

PORT DIGEST

Vol. 10 Issue No. 70 AUGUST 2018

The Official Newsletter of the Bureau of Customs



BOC POSTS P2 BILLION SURPLUS IN AUGUST

The Bureau of Customs' (BOC) improved collection performance remains consistent as it has exceeded target for seven consecutive months, posting a revenue surplus of P2.326 billion in August.

The bureau's revenue collection for August reached P51.739 billion up by 4.7 percent versus its collection target of P49.31 billion.

Preliminary data from the agency's Financial Service show 15 collection districts to have significantly contributed to this positive revenue collection performance. These are:

1. Port of Batangas collected P12.716 billion, up 11.2% or P1.276 billion;

2. Port of Manila collected P7.810 billion, up 5.1% or P382 million;

3. Port of Limay collected P3.435 billion, up 14.2% or P428 million;

4. Port of NAIA collected P3.106 billion, up 0.2% or P6 million;

5. Port of Cebu collected P2.513 billion, up 12.9% or P286 million;

6. Port of Davao collected P2.401 billion, up 51.4% or P815 million;

7. Port of Cagayan de Oro collected P1.913 billion, up 37.1 % or P517 million;

8. Port of San Fernando collected P397 million, up 47% or P127 million;

9. Port of Iloilo collected P378 million, up 41.1% or P110 million;

10. Port of Clark collected P147 million, up 13.1% or P17 million;

11. Port of Tacloban collected P102 million, up 363.4% or P80 million;

12. Port of Legaspi collected P33

million; up 40% or P9.5 million;

13. Port of Zamboanga collected P24 million, up 1.2% or P300,000;

14. Port of Aparri collected P7 million, up 43.7% or P2 million; and

15. Port of Surigao collected P2 million, up 46.6% or P700,000.

Not far from reaching their collection targets are the Manila International Container Port and the Port of Subic with a total collection of P14.782 billion and P1.478 billion, respectively.

According to customs chief, Isidro Lapena, the August collection is 35.1 percent higher than the P38.289 billion collection in the same period last year.

The bureau's Financial Service cites the bureau's consistent high revenue performance to the higher exchange

rate, increased oil price in the market, proper valuation and strong enforcement and revenue enhancing measures.

In addition, the one-strike policy of the Commissioner motivated the ports to consistently hit their targets.

The Bureau of Customs has so far collected a total of P384.3 billion revenue from January to August. This is 35 percent up against the P283.56 billion collection in 2017.

Last month, July, the bureau also surpassed its collection target by 4.1 percent, collecting more than P52.144 billion in revenue.

Meanwhile, Lapeña, during the celebration of his first year anniversary in the Bureau of Customs, commended the district collectors for their efforts to hit and exceed their collection targets.



BOC, PDEA BUST ONE OF BIGGEST DRUG HAULS IN PHILIPPINE HISTORY

The joint operation of the Bureau of Customs (BOC) and Philippine Drug Enforcement Agency (PDEA) have busted one of the biggest drug shipments in the country's history on Tuesday at the Manila International Container Port.

Inside the seized one 20-footer container DFSU1941859 with BL number 3108100599-22 are estimated to be more or less 500 kilos of methamphetamine hydrochloride, or shabu conspicuously hidden in two magnetic scrap lifter worth estimated P3.4 billion.

"The port operator of the MICP has sent a notice of abandonment on July 30 to the MICP district collector, 30 days after the consignee failed to file an entry for the shipment which arrived on June 28," Commissioner Isidro Lapeña said.

After the notice of abandonment, the Bureau of Customs proceeded with the standard operating procedures for examining the abandoned container. While waiting for the examination, the BOC has received an information from PDEA of a shipment that was shipped to MICP allegedly containing illegal drugs.

Upon inspection of the abandoned shipment from Malaysia, the BOC and PDEA authorities found two magnetic scrap lifter which is commonly used equipment in scrap yards. During confirmatory test of PDEA on August 7, the white crystalline substance concealed inside tested positive for shabu.

MICP District Collector Vener Baquiran has issued a hold order to

prevent the release of the shipment from the customs custody.

The initial result of the preliminary investigation showed that shipment belongs to Vecaba Trading of No. 712 Galicia St., Sampaloc, Manila and was declared to contain door frames. The record shows that the company owned by a certain Vedasto Cabral Baraquel is not accredited with the Bureau of Customs.

"The consignee is not accredited by the Bureau of Customs. I believe he intends to smuggle this shipment without the clearing process of the BOC. They did not see any chance to smuggle this because of the intensified anti-smuggling operations and the constant alerting of the bureau. It will be very risky on their part if they will push through with the shipment," the Customs chief said.

"This is the biggest shipment seized since I assumed as the BOC chief in August 2017.

"The fact that we prevented the

shipment to go to the market is an indication that some BOC employees do not want to cooperate with them. I would like to warn them if they still have dealings with drug syndicates because we will eventually catch up with them," the Bureau chief said.

The seized drugs were turned over to PDEA on August 7 for follow up investigation and proper disposition.

In a memorandum dated October 19, 2017, Commissioner Lapeña has ordered all BOC personnel to follow the proper protocols for the handling of dangerous drugs within the bureau.

All shipments found to contain dangerous drugs within the jurisdiction of BOC shall be turned over to PDEA, the lead agency in anti-smuggling campaign, for investigation and prosecution of cases involving importation of dangerous drugs.

In 2018, the Bureau of Customs was able to seize P 3,988,519,880.00 worth of smuggled illegal drugs and arrested 12 personalities.

