admission to the said examination shall have the following qualifications:

- (a) At least 21 years of age;
- (b) A citizen of the Philippines;
- (c) Of good moral character; and
- (d) Has completed at least four -year -collegiate course, where he has creditably taken at least eighteen (18) academic units in tariff and customs and/or taxation, and applicant may be allowed to take the examination provided that for every deficiency of three (3) academic units in tariff and customs and/or taxation shall be substituted by at least three (3) months of actual experience in customs brokerage and/or customs and tariff matters: Provided, That said experience shall be duly certified by the employer or employers of the applicant

No corporation, association or partnership shall engage in the customs brokerage business unless at least two (2) of the officers of such corporation or association, or at least two (2) of the members of such partnership have such certificate.

No certificate as customs broker shall be granted to any person who has been convicted of a crime involving moral turpitude.

SEC. 3402. Examination by the Board of Examiners for Customs Brokers. - Examinations for customs broker shall be given by the Board of Examiners for customs broker under the supervision of the Civil Service Commission. Application for admission to such examination - shall be filed with the Civil Service Commission.

Examination for customs brokers shall be given once every two (2) years or oftener as the need therefore arises which fact shall be certified by the Commissioner of Customs and shall be confined to subjects with which such brokers are required to be conversant, including knowledge of customs and tariff laws and regulations, and of other laws and regulations the enforcement of which is the concern of the Bureau of Customs.

The board shall submit within one hundred twenty (120) days after the date of examination the ratings obtained by each candidate to the Commissioner of Civil Service who shall submit such ratings to the President of the Philippines for release.

A general average of seventy -five per cent (75%) shall be the passing grade for this examination: Provided, That the examinee shall not have obtained a grade of less than sixty per cent (60%) in any of the examination subjects.

This customs brokers' examination shall be considered as equivalent to the first grade regular examination given by the Civil Service Commission for purposes of appointment to positions in the classified the duties of which involve knowledge of customs and tariff

matters. The examination and registration fees shall be subject to Republic Act Numbered four hundred and sixty -five.

SEC. 3403. The Board of Examiners. - The board of Examiners for Customs Brokers shall be composed of the Commissioner of Customs, as ex -officio chairman, the Tariff Commissioner and three (3) others members who shall be appointed by the President upon the recommendation of the Commissioner of Civil Service. The three (3) members of the Board shall be holders of customs brokers' certificate and shall hold office for a term of two (2) years: Provided, That the term of any incumbent shall not be affected thereby. Vacancies in the Board shall be filled for the expired term.

SEC. 3404. Compensation of Members of the Board. - The chairman and members of the board shall receive a compensation of ten pesos (P10.00) for each candidate examined.

SEC. 3405. Fees. - (a) Each applicant for examination shall pay a fee as provided for in Republic Act Numbered four hundred and sixty -five, as amended, which shall be paid to the Civil Service Commission. (b) Each successful candidate shall be issued a certificate as customs broker upon payment of a fee of fifty pesos P50.00) to the Civil Service Commission.

SEC. 3406. Annual License Fee. - Any person who is a holder of a customs broker's certificate, desiring to establish a customs brokerage business at any port in the Philippines shall apply for an annual cense from the Collector of the port concerned.

No such license shall be issued unless the applicant pays the required annual license fee of one hundred pesos (P100) and files the required bonds for customs brokers. Whenever it shall appear that a bond given by a customs broker is inadequate, the Collector shall require additional or substitute bond to be 'led. The additional or substitute bond shall be furnished by the broker within ten (10) days after demand, otherwise his permit shall be suspended or revoked as circumstances may warrant. The bonds posted by the customs broker may be personal bonds guaranteed by at least two (2) sureties satisfactory to the Collector of the port or a surety bond posted by a duly licensed surety company.

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 member 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 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 be revoked by the Commissioner of Customs (R.A. 7651, June 04, 1993).

SEC. 3408. Roster of Customs Brokers. - A roster showing the names and addresses of the customs brokers shall be prepared by the Commissioner of Civil Service during the month of July of every year. Copies of this roster shall be mailed to each person so registered and placed on file with the Office of the President of the Philippines and copies thereof, shall be furnished to the Office of the Secretary of Finance the Commissioner and Collector of Customs and to such other bureaus, government agencies and provincial and municipal authorities as may be deemed necessary, and to the public upon request.

