



# BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM

INTEGRITY

ACCOUNTABILITY

Republic of the Philippines,

Seizure Identification  
No. CFZ 115-2022

-versus-

Shipment said to contain **“twenty (20) pcs. Infant Shirt (made of cotton), five (5) pcs. Photo Album and fifteen (15) pcs. Local Made Men’s Short for Kids (made of cotton)”** destined to Berrinba, Queensland, Australia which will be shipped thru Federal Express (FedEx) Clark on 19 November 2022 under House Airway Bill No. 770530996161 but found to contain **fifty-two (52) reams Marlboro (Red) Cigarettes**

Exporter/Shipper:

**KEVIN JAY ESPINO**

Little Bumpers Wearing Apparel 202 M, De Castro St., Bagong Barrio, Brgy. 146 Caloocan City 1400 PH

Claimant.

X-----X

## DECISION

This resolves the seizure and forfeiture proceedings instituted against the above-captioned shipment for violation of Sections 117 and 1113 paragraphs (f) and (l) (3) and (4) of Republic Act (R.A.) No. 10863 otherwise known as the Customs Modernization and Tariff Act (CMTA) in relation to National Tobacco Administration (NTA) Memorandum Circular No. 002, Series of 2020.

As culled from the records, the material facts of the instant case are as follows:

On 19 November 2022, an export shipment destined to Berrinba, Queensland, Australia said to contain **“twenty (20) pcs. Infant Shirt (nade of cotton), five (5) pcs. Photo Album and fifteen (15) pcs. Local Made Men’s Short for Kids (made of cotton)”** exported by KEVIN JAY ESPINO consigned to Junon Lin arrived at the Federal Express (FedEx) gateway facility under House Airway Bill No. 770530996161. The same was marked for verification/physical examination by the X-ray Inspector on duty.

On even date, Trade Control Examiner Marife Folloso conducted physical examination on the subject shipment in the presence of representative from FedEx which led to the following findings:

AS DECLARED IN THE INVOICE	AS FOUND
Twenty (20) pcs. Infant Shirt (made of cotton) Five (5) pcs. Photo Album Fifteen (15) pcs. Local Made Men’s Short for Kids (made of cotton)	Fifty-two (52) reams Marlboro (Red) Cigarettes
<b>Value: USD 105.00</b> <b>Weight: 15.5 kgs.</b>	<b>Gross Weight: 15 kgs.</b>

Further verification of the importation documents submitted revealed that said cigarettes lacked the necessary Export Commodity Clearance (ECC) from the National Tobacco Administration (NTA).

On 28 November 2022, the Office of the District Collector received a Memorandum dated 22 November 2022 from Ms. Maricar N. Go and Ms. Foloso, Officer-In-Charge Export Unit and Acting Trade Control Examiner FedEx, respectively, recommending the issuance of a Warrant of Seizure and Detention (WSD) against the subject export shipment for violation of Sections 117 and 1113 paragraphs (i) and (l) (3) and (4) of R.A. No. 10863 otherwise known as the CMTA in relation to NTA Memorandum Circular No. 002, Series of 2020.

On even date, a WSD docketed as S.I No. CFZ 115-2022 was issued by the Officer-In-Charge, this Port, against the subject shipment for violation of Sections 117 and 1113 paragraphs (f) and (l) (3) and (4) of R.A. No. 10863 otherwise known as the CMTA in relation to NTA Memorandum Circular No. 002, Series of 2020.

Thereafter, hearings were scheduled on 07 and 09 December 2022, however, on 27 December 2022, the Office of the District Collector, this Port, received a Memorandum of even date from SP/Capt. Arnel A. Baylousis, returning the unserved Notice of Hearing and WSD because of unknown address of the exporter/shipper.

Thus, we resolve.

#### **ISSUE:**

Whether or not the subject shipment may be forfeited in favor of the government.

#### **DISCUSSION:**

In quasi-judicial proceedings, procedural rules governing service of notices/summons are not strictly construed. Substantial compliance thereof is sufficient. The constitutional requirement of due process with respect to service of summons only exacts that the service of summons be such as may reasonably be expected to give the notice desired.

In the case of **Scenarios, Inc. and/or Rhotziv Bago V. Jelly Vinluan (2008)**, the court considered as substantial compliance the service of summons by registered mail at respondent's place of business explaining therein that technical rules of procedure are not strictly applied in quasi-judicial proceedings; only substantial compliance is required.

Similarly, in the present case at hand, records show that Enforcement and Security and Service (ESS), this Bureau, served the Notice of Hearing and WSD thru mail via JRS Express, however, the same was unsuccessful because of unknown address of the exporter/shipper. Be it noted that said address of the exporter/shipper was taken from the exportation documents as submitted. Subsequently, Notice of Hearing and WSD were posted at the BOC Official Website and Bulletin Board.

Thus, this Office opines that the above-mentioned attempt to deliver the Notice of Hearing and WSD and posting the same at the BOC Official Website and Bulletin Board are sufficient enough to comply with the procedural due process as required by law.