Press Statement of Commissioner Isidro Lapeña on the recent drug seizures at MICP and discovery of magnetic lifters in Cavite

"Good afternoon everyone, thank you for joining us this afternoon. I would like to give you an update on the backtracking and ongoing investigation of the Bureau of customs on the intercepted shabu in MICP.

"As a former PNP officer and Director General of the Philippine Drug Enforcement Agency, I am one with the President, the Philippine Drug Enforcement Agency and the Philippine National Police, in addressing the drug problem in the country. I am fully aware and know the challenges and difficulties in running after these drug syndicates.

"However, I would like to state on record that paramount in increasing our effectiveness in carrying out our mandate of border protection in the suppression and prevention of smuggling of any commodity, is the timely receipt of intelligence information from the lead agencies, primarily tasked to eliminate illegal drugs in the country, and the close coordination with proper authorities between agencies.

"Our mechanisms are in place, and consistent with my policy to verify all derogatory information received, I would have immediately alerted all those shipments, and if necessary, the entire port to prevent therelease of illegal drugs. Since my assumption, the bureau of customs conducted intensified and relentless efforts against any forms of smuggling.

"The first time that I received information that includes the full details of the shipment was only on August 4 and immediately I put the container on hold.

"On August 7, the shipment consigned to Vecaba was opened and examined at the MICP. This shipment which was consigned to Vecaba trading arrived in MICP on June 28. And was abandoned by the consignee. Based on our record, this consignee is not accredited by the

Bureau of Customs.

"Immediately after the opening of the Vecaba shipment, I directed the intelligence group to conduct a thorough investigation.

"On August 8, four magnetic lifters were discovered in Cavite and immediately I ordered the backtracking of the said shipment.

"As a result of our backtracking investigation, it was identified that it was consigned to SMYD Trading, owned by Marina Dela Cruz Signapan with customs broker Katrina Grace Cuasay, declared the shipment as magnetic lifter. The shipment passed through the normal procedure. It was tagged red, had been x-rayed and examined, but, as what PDEA had said, the drugs inside it cannot be detected.

"We are closely coordinating with concerned agencies for assistance in the backtracking we are currently doing.

"Remember, together, we are all fighting against a very sophisticated, well-funded international syndicate that operates a large-scale drug smuggling business. This problem is not unique to the Philippines, and even countries with higher capabilities, continue to struggle against these drug cartels.

"If there is indeed collusion and any form of participation, or neglect of duty in any form, whether minor or extensive, of any customs employee with the consignee of this drug shipment, or if in fact, they have conspired with these international drug syndicates, they shall all be brought to the surface, and they shall regrettably pay the price for their reprehensible actions. I will bring them to justice and have them suffer under the full weight of the law.

"At the time of my assumption as the Commissioner of the Bureau of Customs, the Bureau was in the middle of the drug controversy, involving the 605 kilos shabu recovered in Valenzuela City. I knew then being in the Bureau of Customs, my fight

against illegal drugs will continue.

"This is the primary reason why, upon assumption, I immediately ordered the suspension of the green lane and this is still our policy to this day. And I have no plans of lifting the green lane suspension.

"On October 19, 2017, I issued a customs memorandum, reiterating that PDEA is the responsible agency in filing criminal and civil cases related to drugs for violation of RA 9165, while the Bureau of Customs, in filing criminal and civil cases, arising from violation of RA 10863 or Customs Modernization and Tariff Act.

"I have likewise provided the PDEA's seaport interdiction unit in MICP and Batangas office spaces, which has long been requested by PDEA to the Bureau, to ensure our close coordination and cooperation on drug matters.

"We are stepping up our investigation due to the major turn-around of events that came up in Cavite where, as I mentioned earlier, four (4) magnetic lifters allegedly containing shabu were recovered. The initial result of our backtracking indicate that those magnetic lifters were shipped to the country through the Manila International Container Port.

"The consignee of the shipment was identified as SMYD Trading with office address at 6th floor, Suite 605A Victoria Building, 4239 UN Avenue, Barangay 666, Manila. Based on record, SMYD trading is an active importer with 140 importations from January to July 2018 and all their importations were tagged red and that means they will pass have to go through the x-ray.

"On August 10, I have ordered the revocation the accreditation of SMYD Trading.

"As a matter of procedure, I have recommended the relief of the district collector of MICP.

"We will file the appropriate charges against the importer, SMYD trading and the customs broker that facilitated this shipment.

"Again, let me emphasize the importance of information sharing among agencies. The key here is timely information sharing between agencies. Proper coordination and intelligence sharing is crucial. I implore our partner agencies, primarily tasked to prevent and eliminate the presence of illegal drugs in the country, to immediately forward any information to us, so our mechanisms can come into play. The Bureau of Customs, being the frontliner in the war against drugs, should have been involved in this operation at the start and provided with the necessary information in time.

"The collaboration among all law enforcement agencies involved in the country's fight against drugs is invaluable. This is the only key to our collective success. As I mentioned, we are fighting a war against a sophisticated, well-funded syndicate that have clearly developed methods and utilize tools to prevent detection by our scanners.

"The Bureau of Customs remains firm in its resolve in the fight against illegal drugs. In fact, in my time alone, from August 30 to December 2017, the Bureau of Customs successfully intercepted an estimated P86.742 million worth of drugs and arrested 22 suspects.

"In 2018, we were able to intercept an estimated P2.976 billion worth of illegal drugs and was instrumental in the arrest of 12 drug personalities.