SEC. 3409. Rules and Regulations by the Commissioner of Civil Service. - The Commissioner of Civil Service, upon recommendation of the Board of Examiners for Customs Brokers, shall promulgate such rules and regulations as may be necessary to carry out the provisions of Part 1 of this title.

PART 2. - MISCELLANEOUS PROVISIONS

SEC. 3501. Duty of Collector to Report Rulings to Commissioner. - When any new or unsettled question shall be determined by a collector, he shall, if the matter is not otherwise appealed for, review in the ordinary course, notify the Commissioner of his decision and submit adequate statement of the facts involved.

SEC. 3502. Application of Established Ruling or Decision. - A ruling or decision of the Commissioner of Customs which determines the construction or application of any provision of law imposing customs duties and which changes any existing established classification, interpretation or practice shall not take effect until after thirty days public notice shall be given in the form of a published customs tariff decision. When such ruling or decision favors the taxpayers, it shall become effective immediately.

SEC. 3503. Authority of Official to Administer Oaths and Take Testimony. - The Commissioner Collectors and their deputies, and other customs employees especially deputized by the Collector shall have authority to administer oaths and take testimony in connection with any matter within the jurisdiction of the Bureau of Customs and in connection therewith may require the production of relevant papers, documents, books and records in accordance with law.

SEC. 3504. General Bonds. - In cases where bonds are required to be given under the provisions of the customs and tariff laws, the Collector, instead of requiring separate special bonds where transactions of a particular party are numerous, may accept general bonds extending over such periods of time and covering such transactions of the party in question as shall be satisfactory to said Collector.

SEC. 3505. Supervision Over Attorneys -in -Fact. - No person acting as agent or attorney -in -fact of other persons shall be allowed to deal in matters pertaining to customs and/or tariff unless his duly notarized power of attorney has been approved by the Collector of the port. No more than one such continuing power may be accepted or recognized from any one person or acting as agent in the importation of articles unless he be a licensed customs broker Provided, That in ports of entry where there are two or more licensed customs brokers doing business as such customs brokers, no person shall act as agent or attorney - in -fact for any regular importer unless he is a full -time employee or official of such importer or principal receiving fixed compensation or salary as such.

SEC. 3506. Assignment of Customs Employees to Overtime Work. - Customs employees may be assigned by a Collector to do overtime work at rates fixed by the Commissioner of Customs when the service rendered is to be paid for by importers, shippers or other persons served. The rates to be fixed shall not be less than that prescribed by law to be paid to employees of private enterprise.

SEC. 3510. Reduction of Testimony to Writing. - When testimony is taken in any proceeding or matter under the authority of the Bureau of Customs, either party may require that the same be reduced to writing, and when so taken it shall be filed in the Office of the Collector and preserved for use or reference until final decision.

SEC. 3511. Collector Not Liable in Respect to Ruling in Customs Cases. - No Collector or other official of customs shall be in any way personally liable for or an account of any official ruling or decision as to which the person claiming to be aggrieved has the right to obtain either an administrative or judicial review, and except for misdelivery of articles a Collector shall not, in the absence of abuse of authority, be liable to any person for a loss occasioned either by his own official act or the acts of his subordinates.

SEC. 3512. Interest Prohibited to be Held by Customs Employees. - No person employed under the authority of the government in the collection of duties, taxes, fees and other charges in connection with imports and/or exports, shall own, either in whole or in part, any vessel or aircraft or act as attorney, agent or consignee for the owner of any vessel or aircraft or of any cargo laden on board the same nor shall any such person import or be concerned, directly or indirectly, in the importation of any article for sale into the Philippines.

SEC. 3513. Reward to Persons Instrumental in the Discovery and Seizure of Smuggled Goods. 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 in the discovery and seizure of such goods in accordance with ft rules and regulations to be issued by the Secretary of Finance.

The provisions of this section, and not those of Republic Act Numbered Twenty -three Hundred and Thirty - eight shall govern the giving of reward in cases covered by the former.

SEC. 3514. Requirement to Keep Records. - All importers are required to keep at their principal place of business, in the manner prescribed by regulations to be issued by the Commissioner of Customs and for a period of three (3) years from the date of importation, all the records of their importations and/or books of accounts, business and computer systems and all customs commercial data including payment records relevant for the

verification of the accuracy of the transaction value declared by the importers/customs brokers on the import entry.

