

## REPUBLIC OF THE PHILIPPINES DEPARTMENT OF FINANCE BUREAU OF CUSTOMS MANILA

April 7, 1992

customs memorandum erder no. 65-92

SUBJECT:

Adoption of SGS Seals used in the Comprehensive Import Supervision Service (CISS) for the Philippines as Customs Seals.

Pursuant to Section 551 of the Revised Administrative Code of the Philippines in relation to Section 608 of the Tariff and Customs Gode of the Philippines, as amended, and Joint Order No. 1 of the Department of Finance, all SGS seals presently used in the protection of the integrity of the pre-shipment inspection conducted by the SGS at the ports of exportation, and those to be designed and used heretofore, are hereby adopted as Customs seals upon their arrival at any port of entry in the Philippines. Hence, the removal, breakage or alteration of such seals shall subject the offender(s) to the penal provisions of Section 3607 of the Tariff and Gustoms Code of the Philippines, as amended.

This Order shall take effective immediately.

romas V. Apacible

Commissioner

## DISPOSITION FORM

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LULVILE YELLOUR CHA THE LOCALE

FOR: The Commissioner of Customs

FROM: The Acting Chief, ESS

THRU: The Deputy Commissioner, IEG

SUBJECT:	SGS STALS	•	DATE: 06 April  1992
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			Tel. No.

## SUMMARY:

- 1. The Commissioner of Customs expressed concern/apprehension on the possibilities of persons/groups tampering, mutilating or removing SGS seals to sabotage the effective implementation/ integrity of the CISS Globalization Program, during the last Staff meeting on Tuesday (31 March 1992).
- 2. Two (2) provisions of the Tariff and Customs Code of the Philippines, as amended, speak of customs seals, to wit:
  - 2.1. "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 held public office, to vote and to participate in any election."
  - 2.2. "SEC. 3607. Removal, Breakage, Alteration of Marks. Any person who without authority, wilfully removes, breaks, injures, or defaces or alters any customs seal or other fastening or mark placed upon a vessel, vehicle 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 thirty-six hundred six hereof."

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- 3. The SGS seals used in the security scheme to protect the integrity of the pre-shipment inspection conducted at the country of exportation by the SGS do not partake of the official nature of a customs seal contemplated under Sections 3606 and 3607 of the Tariff and Customs Code of the Philippines, as amended.
- 4. SGS is under official contract with the Republic of the Philippines with the Bureau of Customs as the contact office and implementing Philippine government instrumentality in the Comprehensive Import Supervision Service (CISS).
- 5. The Commissioner of Customs, by virtue of Section 608 (Commissioner to Make Rules and Regulations) of the Tariff and Customs Code of the Philippines, as amended, could issue a Customs Memorandum Order adopting the SGS seals as Customs seals thus giving these seals the officail nature of customs seals and render violators liable to the penal provisions of Sections 3606 and 3607 of the Tariff and Customs Code of the Philippines, as amended. This would strengthen the provisions of CMO No. 39-92, dated March 31, 1992.

## RECOMMENDATION:

- 1. Issuance of a Customs Memorandum Order adopting all SGS seals presently in use, and those to be used heretofore, in the Comppreshensive Import Supervision Service (CISS) for the Philippines; and
- 2. If the above recommendation finds favorable consideration attached herewith is a draft CMO for this purpose.