"Under my watch, the bureau of customs has seized a total of estimated P3.062 billion worth of illegal drugs.

"We are very much on board in the country's war against drugs and we will exert our efforts to continue protecting our nation and prevent the use of our ports in the smuggling of illegal drugs into the country."

USED LUXURY VEHICLES SEIZED BY BOC-NAIA



The Bureau of Customs seized on August 2 two (2) units second-hand motor vehicles estimated to be worth P28 million at the Ninoy Aquino International Airport in Pasay City.

BOC-NAIA district collector Carmelita Talusan issued on Wednesday the warrant of seizure and detention against the two (2) units motor vehicles consigned to Don Bosco Technical Institute of Makati, Inc. which have been sitting at the port since interception on August 05, 2017.

"The seized one (1) unit used Porsche Boxster S and one (1) unit used Porsche Panamera 4S has an estimated street value of P10-million and P18-million, respectively," said Commissioner Isidro Lapeña.

The subject motor vehicles were imported allegedly for educational and training purposes.

In a letter dated July 9, 2018, lawyer Sonia S. Tapales, Chief of Import Regulations Division of Department of Trade and Industry (DTI) said that the two used Porsche cars violated the Executive Order No. 156 which prohibits the importation of used motor vehicles.

Moreover, it was found that the consignee has no authority to import used motor vehicles which are still required even if the intention is for training purpose of any school.

"Only special purpose vehicles can have exemptions like fire trucks, ambulances, funeral hearses, crane lorries, boom trucks, tanker trucks, reefers, street sweepers, mixers, garbage compactors and special purpose trucks/vehicles," said Lapeña.

The Bureau, in view of the DTI ruling, issued the warrant of seizure and detention (WSD) against the subject motor vehicles for violation of sections 117 (Regulated Importation) and 1113 (Property Subject to Forfeiture) of the Customs Modernization and Tariff Act (CMTA) in relation to the Executive Order No. 156.

"The seizure was the result of the strong leadership of Commissioner Isidro S. Lapeña and his directive to the ports to look carefully into revenue leakages and to ensure compliance with the agency's rules and regulations," said Talusan.

BOC DESTROYS FORFEITED GOODS

In line with the public interest and transparency on the disposition of forfeited goods thru condemnation, the Bureau of Customs (BOC) destroyed on August 7 bales of ukay-ukay, more or less 7,200 cases of chicken legs, and various unclaimed cargoes worth P7.75 million at the Port Area, Manila.

The five 40-footer containers of frozen chicken leg quarter which came from USA in December 2014 has no covering import permit which prompted the seizure of the shipment. The lack of import permit has violated Section 2530(f) of the Tariff and Customs Code of the Philippines in relation to Bureau of Animal Industry rules and regulation.

During the hearing at the Port of Manila, the consignee, Mofels Food Int'l. Corporation has waived their right to claim the shipment because of accumulated storage and demurrage charges.

The chicken legs will be dumped in a

condemnation facility in Silang, Cavite.

Also, several unclaimed cargoes at the 8R Flanders warehouse were also destroyed such as used clothing, footwear/shoes, food flavoring, personal effects, and magazine.

It was abandoned by the importers at the Port of Manila.

Moreover, forfeited bales of used clothing inside one 40-footer container were also shredded at the facility of Northstar Shipping & Marine Services Inc.

Port of Subic has forfeited the ukay-ukay in favor of the government pursuant to Republic Act 4653 which prohibits the importation thereof, to safeguard public health.

The Bureau of Customs will conduct another condemnation of forfeited fake goods on August 10 in San Pedro, Laguna.

The customs chief has ordered the condemnation of all overstaying and forfeited goods at all ports of the country.



P39-M WORTH OF MISDECLARED SUGAR FOUND IN PORT OF MANILA

The Bureau of Customs-Port of Manila has forfeited P39.37 million worth of misdeclared sugar in 45 twenty-footer containers that were abandoned at the Port of Manila (POM).

District Collector Erastus Sandino Austria has issued a Decree of Abandonment against the shipment after the consignee failed to file the entry within the prescribed period. The sugar is forfeited in favor of the government by the Bureau of Customs.

The containers, which arrived on separate dates in June and July, were declared to contain packaging materials, kitchen utensils, and kraft paper. It was shipped from Thailand by Hup Lee Trading.

The 45 containers are consigned to Red Star Rising Corporation of Unit A, GF Binondo Warehouse Depot 3, 99 Barraca Cor. Muelle de Binondo, Manila. Records from the Account Management Office show that the company is owned by a certain Dante Lunar.

During inspection of the containers, as

part of the standard operating procedure, the customs examiners found 22,500 sacks of sugar in the 45 containers instead of the declared items, packaging materials, kitchen utensils, and kraft paper.

The shipment has violated Section 117 (Regulated Importation and Exportation), Section 1400 (Misdeclaration, Misclassification, Undervaluation in Goods Declaration) of the Customs Modernization and Tariff Act in relation to SRA-BOC Joint Memorandum Circular No. 4-2002.

SRA-BOC Joint Memorandum Circular No. 4-2002 provides that no imported sugar shall be released to the importer/ consignee without a Sugar Regulatory Administration (SRA) clearance.

The consignee, Red Star, also violated Republic Act 10845 or the Anti-Agricultural Smuggling Act of 2016.

Section 3 of Republic Act No. 10845 considers the smuggling of sugar in excess of 1 million pesos as economic sabotage.

The importer whose accreditation was



approved on September 17 last year has been revoked immediately by the Customs chief.