All brokers are required to keep at their principal place of business, in the manner prescribed by regulations to be issued by the Commissioner of Customs and for a period of three (3) years from the date of importation copies of the above mentioned records covering transactions that they handle." (R.A. 9135, April 27, 2001)

SEC. 3515. Compliance Audit or Examination of Records. - The importers/customs brokers shall allow any customs officer authorized by the Bureau of Customs to enter during office hours any premises or place where the records referred to in the preceding section are kept to conduct audit examination, inspection, verification and/or investigation of those records either in relation to specific transactions or to the adequacy and integrity of the manual or electronic system or systems by which such records are created and stored. For this purpose, a duty authorized customs officer shall have full and free access to all books, records, and documents necessary or relevant for the purpose of collecting the proper duties and taxes.

In addition, the authorized customs officer may make copies of, or take extracts from any such documents. The records or documents must, as soon as practicable after copies of such have been taken, be returned to the person in charge of such documents.

A copy of any such document certified by or on behalf of the importer/broker is admissible in evidence in all courts as if it were the original.

An authorized customs officer is not entitled to enter any premises under this Section unless, before so doing, the officer produces to the person occupying or apparently in charge of the premises written evidence of the fact that he or she is an authorized officer. The person occupying or apparently in charge of the premises entered by an officer shall provide the officer with all reasonable facilities and assistance for the effective exercise of powers under this Section.

Unless otherwise provided herein or in other provisions of law, the Bureau of Customs may, in case of disobedience, invoke the aid of the proper regional trial court within whose jurisdiction the matter falls. The court may punish contumacy or refusal as contempt. In addition, the fact that the importer/broker denies the authorized customs officer full and free access to importation records during the conduct of a post -entry audit shall create a presumption of inaccuracy in the transaction value declared for their imported goods and constitute grounds for the Bureau of Customs to conduct a re -assessment of such goods.

This is without prejudice to the criminal sanctions imposed by this Code and administrative sanctions that the Bureau of Customs may impose against contumacious importers under existing laws and regulations including the authority to hold delivery or release of their imported articles." (R.A. 9135, April 27, 2001)

SEC. 3516. Scope of the Audit. -

(a) The audit of importers shall be undertaken:

(1) When firms are selected by a computer -aided risk management system, the parameters of which are to be based on objective and quantifiable data are to be approved by the Secretary of Finance upon recommendation of the Commissioner of Customs. The criteria for selecting firms to be audited shall include, but not be limited to, the following:

- (a) Relative magnitude of customs revenue from the firm;
- (b) The rates of duties of the firm's imports;
- (c) The compliance tract record of the firm; and
- d) An assessment of the risk to revenue of the firm's import activities.

(2) When errors in the import declaration are detected;

(3) When firms voluntarily request to be audited, subject to the approval of the Commissioner of Customs.

(b) Brokers shall be audited to validate audits of their importer clients and/or fill in information gaps revealed during an audit of their importer clients." (R.A. 9135, April 27, 2001)

SEC. 3517. Documents in Foreign Language. - Where a document in a foreign language is presented to a customs officer in relation to the carrying out of any duty or the exercise of any power of the Bureau of Customs under this Code, said document in a foreign language of this of this country." (RA 9135. P4wd 27,2001)

SEC. 3518. Records to be Kept by Customs. - The Bureau of Customs shall likewise keep a record of audit results in a database of importer and broker profiles, to include but not be limited to:

- (a) Articles of Incorporation;
- (b) The company structure, which shall include but not be limited to:
 - (1) Incorporators and Board of Directors;
 - (2) Key officers; and
 - (3) Organizational structure;
- (c) Key importations;
- (d) Privileges enjoyed;
- (e) Penalties; and
- (f) Risk category (ies)." (R.A. 9135, April 27, 2001)

SEC. 3519. Words and Phrases Defined. - As used in this Code:

"Foreign Port" means a port or place outside the jurisdiction of the Philippines.

"Port of Entry" is a domestic port open to both foreign and coastwise trade. The term includes principal ports of entry and subports of entry. A "principal port of entry" is the chief port of entry of the collection district wherein it is situated and is the permanent station of the Collector of such port. Subports of entry are under the administrative jurisdiction of the Collector of the principal port of entry of the district. Whenever the term "Port of Entry" is used herein, it shall include "airport of entry".

"Coastwise ports" are such domestic ports as are open to coastwise trade only. These include all ports, harbors and places not ports of entry.

"Vessels" includes every sort of boat, craft or other artificial contrivance used, or capable of being used, as a means of transportation on water.

"Aircraft" includes any weight -carrying devise or structure for the navigation of the air.