Anent the issue on the forfeiture of goods, Section 117 of the CMTA is explicit:

#### **SEC 117. Regulated Importation and Exportation. –**

Goods which are subject to regulation shall be imported or exported only after securing the necessary goods declaration or export declaration, clearance, licenses, and any other requirements, prior to importation or exportation.  
x x x

xxx

Relative thereto, NTA Memorandum Circular No. 002, Series of 2020 defines the following, to wit:

**1. License to Export** is a written License issued by the NTA to a qualified exporter of tobacco leaf, tobacco products and other tobacco related supplies, materials and ingredients.

**4. Export Commodity Clearance** is a written declaration issued by the NTA allowing the exportation of the specific commodity, class/grade and quantity in terms of kilos/cases and FOB Value (US\$)

**7. Exporter** refers to a person, natural or juridical, duly authorized by the NTA to bring out from the country unmanufactured tobacco/manufactured tobacco products other tobacco related supplies, materials and ingredients.

Moreover, Section 5 thereof states:

**1. Application for ICC/ECC/TCC.** – For every shipment, importers/exporters of tobacco leaf, tobacco products, heated tobacco products and other tobacco related materials and ingredients shall secure from the NTA an ICC/ECC/TCC (NTA-RD-F-017 rev 02/018 rev 02) at least three working days prior to the date of unloading/loading of the commodity. xxx

In the case at hand, the subject shipment contained fifty-two (52) reams Marlboro (Red) Cigarettes which requires an ECC from the NTA. Unfortunately, claimant failed to submit the same prior to exportation of the said shipment.

Furthermore, Section 1113 paragraphs f and l (3) and (4) of the same Act is clear:

**SEC. 1113. Property Subject to Seizure and Forfeiture.** – Property that shall be subject to seizure and forfeiture include:

(f) Goods, the importation or exportation of which are effected or attempted contrary to law, or any goods of prohibited importation or exportation, and all other goods which, in the opinion of the District Collector, have been used, are or were entered to be used as instruments in the importation or the exportation of the former.

(l) Goods sought to be imported or exported:

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

(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 goods; or

XXX

Applying the abovementioned provisions of law in the case at hand, this office ruled that exportation of subject shipment is contrary to law. Be it noted that subject shipment was declared in the airway bill and commercial invoice as *“twenty (20) pcs. Infant Shirt (made of cotton), five (5) pcs. Photo Album and fifteen (15) pcs. Local Made Men’s Short for Kids (made of cotton)”* contrary to the findings of the Trade Control Examiner that the same contained **fifty-two (52) reams Marlboro (Red) Cigarettes.**

Moreover, it is worthy to note that Section 1123 of the CMTA is unequivocal and we quote:

“In all proceedings for the forfeiture of any vehicle, vessel, aircraft, or goods under this Act, the burden of proof shall be borne by the claimant.”

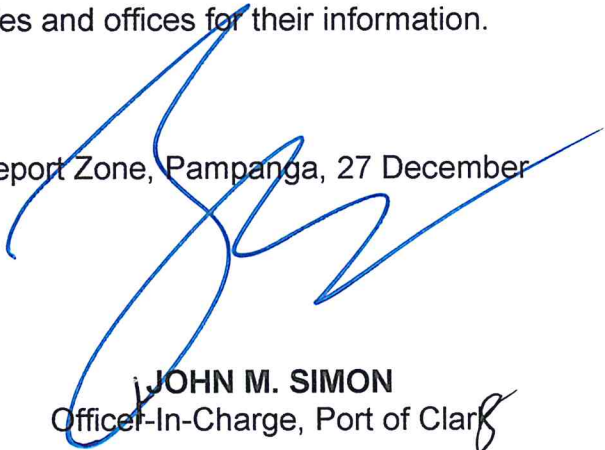
All told, subject shipment is liable for forfeiture for having been exported in violation of Sections 117 and 1113 paragraphs (f) and (l) (3) and (4) of R.A. No. 10863 otherwise known as the CMTA in relation to NTA Memorandum Circular No. 002, Series of 2020.

**WHEREFORE**, by virtue of the authority vested in me by law, it is hereby ordered and decreed that **shipment said to contain “twenty (20) pcs. Infant Shirt (made of cotton), five (5) pcs. Photo Album and fifteen (15) pcs. Local Made Men’s Short for Kids (made of cotton)”** destined to Berrinba, Queensland, Australia which will be shipped thru Federal Express (FedEx) Clark on 19 November 2022 under House Airway Bill No. 770530996161 but found to contain **fifty-two (52) reams Marlboro (Red) Cigarettes**, subject of this seizure and forfeiture proceeding, be **FORFEITED** in favor of the Government to be disposed of in the manner provided for by law.

Let copies of the Order be furnished all parties and offices for their information.

**SO ORDERED.**

Port of Clark International Airport, Clark Freeport Zone, Pampanga, 27 December 2022.

  
**JOHN M. SIMON**  
Officer-In-Charge, Port of Clark

Copy furnish:

Kevin Jay Espino  
Little Bumpers Wearing Apparel 202 M, De Castro St.,  
Bagong Barrio, Brgy. 146 Caloocan City 1400 PH

Maricar N. Go  
Officer-In-Charge, Export Unit

Marife V. Foloso  
Trade Control Examiner, FedEx

ESS-Port of Clark

CIIS-Port of Clark