"Our intensified border protection, timely issuance of alert orders on shipments with derogatory information, regular spot inspection, and the strict measures in customs clearance may have caused the

abandonment of this misdeclared sugar in fear of being caught," Commissioner Isidro Lapeña said.

Lapeña has ordered all ports to heighten the border protection against all forms of smuggling as unscrupulous individuals are getting bolder in importing smuggled and contraband goods.



1-ASSESSMENT FOR A BIAS-FREE APPRAISAL

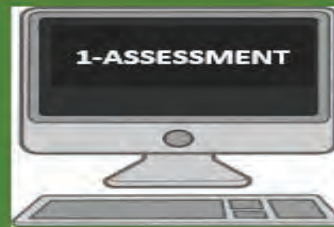


1. Lodge your Import Goods Declarations through your preferred VASP / AIP.



2. Once the Goods Declaration is submitted to E2M, prepare High Quality Electronic (100-200 dpi) images of the document that will be submitted to the assigned Customs Officer

- * Notarized Pre-SAD
- * Invoices
- * Packing List
- * Bill of Lading
- * Permits & Licenses
- * Other supporting documents (if applicable)



3. Go to egdvs-broker.customs.gov.ph, your access to the system have been defaulted to your Tax Identification Number (TIN) and Customs Client Number (CCN)



4. Upload the needed files and monitor the status of your Goods Declaration Lodgements from Examination Assignment all the way to Complete Assessment.

! You can only attach PDF, PNG or JPG files with a maximum size of 5MB / attached file.

5. Once Assessed, proceed to settlement of your Duties/Taxes and other fees through your Authorized Agent Bank.



FAKE CIGARETTE TAX STAMPS, OTHER GOODS SEIZED IN QC

Thousands of fake cigarette tax stamps, ukay-ukay, cigarettes, rice and other fake goods were found by the Bureau of Customs - Enforcement and Security Service (ESS) inside the warehouses in Quezon City.

"The fake cigarette tax stamps are estimated to be worth P8.5 billion, while the ukay-ukay, cigarettes, rice and other fake goods are valued at P150-million," said ESS Director Yogi Filemon Ruiz.

The apprehension is the result of the tip from an informant that fake cigarette tax stamps are stored inside various warehouses in PTFC compound located at No. 802 Marvex Drive corner A. Bonifacio Ave., Quezon City.

Acting on the report received, Commissioner Isidro Lapeña immediately issued on August 1, 2018, a Letter of Authority number 08-01-045-2018 to investigate and inspect the said compound.

Upon visit on August 2, four (4) warehouses were identified to contain highly dutiable goods.

Three (3) warehouses were found to contain 131 sacks of fake cigarette tax stamps, fifty (50) master cases of cigarettes, more than 1,000 sacks of rice, various used clothes, fake wallets, bags, and other fake goods without proof of payment of duties and taxes.

Also found inside the warehouses are twenty (20) boxes of wine bottles with

jewelries inside suspected to be of high value.

"These cigarette tax stamps were verified as fake through the taggant reader, an equipment used by the Bureau of Internal Revenue (BIR) to test the authenticity of cigarette tax stamps," said Lapeña.

According to BOC Spokesperson lawyer Erastus Sandino Austria, the bureau will coordinate with the BIR with regards to the discovery of fake cigarette tax stamps.

The BOC-ESS also reported that the 3 warehouses are owned by On Time Trading owned by certain Franco Wong, Patriana Navarro Wong, Johnny So, Arlene Hung Cai, Helios Hung, and Joyslyn Navarro Wong.

Other highly dutiable goods such as truck and auto parts, fertilizers and chemicals used for agricultural crops were also found in the two (2) separate warehouses. The goods are placed under customs custody pending submission of proof of payment of duties and taxes.

No arrest was made because the owners of the 5 warehouses were not in the premises during the raid.

The concerned party is given 15 days to prove or show the source of the goods and the payment of duties and taxes.

The importation of fake goods is a violation of the Republic Act No. 8293 or the Intellectual Property Code of the Philippines, and the pertinent provisions of the Customs Modernization and Tariff Act (CMTA)



BOC alerts misdeclared magnetic lifter in POM

The Bureau of Customs Chief inspected on Wednesday five alerted containers that arrived at the Port of Manila from China for possible misdeclaration.

The shipment was selected "Red" under the E2M Selectivity System and subjected to mandatory non-intrusive x-ray examination pursuant to the memorandum dated September 26, 2017.

"POM District Collector Erastus Sandino Austria issued an alert order against the shipment because the x-ray image showed items which appear to be different from what was declared in the import entry. Thus the shipment was tagged as "Suspect", the Commissioner said.

Upon examination of the five containers, customs authorities found two magnetic lifters in one of the containers that were similar to what was found at the Manila International Container Port.

Records from the Port of Manila showed that the shipment is consigned to Wan Chiong Steel Corp. of Quezon Road, San Isidro, San Simon Pampanga and was shipped by Xiamen TopSun Trade Co. Ltd.

It arrived on August 8 at the Manila South Harbor and covered by Import

Entry number of P02A C-100344-18. The goods were declared in the import entry as "industrial overhead cranes" but customs authorities found other items as well.

A Warrant of Seizure and Detention shall be issued against the subject goods for violation of Section 1400 (Misdeclaration, Misclassification, Undervaluation in Goods Declaration) in relation to Section 1113 (Property Subject to Seizure and Forfeiture) of the Customs Modernization and Tariff Act (CMTA).

Customs authorities are still determining the value of the intercepted equipment.