"Bill of Lading" includes airway bill of lading.

"Articles", when used with reference to importation or exportation, includes goods merchandise and in general anything that may be made the subject of importation or exportation.

"Transit cargo" is article arriving at any port from another port or place noted in the carrier's manifest and destined for transshipment to another local port or to a foreign port.

"Seized property" means any property seized or held for the satisfaction of any administrative fine or for the enforcement of any forfeiture under the Tariff and Customs Code.

"Tariff and customs laws" includes not only the provisions of this Code and regulations pursuant thereto but all other laws and regulations which are subject to enforcement by the Bureau of Customs or otherwise within its jurisdiction.

"Taxes" includes all taxes, fees and charges imposed by the Bureau of Customs and the Bureau of Internal Revenue.

"Secretary" or "Department head" refers, unless otherwise specified, to the Secretary of Finance.

"Commission" refers to the Tariff Commission.

"Person" whether singular or plural refers to an individual, corporation, partnership, association company or any other kind of organization.

"Dutiable value" refers to the value defined in section two hundred one.

"Bulk cargo" refers to products in a mass of one commodity not packaged, bundled, bottled or otherwise packed.

"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.

"Contrabands" are articles of prohibited importation or exportation.

"Duly Registered" as used in this Act, refers to a person, natural or juridical, which is registered with the proper government agencies, such as the Bureau of Commerce, Securities and Exchange Commission, NACIDA, Board of Investments, Export Incentives Board or Oil Commission as now or may hereafter be required by law. (R.A. 9135, April 27, 2001)

PART 3. - PROVISIONS ON PENALTIES

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 guilty of smuggling and shall be punished with:

1 . A fine of not less than fifty pesos nor more than two hundred pesos and imprisonment of not less than five days nor more than twenty days; if the appraised value, to be determined in the manner prescribed under this Code, including duties and taxes, of the article unlawfully imported does not exceed twenty -five pesos;

2. A fine of not less than eight hundred pesos nor more than five thousand pesos and imprisonment of not less than six 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 twenty -five pesos but does not exceed fifty thousand pesos;

3. A fine of not less than six thousand pesos nor more than eight thousand pesos and imprisonment of not less than five 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 art.,: unlawfully imported is more than fifty thousand pesos but does not exceed one hundred thousand pesos;

4. A fine of not less than eight thousand pesos nor more than ten thousand pesos and 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 artic unlawfully imported exceeds one hundred fifty thousand pesos;

5. The penalty of prison may or 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 for deportation. If the offender is a government official or employee, the penalty shall be the maximum as hereinabove prescribe and the offender shall suffer an additional penalty of perpetual disqualification from public office, to vote and to participate in any public election.

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 sufficient evidence to authorize conviction unless the defendant shall explain the possession to the satisfaction of the court: Provided, however, That payment of the tax due after apprehension shall not constitute a valid defense in any prosecution under this section.

SEC. 3602. Various Fraudulent Practices Against Customs Revenue. - Any person who makes or attempts to make any entry of imported or exported article by means of any false or fraudulent invoice, declaration, affidavit, letter, paper or by any means of any false statement, written or verbal, or by any means of any false or fraudulent practice whatsoever, or knowingly effects any entry of goods, wares or merchandise, at less than true weight or Measures thereof or upon a false classification as to quality or value, or by the payment of less than the amount legally due, or knowingly and willfully files any false or fraudulent entry or claim for the payment of drawback or refund of duties upon the exportation of merchandise, or makes or files any affidavit abstract, record, certificate or other document, with a view to securing the payment to himself or others of any drawback, allowance, or refund of duties on the exportation of merchandise, greater than that legally due thereon, or who shall be guilty of any willful act or omission shall, for each offence, be punished in accordance with the penalties prescribed in the preceding section.

SEC. 3603. Failure to Report Fraud. - Any master, pilot in command or other officer, owner or agent of any vessel or aircraft trading with or within the Philippines and any employee of the Bureau of Customs who, having cognizance of any fraud on the customs revenue, shall fail to report all information relative thereto to the Collector as by law required, shall be punished by a fine of not more than five thousand pesos and imprisonment for not more than one year. If the offender is an alien, he shall be deported after serving the sentence. If the offender is a public official or employee, he shall suffer additional penalty of perpetual disqualification to hold public office, to vote and to participate, in any election.

SEC. 3604. Statutory Offenses of Officials and Employees. - Every official, agent or employee of the Bureau or of any other agency of the government charged with the enforcement of the provisions of this Code, who is guilty of any delinquency herein below indicated shall be punished with a fine of not less than Five thousand pesos nor more than Fifty thousand pesos and imprisonment for not less than one year nor more than ten years and perpetual disqualification to hold public office, to vote and to participate in any public election.

(a) Those guilty of extortion or willful oppression under color of law;

- (b) Those who knowingly demand other or greater sums than are authorized by law or receive any fee, compensation, or reward except as by law prescribed, for the performance of any duty;
- (c) Those who willfully neglect to give receipts, as required by law for any sum collection in the performance of duty, or who willfully neglect to perform any of the duties enjoined by law;
- (d) Those who conspire or collude with another or others to defraud the customs revenue or otherwise violate the law;
- (e) Those who willfully make opportunity for any person to defraud the customs revenue or who do or fail to do any act with intent to enable any person to defraud said revenue;
- (f) Those who negligently or designedly permit the violation of the law by any other person;
- (g) Those who make or sign any false entry or entries in any book, or make or sign any false certificate or return in any case where the law requires the making by them of such entry, certificate or return;
- (h) Those who, having knowledge or information of a violation of the Tariff and Customs Law or any fraud committed on the revenue collectible by the Bureau, fail to report such knowledge or information to their superior official or to report as otherwise required by law;
- (i) Those who, without the authority of law, demand or accept or attempt to collect directly or indirectly as payment of otherwise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law; or
- (j) Those who, without authority of law, disclose confidential information gained during any investigation or audit, or use such information for personal gain or to the detriment of the government, the Bureau or third parties." (R.A. 9135, April 27, 2001)

SEC. 3605. Concealment or Destruction of Evidence of Fraud. - Any person who willfully conceals or destroys, any invoice, book or paper relating to any article liable to duty after an inspection thereof has been demanded by the Collector of any collection district or at any time conceals or destroys any such invoice, book or paper for the purpose of suppressing any evidence of fraud therein contained, shall be punished with a fine of not more than five thousand pesos and imprisonment for not more than two years.

SEC. 3606. Affixing Seals. - Any person who, without authority affixes or attaches a customs seal, fastening, or mark or any seal, fastening or mark purporting to be a customs seal, fastening or mark to any vessel, vehicle on land, sea or air, warehouse, or package, shall be punished with a fine of not more than twenty thousand pesos or imprisonment of not more than five years, or both. If the offender is an alien, he shall be deported after serving the sentence; and if he is a public official or employee, he shall suffer an additional penalty of perpetual disqualification to hold public office, to vote and participate in any election.

SEC. 3607. Removal, Breakage, Alteration of Marks. - Any person who without authority, willfully removes, breaks, injures, or defaces or alters any custom seal or other fastening or mark placed upon any vessel, vehicles, on land, sea or air, warehouse or package containing merchandise or baggage in bond or in customs custody, shall be punished with the penalty prescribed in Section 3606 hereof.

SEC. 3608. Removing or Repacking Goods in Warehouse. - Any person who fraudulently conceals, removes, or repacks merchandise in any warehouse or fraudulently alters, defaces or obliterates any marks or numbers placed upon packages deposited in such warehouse, or shall aid or abet in any such acts or omission, shall be punished with the penalties prescribed in Section 3606 hereof.

Merchandise so concealed, removed, or repacked, or packages upon which marks or numbers have been so altered, defaced or obliterated, or the value thereof, shall be forfeited to the government.

SEC. 3609. Removing Goods from Customs Custody. - Any person who maliciously enters any warehouse, or any vehicle laden with or containing merchandise with intent unlawfully to remove therefrom any merchandise or baggage in such vessels, vehicle or warehouse or otherwise in customs custody or control, or any person who receives or transports any merchandise or baggage unlawfully removed from any such vessel, vehicle or warehouse, or shall aid or abet such removal, shall suffer the penalties provided in Section 3606 hereof.