"All cargoes with discrepancy in the x-ray image and with derogatory information must be thoroughly checked to prevent any incidents of smuggling. I have ordered all ports to exercise extra vigilance over all coasts and seas to prevent the entry of smuggled and contraband goods from entering the Philippine borders. These smugglers are getting bolder and using more sophisticated methods, and we must exert extra effort to stop them," Commissioner Isidro Lapeña said.

Last week, the Bureau Chief has ordered the immediate examination of some 4,000 abandoned and overstaying cargoes at the Port of Manila and MICP to check any traces of contraband and smuggled goods.

BOC seizes P125-M worth of smuggled rice



One hundred 20-footer container carrying 2,500 tons of white rice said to be worth P125 million was seized by the Bureau of Customs at the Manila International Container Port (MICP) on Monday, August 13.

Based on reports, Commissioner Isidro Lapeña said the shipment contains around 50,000 bags of rice and originated from Thailand.

The shipment is consigned to Sta. Rosa Farm Products Corp., a rice importer who has a pending case

before the Department of Justice for the unlawful importation of 200 containers of rice without the required import permit, with office address at 2025 Ipil St., Sta. Cruz, Manila. The shipment was processed by customs broker Diosdado M. Santiago of Intramuros, Manila.

The alerted shipments arrived on June 14 without the necessary import permit from the National Food Authority.

On July 27, lawyer Vener Baquiran,

District Collector of the said port issued a warrant of seizure and detention against the cargo. The cargo was apprehended for violation of Section 117 in relation to NFA Letter Circular No. AO-2013-04-002, Section 1401 of the Customs Modernization and Tariff Act (CMTA) and Republic Act No. 10845 or the Anti-Agricultural Smuggling Act.

NFA Letter Circular No. AO-2013-04-002 provides that rice importers are required to secure an NFA permit before the shipment arrives in the country.

"Once the NFA is done with the examination and has issued report and recommendation as to the price, we will auction the goods immediately because of its perishable nature. The proceeds of the auction will be held in escrow pending final resolution of seizure and abandonment proceedings," Commissioner Lapeña said.

The NFA test result will determine whether the rice is fit for human consumption.

The apprehension was a result of the directive of the President and the Secretary of Finance to heighten the bureau's drive against smuggling of rice in the country.



P50-M fake goods destroyed in Laguna condemnation facility

San Pedro, Laguna -The Bureau of Customs on August 10 has destroyed approximately 500,000 pieces of fake goods estimated to be worth P50 million in an accredited condemnation facility located at San Pedro, Laguna and owned by Tritex Reverse Logistics Corp.

Among the shredded and crushed goods are fake sandals and rubber shoes bearing the brand names of Adidas and Nike, watch, t-shirts, long sleeves, pants, jacket, slippers, and kid's shoes.

The fake goods were among those intercepted during a warehouse raid in December 2017 at 142 Cuneta Ave., Pasay City by the agents of the Customs Intelligence and Investigation Service (CIIS) and Enforcement and Security Service (ESS).

The Intellectual Property Rights (IPR) infringing goods were seized on February 8 and consequently forfeited on July 16 by the Office of the District Collector of the Port of Manila.

At the outset, the owners failed to produce evidence of payment of duties and taxes and show evidence that the items were not fake which prompted the BOC to issue a warrant of seizure and detention.

The seized fake goods have violated Section 1113 (f) and (l) of the CMTA and Section 118(f) of the same Act, in relation to Section 166 of RA 8293 (Intellectual Property Code of the Philippines).

Section 1146 of the CMTA provides that all prohibited goods like counterfeit goods shall be destroyed.

"If these products successfully enter our market, it will affect legitimate businesses in the Philippines, that's why we proceeded with its destruction. This is to show also that none of the seized items are recycled by the employees of the Bureau of Customs," Commissioner Isidro Lapeña said.

In line with the public interest and transparency on the disposition of forfeited goods thru condemnation, the bureau chief has directed all ports of the BOC to publicly show and broadcast the condemnation of forfeited items.

BOC intensifies war on drugs, seizes P37.3-M illegal drugs in NAIA



The Bureau of Customs -Ninoy Aquino International Airport heeded to the orders of the Customs Commissioner to intensify the war against the entry of illegal drugs in airports and seaports.

Commissioner Isidro S. Lapeña together with Port of NAIA District Collector Carmelita M. Talusan on August 15 turned over to Philippine Drug Enforcement Agency (PDEA) some P37.3 million worth of illegal drugs seized on five separate occasions in a courier warehouse in Pasay.

Approximately 5,239 grams of

shabu concealed in a baby carrier, camera gift, bar stool, and finance magazines while 1,003 pieces of ecstasy hidden in a wooden toy were also seized.

The ongoing investigation of PDEA is verifying the authenticity the name of the consignees: Jaime Tui, Ronalyn Paralejas, Angelo Ledesma, and Magie Tobias, and the name of shipper: Angelita Baillo, Joemar Mata Ayuste, Irene Ledesma, Lutz Winning, and US Global Mail.