SEC. 3610. Failure to Keep Importation Records and Give Full Access to Customs Officers. - Any person who fails to keep all the records of importations and/or books of accounts, business and computer systems and all customs commercial data in the manner prescribed in Part 2, Section 3514 of this Title shall be punished with a fine of not less than One hundred thousand pesos (P 100,000.00) but not more than Two hundred thousand pesos (P 200,000.00) and/or imprisonment of not less than two (2) years and one day but not more than six (6) years. This penalty shall likewise be imposed against importers/brokers who deny an authorized customs officer full and free access to such records, books of accounts, business and computer systems, and all customs commercial data including payment records. This is without prejudice to the administrative sanctions that the Bureau of Customs may impose against the contumacious importers under existing laws and regulations including the authority to hold delivery or release of their imported articles.” (R.A. 9135, April 27, 2001)

SEC. 3611. Failure to Pay Correct Duties and Taxes on Imported Goods. - Any person who, after being subjected to post -entry audit and examination as provided in Section 3515 of Part 2, Title VII hereof found to have incurred deficiencies in duties and taxes paid for imported goods, shall be penalized according to three (3) degrees of culpability subject to any mitigating, aggravating or extraordinary factors that clearly established by the available evidence:

(a) Negligence - When a deficiency results from an offenders failure, through an act or acts omission or commission, to exercise reasonable care and competence to ensure that a statement made correct, it shall be determined to be negligent and punishable by a fine equivalent to not less than one -7(1/2) but not more than two (2) times the revenue loss.

(b) Gross Negligence - When a deficiency results from an act or acts of omission or commission done with actual knowledge or wanton disregard for the relevant facts and with indifference to or disregard for offender's obligation under the statute, it shall be determined to be grossly negligent and punishable by a fine equivalent to not less than two and a half (2 %) but not more than four(4) times the revenue loss.

(c) Fraud - When the material false statement or act in connection with the transaction was committed or omitted knowingly, voluntarily and intentionally, as established by clear and convincing evidence, it shall be determined to be fraudulent and be punishable by a fine equivalent ID not less than five (5) times but not more than eight (8) times the revenue loss and imprisonment of not less than two (2) years but not more than eight (8) years.

The decision of the Commissioner of Customs, upon proper hearing, to impose penalties as prescribed in this Section may be appealed in accordance with Section 2402 hereof.” (R.A. 9135, April 27, 2001)

SEC. 3612. Violations of Tariff and Customs Laws and Regulations in General. - Any person who violates a provision of this Code or regulations pursuant thereto, for which delinquency no specific penalty is provided, shall be punished by a fine of not more than one thousand pesos or by imprisonment for not more than one year, or both. If the offender is an alien he shall be deported after serving the sentence and if the offender is a public official or employee, he shall suffer disqualification to hold public office, to vote and participate in any public election for ten year (RA 9135, April 27, 2001)

FINAL PROVISIONS

SEC. 3701. Repealing Clause. - Sections 207, 301 (Subsection e, f, & k), 302 (Subsection - b), 513, 1024, 1108, 1109, 1208, 2530 (Subsection 1) and 3705 of Republic Act Numbered Nineteen Hundred and Thirty Seven, as amended by Presidential Decree Numbered Thirty Four are hereby repealed.

All Acts, Presidential Decrees, Executive Orders, Rules and Regulations or Ws thereof, in conflict with the provisions of this Code, are hereby likewise repealed.

SEC, 3702. Transitory Provisions. - All suits, proceedings or prosecutions whether civil or criminal, for causes arising or acts done or committed prior to the effectivity of this Code, shall be commenced and/or prosecuted within the same time in the same manner and with the same effect as if this Code had not been enacted and all rights acquired, offences committed and penalties forfeitures or liabilities waived prior to the said effectivity shall not be affected thereby.

Sections 602 (subsections d, e, 0, 801 to 831, 901 to 905, 910 to 913, 2507 to 2512, 2529 (except subsection h) and 3301 (except subsection l to s) of Republic Act Numbered Nineteen Hundred and Thirty Seven as amended by Presidential Decree Numbered Thirty Four are hereby deleted and the same, are incorporated in Republic Act Numbered Fifty One Hundred and Seventy Three, as amended, for enforcement by the Philippine Coast Guard.

Sections 602 (subsection 1), 1209, 1212, 1213, 2701, to 2703, 2801, 2802, 2901 to 2908, 3001 to 3005, 3101 to 3109, 3201 to 3203 and 3507 to 3509 of Republic Act Numbered

Nineteen Hundred and Thirty Seven as amended by Presidential Decree Numbered Thirty Four are hereby deleted and the same are incorporated in Presidential Decree Numbered Eight Hundred Fifty Seven, for enforcement by the Philippine Ports Authority.

SEC. 3703. Separability Clause. - If any part or parts of this Code should for any reason be held to be invalid or unconstitutional, the remaining parts thereof shall remain in full force and effect.

SEC. 3704. Effectivity Date. - This Code shall take effect immediately.