One suspect was nabbed by the joint operation of BOC and PDEA on July

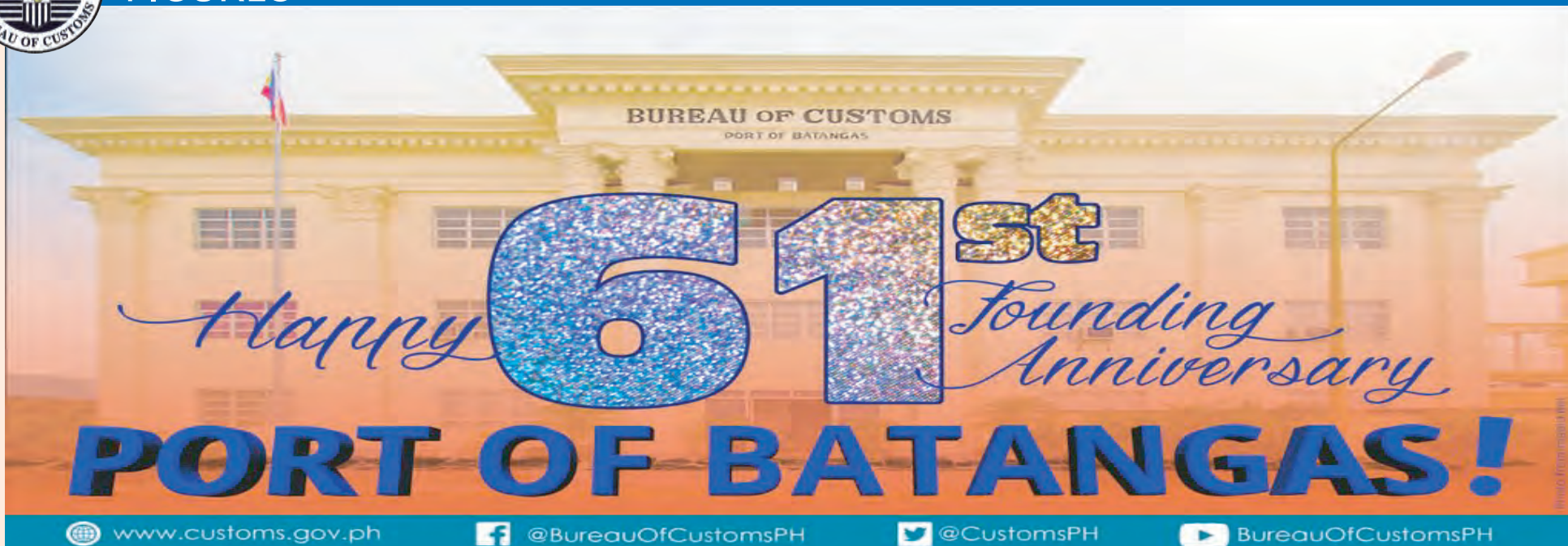
26 during the conduct of controlled delivery in Olongapo City. A certain John Lloyd Espinosa, 26, of 20 Foster St., New Banicaín, Olongapo City was apprehended for importing 3.63 grams of shabu concealed in a magazine.

One of the packages declared as baby carrier with 680 grams of shabu was intended for export to New Zealand while the remaining shabu came from the US. Ecstasy on other hand has originated from Germany.

This is in addition to the record-breaking 18 drug busts of Port of NAIA in the last 6 months with an estimated overall street value of P219.5 Million in support of the anti-drug campaign of President Rodrigo Roa Duterte.

Since August 30, 2017, the agency has been very proactive and relentless in its effort to combat the smuggling of illegal drugs. The Bureau was able to intercept an estimated P3.436 billion worth of illegal drugs and arrested a total of 23 drug personalities.

"The Bureau of Customs is very much on board in the country's war against drugs and we will exert our efforts to continue protecting our nation and prevent the use of our ports in the smuggling of illegal drugs into the country," the Commissioner said.



Port of Legazpi collects 24.8% above target in first half of the year

August 29, 2018, Legazpi City- Michael Angelo D. Vargas, assumed office as the new Acting District Collector of Bureau of Customs, Port of Legazpi, replacing Coll. Arsenia C. Ilagan, pursuant to CPO No. B-253-2018.

It can be remembered that Coll. Ilagan assumed office as the District Collector through a promotional appointment in March 22, 2018. During her five (5) months of service as District Collector, she was able to transform and enhance the Port, leading it into hitting its revenue targets and received five (5) certificates of commendation from the Commissioner including a certificate recognizing her commitment and leadership in motivating BOC personnel at Port of Legazpi. She was able to prevail in promoting teamwork and harmonious working relationship inside the port resulting to positive change in the personnel's attitude and mindset.

On her short duration as District Collector, she was able to maximize her time by visiting some of the Port's farthest Sub-ports, its stakeholders as well as other government agencies, promoting inter-agency coordination and information sharing. It was also through her drive and effort that a parcel of land was granted to Customs Legazpi by the City Government of Tabaco. The said parcel of land was to be used as a Sub-port Office building at the Sub-port of Tabaco located at Pier Site, Cormidal, Tabaco City settled by a Usufruct Agreement between the two agencies.

Coll. Ilagan expressed her appreciation for the support and respect that the personnel showed during her period in office, encouraging everyone to continue helping one another, at the same time, to extend the same support and cooperation to the new Port Collector.

Coll. Michael Angelo D. Vargas is a former Deputy Collector for Operations in Manila International Container Port (MICP).

He was also appointed as OIC-District

Collector in Port of Iloilo for seven (7) months after his promotion as Collector of Customs IV in 2014 but duly acted in 2016 and has been working for the Bureau since 2010.

In his message, Coll. Vargas, commended the personnel for their good performance in hitting the assigned target for the past months and expressed his full trust that the Port will continue the same performance under his leadership.

Collection Performance

Bureau of Customs, Port of Legazpi, for the first half of the year 2018 has been doing good and right on track in terms of its collection performance. For January to June, Port of Legazpi collected a total amount of Php166,078,310.77 against the target of Php133,000,000.00 resulting to a surplus of Php33,078,310.77 or a positive deviation of 24.87%. It can be remembered that compared to last year for the same period, the Port failed to hit its target for the months of April and May where the collection dropped and despite private rice shipments arrivals in February and March, these created a dent on the collection performance of the Port. The revenue collection continued to drop in the second semester of 2017, where shipments arrivals were supposed to thrive, making it impossible for the Port to succeed in reaching its target for that year.

For the month of July 2018, Port of Legazpi managed to collect a total of Php24,202,397.12 against its target collection of Php24,000,000.00 generating a surplus of Php202,397.12 or a positive deviation of 0.84%.

As of August 31, 2018, the Port was able to collect an amount of Php28,638,552.00 and exceeded its target of Php24,000,000.00, producing a surplus of Php4,638,552.00 or a positive deviation of 19.33%. Port of Legazpi will continue to strive on by giving its best efforts to meet the target for September and exceed the annual revenue collection target allocated to the Port.



After 9 years, Port of Manila exceeds target for four (4) consecutive months

One of the biggest Collection Districts of the Bureau of Customs, Port of Manila, has made another revenue collection feat after it surpassed its collection target for four (4) months straight since April 2018. from Port of Manila

Based on the report submitted by Ms. Nancy D. Reyes, Collection Division, Port of Manila, after nine (9) years, it is only in 2018 that this port has surpassed its target for four (4) consecutive months.

Port of Manila collected Php 7.68B in July, which is 2.12% higher than the Php 7.5B target; Php 7.76B in June, which is 8.09% higher than the Php 7.18B goal; Php 8.08B in May, up by 6.20% against the Php 7.6B target; and Php 7.42B in April, 6.23% higher than the Php 6.98B target.

The collection performance of the District jumped to Php 10.1B compared

to the same period last year.

Moreover, the port also registered its highest daily collection of P630M in May 17, 2018, breaking the recorded highest daily collection in December last year.

The outstanding collection effort of the Port of Manila can be attributed to the robust revenue collection from steel, motor vehicle, alcohol, and tobacco products. Other factors that contributed to the increase in the Port's revenue collection are weaker peso, proper customs valuation, and the strengthened campaign against illegal trade have also contributed to the impressive collection performance of the Port of Manila.

"The Port managed to continuously meet and surpass its monthly collection target through hard work and cooperation among our personnel as well as the active participation of our stakeholders", Collector Austria added.



PORT DIGEST, the official newsletter of the Bureau of Customs is published by Public Information and Assistance Division (PIAD) with editorial office at Rm. 103 OCOM Bldg., 16th Street South Harbor, Port Area Manila 1009. Tels: 527-1968/ 527-8259.

Editorial Team:
Maria Gerty D. Pagaran
Jessil F. Garlando
Mary Joy T. Lopez
Karren April A. Noronio

Photographers:
Jerome L. Monta
Mark Lester Alvarez

Circulation staff:
Mark Kevin C. Pilar
Joanne D. Agudo

PORT DIGEST welcomes your feedback. Kindly email to piad@customs.gov.ph

Customs seizes P15-M worth smuggled sugar, exposes new modus



"Contrary to what was reported to me that the content was in order, we found 10 container vans that were positive for violation of the Customs Modernization and Tariff Act," the Commissioner of the Bureau of Customs told newsmen during the inspection of 28 alerted shipments in Manila International Container Port on August 16.

Among the alerted shipments of some 12 consignees, as of press time, only Don Trading was found to contain misdeclared items. The customs authorities are still conducting re-examination and inventory on the remaining alerted shipments.

The P15 million worth of shipment belonging to Don Trading was put on hold by the Bureau after the Customs chief received an information that some containers have misdeclared sugar. Declared as refractory mortar, Don Trading has attempted to smuggle 5,000 sacks of sugar to the country.

MICP authorities said refractory mortar, similar to cement, is used for building brick or stone fireplaces, or other installations which are subjected to intense heat. It weighs and looks like sugar.

Records from the MICP show the shipment came from Thailand and arrived on July 13. The signing broker

was named Ameloden Buruan Riga of Quiapo, Manila and the company, Don Trading, was owned by a certain Dennis Orlanda Narra of Unit 411 4F La Maja Building, 459 Legaspi St., Intramuros, Manila.

A warrant of seizure and detention will be issued by the Office of the District Collector of MICP after the conduct of 100% examination of the customs authorities for violation of Section Section 1400 (Misdeclaration, Misclassification, Undervaluation in Goods Declaration) in relation to Section 1113 (Property Subject to Seizure and Forfeiture) of the CMTA.

The owner and the customs broker will also face criminal raps in violation of Republic Act 10845 or the Anti-Agricultural Smuggling Act of 2016.

Section 3 of Republic Act No. 10845 considers the smuggling of sugar in excess of 1 million pesos as economic sabotage.

"I believe this importer is part of a cartel who hold the smuggled sugar and will only release the commodity once the market prices are high. One of the reasons why the prices of the basic commodities are high because the prices are manipulated," Commissioner Isidro Lapeña said.

MICP modus exposed

Commissioner Lapeña said that

heads will roll after he ordered a full-blown investigation to some BOC personnel who are in collusion with the importer and customs broker, who recommended the lifting of alert order to his office.

This after he exposes a new modus in one of the biggest ports in the country, the MICP, during the conduct of re-examination of alerted shipments.

"I ordered the alert order to these container vans, however, the customs personnel in-charge of the examination submitted a report different from what was found during our re-examination today. They also submitted a recommendation of lifting order justifying that everything is in order despite the irregularity," the Bureau chief said.

He also ordered the administrative relief of the customs examiner, customs appraiser, the person who signed in behalf of the district collector, and other BOC personnel involved in the modus, pending investigation. "I will make them answer for this violation of law."

More than the discovery of smuggled sugar, the Bureau chief emphasized that the discovery of the modus is a very good development in the reforms of the agency.

"We have to keep everything checked and if needed, counterchecked, just to prevent the entry of smuggled goods in the country. If we did not conduct re-examination, these smuggled sugar could have entered the market taking advantage of the high prices of commodities," he added.

BOC prepares for fuel marking program to combat oil smuggling

As one of the agencies tasked to implement the fuel marking program mandated under the Tax Reform for Acceleration and Inclusion (TRAIN) law, the Bureau of Customs created a task force to oversee the preparation of the agency for the implementation of the anti-oil smuggling scheme.

Pursuant to Customs Special Order No. 49-2018, the Fuel Marking Task Force chaired by Enforcement Group and co-chaired by Intelligence Group shall formulate and prepare relevant administrative issuances subject to the approval of the Commissioner and/or Secretary of Finance; supervise the overall implementation of the Fuel Marking Program to ensure that the tasks are accomplished; determine the personnel complement and other administrative and logistical requirements; coordinate with the Department of Finance (DOF) Fuel Marking Technical Working Group, Procurement Service - Department of Budget and Management, and other concerned agencies; and prepare reports for the Commissioner.

The PS-DBM BAC has shortlisted on June 28, 2018 two (2) bidders, namely: SICPA SA and SGS Philippines Inc. Joint Venture (JV); and, Authentix, Inc. However, only SICPA SA and SGS Philippines Inc. JV has submitted a proposal during the submission and opening of bids held last July 27, 2018.

Envisioned to curb illicit trade of petroleum products, the fuel marking program shall be mandatory for five (5) years. According to the DOF, in 2016, the revenue loss from excise taxes and VAT due from smuggled or misdeclared fuel oil is estimated at P26.87 billion. The anti-oil smuggling scheme is seen to boost the collection of the revenue generating agencies, BOC and BIR, by P20 to P40 billion.

A total of 20,000 tests is envisioned to be conducted based on BOC and BIR's risk assessment and monthly operational plan. This is to check whether petroleum products available in the market have paid the corresponding duties and taxes.

"The fuel marking is required on all petroleum products that are refined, manufactured, or imported into the Philippines that are subject to the payment of duties and taxes such as but not limited to gasoline, denatured alcohol used for motive power, kerosene, and diesel fuel oil after the taxes and duties have been paid," Commissioner Isidro Lapeña said.

If the petroleum products do not contain the official marker or which contain the official marker but are diluted beyond the acceptable percentage, it shall be presumed that it was withdrawn with the intention to evade payment of taxes due.

Section 265-A of the National Internal Revenue Code, as amended by the TRAIN law has laid out the offenses and penalties relating to fuel marking.

"We will implement the law to plug leakages caused by fuel fraud. A robust fuel-marking program will help return the stolen revenue to the government," the Commissioner added.

BOC foils P25-M worth ecstasy in NAIA, suspect nabbed



BOC - Port of NAIA - Customs officers on August 17 nabbed the claimant of a parcel containing the party drug ecstasy estimated to be worth P25 million in street value.

The female claimant of the package was identified as Joan Loteia Reynoso, 42, a resident of Cavite City.

According to the Port of NAIA, the parcel was consigned to James Stanly and was sent by a certain Robeto Stanly.

The seized 14,720 pieces of ecstasy was concealed inside the Central Processing Unit (CPU) of a desktop

computer which arrived at the Central Mail Exchange Center (CMEC) in Pasay City on August 4, 2018.

Customs agents waited until someone came to the CMEC warehouse to claim and pick up the said package from France.

For several months now, BOC-NAIA has been active in apprehending illegal drug shipments in compliance to Customs Commissioner Isidro Lapeña's directive to secure the borders. This is also in support to the anti-drug campaign of President

Rodrigo Duterte. In April, the BOC-NAIA was able to seize 962 pieces of ecstasy from Netherlands and 1,003 pieces of ecstasy from Germany in July with an estimated street value of P3.34 million.

The series of drug seizures in the Port of NAIA is also due to the intensified coordination of the Bureau of Customs, the Philippine Drug Enforcement Agency, and the Ninoy Aquino International Airport Inter-Agency Drug Interdiction Task Group (NAIA-IADITG).

The Bureau of Customs is continuously upgrading its x-ray scanners in cargo and passenger terminals to strengthen vigilance in airports to prevent the entry of smuggled and contraband goods.

The seized illegal drugs and the claimant will be subjected to legal proceedings and will be turned over to the PDEA for further investigation.



Case Filing by the Bureau's Action Team Against Smugglers [BATAS]

Smuggling raps filed vs 5 importers, brokers
August 3

BOC runs after traders of various fake products and importer of smuggled cigarettes
August 9

BOC files smuggling raps vs importers of illegal drugs, smuggled sugar
August 16

Sugar smuggler, BOC cohorts face criminal raps
August 22

BOC files smuggling raps against sugar, rice importers
August 31



BUREAU OF CUSTOMS



joins the nation in celebrating the

16TH DEVELOPMENT POLICY RESEARCH MONTH

**Harnessing the Fourth Industrial Revolution:
CREATING OUR FUTURE TODAY**